

PROTEA UCITS II

Société d'investissement à capital variable incorporated in Luxembourg

PROSPECTUS

MAY 2017

No person is authorised to give any information other than that contained in the Prospectus and in documents referred to herein. The original English text of this Prospectus is the legal and binding version.

NOTE TO THE READERS

The attention of the reader is drawn to the fact that this Prospectus is composed of two parts.

The main part of the Prospectus describes the nature of PROTEA UCITS II (the “Fund”), presents its general terms and conditions and sets out its management and investment parameters which apply to the Fund as well as to the different Compartments that compose the Fund.

The second part groups the appendices relating to each of the Compartments in operation. The investment policies of each Compartment, as well as their specific features, are described in the appendices attached to the end of the main body of the Prospectus.

The appendices are an integral part of this Prospectus; they will be updated with the creation of each new Compartment.

For further information, please refer to the table of contents on page 2 of this Prospectus.

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MANAGEMENT AND ADMINISTRATION

Registered office of the Fund	15, avenue J.-F. Kennedy L-1855 Luxembourg
Board of Directors	
Chairman	Mr Rémy Obermann Executive Vice President Pictet Asset Services 60, route des Acacias CH-1211 Genève 73 Switzerland
Directors	Mr Frédéric Fasel Senior Vice President FundPartner Solutions (Europe) S.A. 15, avenue J-F. Kennedy L-1855 Luxembourg Grand-Duchy of Luxembourg
	Mr Mike Kara Assistant Vice President Pictet & Cie (Europe) S.A. 15A, avenue J.-F. Kennedy L-1855 Luxembourg Grand-Duchy of Luxembourg
Management Company	FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy, L-1855 Luxembourg Grand-Duchy of Luxembourg
Board of directors of the Management Company	Mrs Michèle Berger Senior Vice President FundPartner Solutions (Europe)S.A. 15, avenue J.F. Kennedy, L-1855 Luxembourg Grand-Duchy of Luxembourg
	Mr Marc Briol Equity Partner Banque Pictet & Cie S.A. 60 Route des Acacias CH-1211 Genève 73 Switzerland
	Mr Pierre Etienne ExecutiveVice-President Pictet & Cie (Europe) S.A.

15A, avenue J.-F. Kennedy
L-1855 Luxembourg
Grand-Duchy of Luxembourg

Me Claude Kremer
Partner
Arendt & Medernach S.A.
41A, avenue J.-F. Kennedy
L-2082 Luxembourg
Grand-Duchy of Luxembourg

Day-to-day managers of the Management Company

Mrs. Michèle Berger
Senior Vice-President,
FundPartner Solutions (Europe) S.A.
15, avenue J.-F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Mr Pascal Chauvaux
Senior Vice-President
FundPartner Solutions (Europe) S.A.
15, avenue J.-F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Mr Cédric Haenni
Senior Vice-President
Banque Pictet & Cie S.A.
60 Route des Acacias
CH-1211 Genève 73
Switzerland

Mr Dorian Jacob
Vice-President
FundPartner Solutions (Europe) S.A.
15, avenue J.F. Kennedy,
L-1855 Luxembourg
Grand Duchy of Luxembourg

Depository

Pictet & Cie (Europe) S.A.
15A, avenue J.-F. Kennedy
L-1855 Luxembourg

Central Administration Agent

FundPartner Solutions (Europe) S.A.
15A, avenue J.-F. Kennedy
L-1855 Luxembourg

Auditor

Deloitte Audit, *Société à responsabilité limitée*
560, route de Neudorf
L-2220 Luxembourg

Legal advisor

Arendt & Medernach S.A.
41A, avenue J.-F. Kennedy
L-2082 Luxembourg
Grand-Duchy of Luxembourg

Investment Managers:

[Duet MENA Limited]
Office 10, Level 4, Currency House
DIFC, Dubai PO Box 482011
UAE

Banque Pictet & Cie S.A.
Route des Acacias 60,1211 Genève
Switzerland

Stanhope Capital LLP
35, Portman Square
London W1H6LR
United Kingdom

ACPI Investments Limited
37-43 Sackville Street
London W1S3EH
United Kingdom

SUMMARY

The main part of the Prospectus describes the nature of the Fund, presents its general terms and conditions and sets out its management and investment parameters which apply to the Fund as well as to the different Compartments that compose the Fund.

The Directors, whose names appear under Section "Management and Administration" above, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

The Shares are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund, the Directors and/or the Management Company. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

The information contained in this Prospectus will be supplemented by the KIIDs, the financial statements and further information contained in the latest annual and semi-annual reports of the Fund, copies of which may be obtained free of charge from the registered office of the Fund.

The Fund is an open-ended investment company organised as a *société d'investissement à capital variable* (SICAV). The Fund is registered under Part I of the 2010 Law . This registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Fund.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

United States: the distribution of this Prospectus and the offering of Shares in certain other jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Fund to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or registered or qualified under applicable state statutes and (except in a transaction which is exempt from registration under the 1933 Act and such applicable state statutes) none of the Shares may be offered or sold, directly or indirectly, in the United States of America or in any of its territories or possessions (the "United States"), or to any US Person (as defined herein) regardless of location. The Fund, may at its discretion, sell Shares to US Persons on a limited basis and subject to the condition that such purchasers make certain representations to the Fund which are intended to satisfy the requirements imposed by US law on the Fund, which limit the number of its Shareholders who are US Persons, and which ensure that the Fund is not engaged in a public offering of its Shares in the United States. In addition, the Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "1940 Act") and investors will not be entitled to the benefit of the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment entities, if the Fund has more than 100 beneficial owners of its Shares who are US Persons, it may become subject to the 1940 Act.

The Fund will not knowingly offer or sell Shares to any investor to whom such offer or sale would be unlawful, or might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantages which the Fund might not otherwise incur or suffer or would result in the Fund being required to register under the 1940 Act. Shares may not be held by any person in breach of the law or requirements of any country or governmental authority including, without limitation, exchange control regulations. Each investor must represent and warrant to the Fund that, amongst other things, he is able to acquire Shares without violating applicable laws. Power is reserved in the Articles to compulsorily redeem any Shares held directly or beneficially in contravention of these prohibitions.

However, it is contemplated that the Fund may decide to accept applications for Shares in the Fund from a limited number of accredited investors (as defined in the 1933 Act) in the United States provided that the Fund receives evidence satisfactory to it that the sale of Shares to such an investor is exempt from registration under the securities laws of the United States including, but not limited to, the 1933 Act and that, in all events there will be no adverse tax consequences to the Fund or to Shareholders as a result of such a sale.

Generally: the above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

For further information, please refer to the table of contents of this Prospectus. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant or other professional adviser.

In view of economic and share market risks, no assurance can be given that the Fund will achieve its investment objectives and the value of the Shares can rise or fall.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in General Meetings, if the investor is registered himself/herself/itself and in his/her/its own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his/her/its own name but on behalf of the investor, it may not be possible for the investor to exercise certain Shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

Data Protection

Investors are informed that their personal data and any information that is furnished in connection with an investment in the Fund will be collected, stored in digital form and otherwise processed by the Portfolio Managers, Management Company, Depositary, Registrar and Transfer Agent, Administrative Agent and Paying Agent, Portfolio Managers and Investment Advisers (each as defined hereabove), distributors or their delegates (the "Entities") as data processor, as appropriate in compliance with the provisions of the Luxembourg law of 2 August 2002 on data protection (as amended from time to time) (the "2002 Law"). Information may be processed for the purposes of carrying out the services of the Entities to the investors and to comply with applicable legislations or regulations including but not limited to, anti-money laundering legislation, FATCA, legislation for the purpose of application of the CRS or similar laws and regulations on data controllers or processors (as defined in the 2002 Law), as appropriate. The information may be used in connection with investments in other investment fund(s) managed by the Investment Managers, the Management Company or their affiliates. Information shall be disclosed to third parties where necessary for legitimate business interests only. This may include

disclosure to third parties such as governmental or regulatory bodies including tax authorities, auditors, accountants, distributors, subscription and redemption agents as well as permanent representatives in place of registration or any other agents of the Entities who may process the personal data for carrying out their services and complying with legal obligations as described above. Investors especially acknowledge that the Registrar and Transfer Agent, Administrative Agent and Paying Agent of the Fund may have to transmit information regarding an investor to the Luxembourg tax authorities if so required by such tax authorities in accordance with the provisions of the Luxembourg law of 31 March 2010 on the approbation of tax treaties and for the provision of the applicable procedure regarding on demand information exchange.

By subscribing or purchasing Shares of the Fund, investors consent to the processing of their information and the disclosure of their information to the parties referred to above including companies situated in countries outside of the European Economic Area which may not have the same data protection laws as in Luxembourg and to answer to some mandatory questions in compliance with FATCA and CRS. The transfer of data to the aforementioned entities may transit via and/or be processed in countries which may not have data protection requirements deemed equivalent to those prevailing in the European Economic Area. Investors may request access to, rectification of or deletion of any data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection legislation. Reasonable measures have been taken to ensure confidentiality of the personal data transmitted within the above mentioned parties. However, due to the fact that the information is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection regulation as currently in force in Luxembourg may not be guaranteed while the information is kept abroad.

Investors have a right of access and of rectification of the personal data in cases where such data is incorrect or incomplete.

PERSONAL DATA SHALL NOT BE HELD FOR LONGER THAN NECESSARY WITH REGARD TO THE PURPOSE OF THE DATA PROCESSING.

DEFINITIONS

In this Prospectus, the following defined terms shall have the following meanings:

“2010 Law”	Means the law dated 17 December 2010 on undertakings for collective investment, as may be amended from time to time;
“Articles”	Means the articles of incorporation of the Fund as the same may be amended, supplemented or otherwise modified from time to time;
“Appendix”	Means each supplement to this Prospectus describing the specific features of a Compartment. Each such supplement is to be regarded as an integral part of the Prospectus;
“Auditor”	Means Deloitte Audit, <i>Société à responsabilité limitée</i> ;
“Board of Directors”	Means the board of directors of the Fund;
“Business Day”	Means a day on which banks are open for business (during the whole day) in Luxembourg;
“Business Year”	Means a 12 months period ending on 30 June;
“Calculation Day”	Means the Business Day on which the NAV, as defined below, will be calculated and published, as specified in each Compartment Appendix.
“Central Administration”	Means FundPartner Solutions(Europe) acting as Registrar, Transfer, Domiciliary, Corporate, Paying and Administrative Agent;
“CHF”	Means Swiss franc, the currency of the Swiss Confederation;
“Circular 04/146”	Means the CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;
“Compartment”	Means a separate portfolio of assets established for one or more categories of Shares which is invested in accordance with a specific investment objective. The specifications of each Compartment will be described in their relevant Appendices;
“CSSF”	Means the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority;
“Depositary”	Means Pictet & Cie (Europe) S.A. acting as depositary of the Fund;
“Depositary Agreement”	Means the agreement between the Fund and Pictet & Cie (Europe) S.A. acting as depositary, as amended, supplemented or otherwise modified from time to time;
“Directive 78/660/EEC”	Means Council Directive 78/660/EEC of 25 July 1978 based on Article 54 (3) g) of the Treaty on the annual accounts of certain types of companies, as amended from time to time;

“Directive 83/349/EEC”	Means Council Directive 83/349/EEC of 13 June 1983 based on the Article 54 (3) (g) of the Treaty on consolidated accounts, as amended from time to time;
“Directive 2007/16/EC”	Means Commission Directive 2007/16/EC of 19 March 2007 implementing Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended;
“Directive 2009/65/EC”	Means 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), as amended by Directive 2014/91/EU of the European Parliament and Council of 23 July 2014 as regards depositary functions, remuneration policies and sanctions and as may be further amended in the future;
“Directors”	Means the directors of the Fund, whose details are set out in this Prospectus and/or the annual and semi-annual reports;
“Eligible Investments”	Means eligible investments for investment by UCITS within the meaning of Article 41 (1) of the 2010 Law;
“ESMA Guidelines 2014/937”	ESMA Guidelines 2014/937 of 1 August 2014 on ETFs and other UCITS issues;
“EU”	Means the European Union;
“EU Member State”	Means a member State of the EU;
“EU Savings Directive”	Means the Council Directive 2003/49/EC of 3 June 2003 on the taxation of savings income in the form of interest payments;
“EUR”	Means Euro, the single currency of the EU Member States that have adopted the Euro as their lawful currency;
“GBP”	Means Great Britain Pound, the currency of the United Kingdom;
“General Meeting”	Means a general meeting of the Shareholders;
“Grand-Ducal Regulation”	Means the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment 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 undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions;
“Group of Companies”	Means companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules;

“Initial Subscription Date” or “Initial Subscription Period”	Means, with respect to each Compartment, the first offering of Shares in a Compartment made pursuant to the terms of the Prospectus and the Appendix of the relevant Compartment;
“Initial Subscription Price”	Means the price at which Shares are issued in respect of subscriptions received during the Initial Subscription Period, as determined for each Compartment and category of Shares in the Appendix of the relevant Compartment;
“Institutional Investor”	Means an investor meeting the requirements to qualify as an institutional investor for purposes of article 174 of the 2010 Law;
“Investing Compartment”	Has the meaning as set out in Section 21.31 of the main body of the Prospectus;
“Investment Adviser”	Means such entity from time to time appointed as investment adviser of a particular Compartment as disclosed in the relevant Appendix;
“Investment Advisory Agreement”	Means the investment advisory agreement entered into with a particular Investment Adviser of a Compartment as further set out in the Appendix of the relevant Compartment.
“Investment Company Act”	Means the U.S. Investment Company Act of 1940, as amended;
“Investment Management Agreement”	Means the investment management agreement entered into with a particular Investment Manager of a Compartment as further set out in the Appendix of the relevant Compartment.
“Investment Manager”	Means such entity from time to time appointed as investment manager of a particular Compartment as disclosed in the relevant Appendix;
“KIID”	Means key investor information document in respect of each Compartment or category of Shares (as appropriate);
“Late Trading”	Means any late trading practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, i.e., the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such orders at the price based on the net asset value applicable to such same day;
“Luxembourg”	Means the Grand Duchy of Luxembourg;
“Management Company”	Means FundPartner Solutions (Europe) S.A.;
“Management Company Services Agreement”	Means the agreement between the Fund and the Management Company as amended, supplemented or otherwise modified from time to time;
“Market Timing”	Means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular,

i.e., an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;

“Money Market Instruments”	Means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;
“Net Asset Value” or “NAV”	Means, (i) in relation to the Fund, the value of the net assets of the Fund, (ii) in relation to each Compartment, the value of the net assets attributable to such Compartment, and (iii) in relation to each category of Shares in a Compartment, the value of the net assets attributable to such category of Shares, in each case, calculated in accordance with the provisions of the Articles and the Prospectus;
“Net Asset Value per Share” or “NAV per Share”	Means the Net Asset Value of the relevant Compartment divided by the number of Shares in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption) or if a Compartment has more than one category of Shares in issue, the portion of the Net Asset Value of the relevant Compartment attributable to a particular category of Shares divided by the number of Shares of such category of Shares in the relevant Compartment which are in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption);
“NOK”	Means Norwegian Krone, the currency of Norway;
“OECD”	Means the Organisation for Economic Co-operation and Development;
“OECD Member State”	Means any of the member States of the OECD;
“OTC”	Means over-the-counter;
“OTC Derivative”	Means any financial derivative instrument dealt in over-the-counter;
“Other Regulated Market”	Means a market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed in current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a state or a public authority which has been delegated by that state or by another entity which is recognised by that state or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public;
“Other State”	Means any state of Europe which is not a EU Member State and any state of America, Africa, Asia, Australia and Oceania and, as appropriate, of the OECD;
“Prospectus”	Means the sales prospectus relating to the issue of Shares in the Fund, as amended from time to time;

“Reference Currency”	Means, in relation to each Compartment, the currency in which the Net Asset Value of such Compartment is calculated, as stipulated in the Appendix of the relevant Compartment;
“Regulated Market”	Means a regulated market as defined by the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments (the “Directive 2004/39/CE”), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterised by the fact that regulations issued or approved by the competent authorities define the conditions for the operations of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/CE.
“RESA”	Means the Luxembourg Recueil électronique des sociétés et associations
“Section”	Means a section of this Prospectus;
“Securities Act”	Means the U.S. Securities Act of 1933, as amended;
“Shareholder”	Means a person who is the registered holder of Shares in the Fund;
“Shares”	Means shares in the Fund, of such category of Shares and denominated in such currencies and relating to such Compartments as may be issued by the Fund from time to time;
“Target Compartment”	Has the meaning as set out in Section 21.31 of the main body of the Prospectus;
“Transferable Securities”	Means <ul style="list-style-type: none"> • shares and other securities equivalent to shares; • bonds and other debt instruments; • any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments, within the meaning of the 2010 Law;
“UCI”	Means an undertaking for collective investment within the meaning of article 1, paragraph (2), points a) and b) of the UCITS Directive, whether situated in a EU Member State or not, provided that: <ul style="list-style-type: none"> • such UCI is authorised under laws which provide that it is subject to supervision that is considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured; • the level of guaranteed protection for Shareholders in such UCI is equivalent to that provided for Shareholders 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; • the business of such UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and

operations over the reporting period;

“UCITS”	Means an undertaking for collective investment in transferable securities under the UCITS Directive;
“UCITS-CDR”	Means the Commission Delegated Regulation of 17 December 2015 supplementing Directive 2009/65/EC with regard to obligations of depositaries;
“UCITS Directive”	Means Directive 2009/65/EC, as amended from time to time;
“United States” or “U.S.”	Means the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;
“USD”	Means the United States Dollar, the currency of the United States of America;
“U.S. Person”	Means, unless otherwise determined by the Directors, (i) a natural person who is a resident of the United States; (ii) a corporation, partnership or other entity, other than an entity organised principally for passive investment, organised under the laws of the United States and which has its principal place of business in the United States; (iii) an estate or trust, the income of which is subject to United States income tax regardless of the source; (iv) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business in the United States; (v) an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who qualify as U.S. Persons or otherwise as qualified eligible persons represent in the aggregate ten per cent or more of the beneficial interests in the entity, and that such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons; or (vi) any other “U.S. Person” as such term may be defined in Regulation S under the Securities Act, or in regulations adopted under the U.S. Commodity Exchange Act, as amended;
“Valuation Day”	Means each Business Day as of which the Fund’s assets will be priced (i.e. usually at market closure prices). Time referred to in this Prospectus is Luxembourg time.

MAIN PART OF THE PROSPECTUS

1. LEGAL STATUS

- 1.1 PROTEA UCITS II is an investment company with variable capital with multiple compartments ("*société d'investissement à capital variable*" - SICAV) governed by Luxembourg law, established in accordance with the provisions of Part I of the 2010 Law.
- 1.2 The Fund was incorporated for an indefinite period on 21 October 2009 under the name of "Axiom Fund", with an initial capital of Euro 300,000, by an extraordinary General Meeting of the Shareholders, held on 21 October 2009. The Articles of the Fund were last amended on [date to be inserted in due time], by notarial deed, and have been published in the RESA on [date to be inserted in due time]. The consolidated Articles were filed with the RESA where copies may be obtained.
- 1.3 The Fund is registered with the Luxembourg trade and companies register under number B 148792.
- 1.4 The Fund's capital shall at all times be equal to the value of its total net assets; it may never fall below the minimum capital as required by law. This minimum capital shall be reached within a period of six months following registration of the Fund in the official list of UCIs by the CSSF.

2. INVESTMENT OBJECTIVES AND FUND STRUCTURE

- 2.1 The purpose of the Fund is to offer investors access to a world-wide selection of markets and a variety of investment techniques via a range of speciality products ("Compartments") included under a same and single structural umbrella.
- 2.2 The investment policy implemented in the various segregated Compartments shall be laid down by the Board of Directors. A broad spread of risks will be achieved by diversifying investments over a large number of Transferable Securities and other assets permitted by the 2010 Law. The selection of securities will not be limited - except under the terms of the restrictions specified in the Section "Investment Restrictions" below - as regards geographical area or economic consideration, nor as regards the type of eligible instruments.
- 2.3 The Board of Directors is entitled to create new Compartments. A list of those Compartments in existence at present, together with a description of their investment policy and main features, is attached as Appendix to this Prospectus.
- 2.4 This list forms an integral part of this Prospectus and will be updated whenever new Compartments are created.

3. ORGANISATION OF MANAGEMENT AND ADMINISTRATION

- 3.1 The Board of Directors is responsible for managing the Fund, monitoring its operations as well as specifying and implementing investment policy.
- 3.2 Notwithstanding the foregoing, the Fund may designate a management company, in accordance with the relevant provisions of the 2010 Law.

Management Company

Corporate information

The Board of Directors have appointed FundPartner Solutions (Europe) S.A. to serve as its designated management company of the Fund (the "Management Company") within the meaning of the 2010 Law and pursuant to a management company services agreement entered into between the Fund and the Management Company with effect as of 1 January 2013 (the "Management Company Services Agreement").

- 3.3 FundPartner Solutions (Europe) S.A. was incorporated as a *société anonyme* (public limited liability company) under Luxembourg law for an indefinite period on 17 July 2008, under the denomination Funds Management Company S.A. Its fully paid-up capital is CHF 6,250,000 at the date of this Prospectus.

Duties

- 3.4 The Management Company will provide, subject to the overall control of the Board of Directors, and without limitation: (i) asset management services; (ii) central administration, registrar and transfer agency services; and (iii) distribution services to the Fund. The rights and duties of the Management Company are further set out in articles 101 et seq. of the 2010 Law.
- 3.5 The Management Company must at all time act honestly and fairly in conducting its activities in the best interests of the Shareholders, and in conformity with the 2010 Law, this Prospectus and the Articles.
- 3.6 The Management Company is vested with the day-to-day management and administration of the Fund. In fulfilling its duties pursuant to the 2010 Law, and the Management Company Services Agreement, the Management Company is authorised, for the purposes of the efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Fund, and subject to the approval of the CSSF, part, or all of its functions and duties to any third party, which, having regard to the nature of the functions, and duties to be delegated, must be qualified and capable of undertaking the duties in question.
- 3.7 The Management Company will require any such agent to which the Management Company intends to delegate its duties to comply with the provisions of the Prospectus, the Articles, and the relevant provisions of the Management Company Services Agreement, as well as the 2010 Law.
- 3.8 In relation to any delegated duty, the Management Company shall implement appropriate control mechanisms, and procedures, including risk management controls, and regular reporting processes in order to ensure the effective supervision of the third parties to whom functions, and duties have been delegated, and that the services provided by such third party service providers are in compliance with the Articles, this Prospectus and the agreements entered into with the relevant third party service providers, as well as the 2010 Law. When delegating a duty or a function, the Management Company shall ensure that nothing in the related agreement shall prevent it from giving at any time further instructions to the party to whom such duty or function has been delegated or from withdrawing the relevant mandate with immediate effect when this is in the interests of the Shareholders.
- 3.9 The Management Company shall be careful, and diligent in the selection, and monitoring of the third parties to whom functions and duties may be delegated, and ensure that the relevant third parties have sufficient experience, and knowledge, as well as the necessary authorisation required to carry out the functions delegated to such third parties.

- 3.10 The following functions have been delegated by the Management Company to third parties:
- (a) administration and registrar and transfer;
 - (b) investment management of the Compartments; and
 - (c) marketing and distribution,
- as further set out in this Prospectus
- 3.11 The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Fund (the "Remuneration Policy").
- 3.12 The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Fund or the Compartments.
- 3.13 The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Fund and the Shareholders and includes measures to avoid conflicts of interest.
- 3.14 In particular, the Remuneration Policy will ensure that:
- (a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
 - (b) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
 - (c) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
 - (d) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
 - (e) if at any point of time, the management of the Fund were to account for 50 % or more of the total portfolio managed by the Management Company, at least 50 %, of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (e); and

- (f) a substantial portion, and in any event at least 40 %, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Fund.

- 3.15 Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of the staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website www.group.pictet/fps.
- 3.16 A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.
- 3.17 The Management Company Services Agreement has been entered into for an undetermined period of time, and may be terminated, in particular, by either party upon serving to the other a written notice at least 3 (three) months prior to the termination.

Depository

- 3.18 Under the terms of the Depository Agreement signed on 5 February 2010, Pictet & Cie (Europe) S.A. has been appointed for an indefinite period as depository of the Fund's assets. The Depository Agreement may be terminated by either signatory party by 90 days' notice.
- 3.19 The Depository was incorporated as a *société anonyme* (public limited liability company) under Luxembourg law on 3 November 1989 for an indefinite period. Its fully paid-up capital, as at the date of this Prospectus, amounts to CHF 70,000,000.
- 3.20 The Depository will assume its functions and responsibilities in accordance with applicable Luxembourg laws and regulations and the Depository Agreement. With respect to its duties under the 2010 Law, the Depository will ensure the safekeeping of the Fund's assets. The Depository has also to ensure that the Fund's cash flows are properly monitored in accordance with the 2010 Law.
- 3.21 In addition, the Depository will:
 - (a) ensure that the sale, issue, repurchase, redemption and cancellation of the Shares are carried out in accordance with Luxembourg law and the Articles;
 - (b) ensure that the value of the Shares is calculated in accordance with Luxembourg law and the Articles;
 - (c) carry out the instructions of the Fund and the Management Company, unless they conflict with Luxembourg law or the Articles;
 - (d) ensure that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
 - (e) ensure that the Fund's incomes are applied in accordance with Luxembourg law and the Articles.

- 3.22 The Depositary may delegate its safekeeping duties with respect to the Fund's financial instruments held in custody or any other assets (except for the cash) in accordance with the UCITS Directive, the UCITS-CDR and applicable law.
- 3.23 An up-to-date list of the delegates (and sub-delegates) of the Depositary is available on the website http://www.pictet.com/corporate/fr/home/asset_services/custody_services.html.
- 3.24 The Depositary will be liable to the Fund or to the Shareholders for the loss of the Fund's financial instruments held in custody by the Depositary or its delegates to which it has delegated its custody functions. A loss of a financial instrument held in custody by the Depositary or its delegate will be deemed to have taken place when the conditions of article 18 of the UCITS-CDR are met. The liability of the Depositary for losses other than the loss of the Fund's financial instruments held in custody will be incurred pursuant to the provisions of the Depositary Agreement.
- 3.25 In case of loss of the Fund's financial instruments held in custody by the Depositary or any of its delegates, the Depositary will return financials instruments of identical type or the corresponding amount to the Fund without undue delay. However, the Depositary's liability will not be triggered if the Depositary can prove that the conditions of article 19 of the UCITS-CDR are fulfilled.
- 3.26 In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and the investors of the Fund.

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary and/or its delegates of other services to the Fund, the Management Company and/or other parties. As indicated above, Depositary's affiliates are also appointed as third-party delegates of the Depositary. Potential conflicts of interest which have been identified between the Depositary and its delegates are mainly fraud (unreported irregularities to the competent authorities to avoid bad reputation), legal recourse risk (reluctance or avoidance to take legal steps against the depositary), selection bias (the choice of the depositary not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the depositary's solvency) or single group exposure risk (intragroup investments).

The Depositary (or any of its delegates) may in the course of its business have conflicts or potential conflicts of interest with those of the Fund and/or other funds for which the Depositary (or any of its delegates) acts.

The Depositary has pre-defined all kind of situations which could potentially lead to a conflict of interest and has accordingly carried out a screening exercise on all activities provided to the Fund either by the Depositary itself or by its delegates. Such exercise resulted in the identification of potential conflicts of interest that are however adequately managed. The details of potential conflicts of interest listed above are available free of charge from the registered office of the Depositary and on the following website: https://www.group.pictet/corporate/fr/home/asset_services/custody_services/sub-custodians.html.

On a regular basis, the Depositary re-assesses those services and delegations to and from delegates with which conflicts of interest may arise and will update such list accordingly.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Fund and will treat the Fund and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which shall be based on objective pre-defined criteria and meet the sole interest of the Fund and the investors of the Fund. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of Depositary's functions from its other potentially conflicting tasks and by the Depositary adhering to its own conflicts of interest policy.

The Depositary or the Fund may terminate the Depositary's duties at any time, by giving at least three months' written notice to the other party; provided, however, that any decision by the Fund to end the Depositary's appointment is subject to another custodian bank taking on the duties and responsibilities of the Depositary, and provided further that, if the Fund terminates the Depositary's duties, the Depositary will continue to perform its duties until the Depositary has been relieved of all the Fund's assets that it held or had arranged to be held on behalf of the Fund. Should the Depositary itself give notice to terminate the contract, the Fund will be required to appoint a new custodian bank to take over the duties and responsibilities of the Depositary; provided, however, that, as of the date when the notice of termination expires and until a new depositary bank is appointed by the Fund, the Depositary will only be required to take any necessary measures to safeguard the best interests of shareholders.

Up-to-date information regarding the description of the Depositary's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation will be made available to investors on request at the Depositary's registered office.

The Depositary is remunerated in accordance with customary practice in the Luxembourg financial market. Such remuneration is expressed as a percentage of the Fund's net assets and paid on a quarterly basis.

- 3.27 Under no circumstances will the Depositary be liable to the Fund, the Management Company or any other person for indirect or consequential damages and the Depositary will not in any event be liable for the following direct losses: loss of profits, loss of contracts, loss of goodwill, whether or not foreseeable, even if the Depositary has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.
- 3.28 The Depositary is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Fund and is not responsible for the preparation of this document and accepts no responsibility for any information contained in this document other than the above description. The Depositary will not have any investment decision-making role in relation to the Fund. Decisions in respect of the purchase and sale of assets for the Fund, the selection of investment professionals and the negotiation of commission rates are made by the Fund and/or the Management Company and/or their delegates. Shareholders may ask to review the Depositary Agreement at the registered office of the Fund should they wish to obtain additional information as regards the precise contractual obligations and limitations of liability of the Depositary.
- 3.29 The Depositary or the Fund may, at any time, by giving at least 90 days written notice to the other party, terminate the Depositary's appointment, it being understood that any decision by

the Fund to end the Depositary's appointment is subject to the condition that another Depositary bank take on the functions and responsibilities of the Depositary within two months, as defined in the Articles, provided, furthermore, that if the Fund terminates the Depositary's appointment, the Depositary shall continue to assume the functions of Depositary until such time as the Depositary has been dispossessed of all the Fund's assets that it held or had arranged to be held on behalf of the Fund. Should the Depositary revoke the appointment, the Fund shall be required to appoint a new Depositary to take on the functions and responsibilities of the Depositary within two months, as defined in the Articles, it being understood that, from the date when the notice of termination expires until such time as a new Depositary is appointed by the Fund, the Depositary will only be obligated to undertake all necessary measures to ensure that the Shareholders' best interests are safeguarded.

Central Administration

- 3.30 The Registrar, Transfer, Domiciliary, Corporate, Paying and Administrative Agent, whose tasks are fulfilled by the Management Company, is responsible for the provision of accounting services (in particular, carrying out the calculation of the NAV of the Fund and the drafting of the financial statements), processing subscriptions for, redemptions and conversions (if any) of, Shares, calculating issue and redemption proceeds and maintaining the records of the Fund as well as other general administrative services to the Fund, as further detailed in the relevant agreement, and, as Paying Agent of the Fund, responsible for, the payment of dividends and redemption proceeds (if any). As domiciliary agent, the Management Company is primarily responsible for receiving and keeping safely any and all notices, correspondence, telephonic advice or other representations and communications received for the account of the Fund, as well as for providing such other facilities as may from time to time be necessary in the course of the day-to-day administration of the Fund.
- 3.31 The Registrar, Transfer, Domiciliary, Corporate, Paying and Administrative Agent is entitled to a fee calculated as a percentage of the net assets of the Fund and payable on a quarterly basis, as further detailed under Section 14 "Fund Expenses" of the main part of the Prospectus. The fees paid to the Registrar, Transfer, Domiciliary, Corporate, Paying and Administrative Agent will be shown in the Fund's financial statements.
- 3.32 When delegating a duty or a function, the Management Company shall ensure that nothing in the related agreement shall prevent it from giving at any time further instructions to the party to whom such duty or function has been delegated or from withdrawing the relevant mandate with immediate effect when this is in the interests of the Shareholders.

Investment Managers and Investment Advisors

- 3.33 The Board of Directors is vested with the widest powers to act in any circumstances in the name of the Fund, subject to any powers explicitly granted by law or by the Articles to its General Meeting. The Board of Directors has delegated this duty to the Management Company.
- 3.34 The Board of Director is responsible for the determination of the investment policy pursued by each of its Compartments The Management Company is responsible for the general management of the Fund.
- 3.35 The Management Company may appoint, at the request and with the consent of the Fund, one or more several investment managers in respect of certain Compartments, as described in the Appendix of the relevant Compartment (the "Investment Managers").

- 3.36 Each Investment Manager will be in charge of the day-to-day management of (all or portion of) the assets of the Compartments for which it has been appointed as investment manager and will deal in the relevant investments on account of the relevant Compartments on a discretionary, subject to and in accordance with instructions received from the Management Company from time to time, and in accordance with each Compartment's investment objective, policy and restrictions.
- 3.37 With the consent of the Fund and the Management Company or, as the case by be, the CSSF, each Investment Manager may delegate its investment management function to third parties in respect of one or more Compartments for which it has been appointed as investment manager, in which case such delegation will be described in the relevant Appendix.
- 3.38 The Investment Managers may be assisted by investment advisers (the "Investment Advisers") as set out in more details in each relevant Appendix. The Investment Advisers will provide the Investment Managers with recommendations, advice and opinions regarding investment choice and selection of securities and any other assets that make up the portfolio of the various Compartments.
- 3.39 The Investment Managers may enter with broker-dealers that are entities and not individuals into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including the relevant Compartment, and where the Investment Managers are satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interest of the relevant Compartment. Any such arrangement must be made by the Investment Managers on terms commensurate with best market practice. The use of soft commissions shall be disclosed in the periodic reports.

Distributors and Nominees

- 3.40 FundPartner Solutions (Europe) S.A. in its capacity as management company of the Fund will be in charge of the distribution of the Shares. The Management Company may appoint one or more distributors with the consent of the Fund.
- 3.41 It is expected that the Management Company and/or any distributor(s) will offer to enter into arrangements with investors to provide nominee services to those investors in relation to the shares or arrange for third party nominee service providers to provide such nominee services to the underlying investors.
- 3.42 All distributors that are entitled to receive subscription monies and/or subscription, redemption or conversion orders on behalf of the Fund and nominee service providers must be (i) professionals of the financial sector of a FATF member state which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg law or (ii) professionals established in a non-FATF member state provided they are a subsidiary of a professional of the financial sector of a FATF member state and they are obliged to follow anti money laundering and terrorism financing rules equivalent to those required by Luxembourg law because of internal group policies. Whilst and to the extent that such arrangements subsist, underlying investors will not appear in the register of the Fund and will have no direct right of recourse against the Fund.
- 3.43 The distributors or nominee service providers holding their shares through Euroclear or Clearstream or any other relevant clearing system as an accountholder also will not be

recognised as the registered Shareholder in the register. The relevant nominee of Euroclear or Clearstream or the other relevant clearing system will be recognised as the registered Shareholder in the register in such event, and in turn would hold the shares for the benefit of the relevant accountholders in accordance with the relevant arrangements.

- 3.44 The terms and conditions of any (sub-)distribution agreement(s) with arrangements to provide nominee services will have to allow that an underlying investor who (i) has invested in the Fund through a nominee and (ii) is an Eligible Investor, may at any time, require the transfer in his/her/its name of the shares subscribed through the nominee. After this transfer, the investor will receive evidence of his shareholding at the confirmation of the transfer from the nominee.
- 3.45 Investors may not subscribe directly to the Fund but have to go through any distributors or nominee.
- 3.46 The Management Company and any Investment Manager or Investment Adviser may enter into retrocession fee arrangements with any distributor in relation to their distribution services. Any such retrocession fee will be paid by the Management Company, the Investment Manager or the Investment Adviser out of its own remuneration.

Auditors

- 3.47 The auditing has been entrusted to Deloitte Audit, *Société à responsabilité limitée*, whose registered office is at 560, route de Neudorf, L-2220 Luxembourg.

4. RIGHTS OF THE SHAREHOLDERS

Shares

- 4.1 The Shares in each Compartment are issued in registered form, with no par value and fully paid-up.
- 4.2 The Board of Directors may also decide to issue Shares in a dematerialised form, in which case, a holder of dematerialised Shares will have its Shares deposited on a securities account in the name of its beneficiary. Fractions of Shares may be issued up to three decimals. Fractional Shares do not confer the right to vote, however do confer the right to participate, in pro rata, to any proceeds upon liquidation and dividend distributions.
- 4.3 No certificates will be issued. All owners of the Shares will have their names entered into the Shareholders' register which will be held at the Fund's registered office. Shares repurchased by the Fund shall be cancelled.
- 4.4 All Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Compartment (or the category of Shares respectively) to which they pertain.
- 4.5 Each Share has one vote. Shareholders are also entitled to the general Shareholder rights as described in the Luxembourg law dated 10th August 1915 on commercial companies and its subsequent amendments, with the exception of pre-emption rights to subscribe to new Shares.
- 4.6 Shareholders will only receive confirmation that their names have been recorded in the Shareholders' register.

- 4.7 The Fund draws the attention of the investors to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Fund if the investor is registered himself/herself/itself on in his own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his/her/its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund.

Compartments

- 4.8 The Appendix to this Prospectus lists the current Compartments. The Board of Directors may, at any time, decide to create additional Compartments.
- 4.9 The subscription price for Shares in each Compartment is invested in the assets of the relevant Compartment. In principle, all assets and liabilities related to a specific Compartment are allocated to that Compartment. To the extent that costs and expenses are not directly chargeable to a specific Compartment, they shall be shared out proportionally among the various Compartments according to their net asset values or, if circumstances warrant it, allocated on an equal footing to each Compartment. The assets of a specific Compartment will only meet the liabilities, commitments and obligation relating to such Compartment.

Categories of Shares

- 4.10 The Board of Directors may also decide to create for each Compartment two or more categories of Shares whose assets are generally invested in accordance with the specific investment policy of the relevant Compartment, but where categories of Shares may be distinguished by specific commission and/or redemption structures, by specific exchange-risk hedging policies, by specific distribution policies and/or by specific management or advisory commission or by other specific characteristics applying to each category of Shares.
- 4.11 The Appendix to this Prospectus lists the possible categories of Shares.

General Meetings

- 4.12 The annual General Meeting shall be held each year at the Fund's registered office or at any other location in Luxembourg which will be specified in the convening notice to the meeting.
- 4.13 The annual General Meeting shall be held on the fourth Thursday of October at 2:00 p.m. or, if this happens to be an official holiday in Luxembourg, on the next Business Day thereafter. The Board of Directors may also convene the annual general meeting on such other date, time and place in Luxembourg as may be specified in the notice of the meeting.
- 4.14 Convening notices shall be sent to all registered Shareholders at least 8 days prior to the annual General Meeting. These notices shall include details of the time and place of this meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as laid down by Luxembourg law.
- 4.15 In accordance with the Articles and Luxembourg law, all decisions taken by the Shareholders pertaining to the Fund shall be taken at the General Meeting. Any decisions affecting Shareholders in one or several Compartments may be taken by just those Shareholders in the relevant Compartments to the extent that this is permitted by law. In this particular instance, the requirements on quorum and majority voting rules as laid down in the Articles shall apply.

Asset Pooling

- 4.16 In order to reduce settlement procedures, transactions costs and fees related to the portfolio management instructions given for the Fund's Compartments, the Management Company with the consent of the Board of Directors may decide to have the Fund's Depository organize the technical pooling of the Compartments' assets into a "Pool-account".
- 4.17 Such Pool-account may only be used for internal management purposes. The Pool-account does not constitute a distinct legal entity and may not be directly accessible to investors. Each pooled Compartment has its own assets allocated to it.
- 4.18 When managing Compartments through a Pool-account, the assets initially attributable to each pooled Compartment are determined according to each Compartment's initial participation in the Pool-account. Thereafter, the composition of the assets vary according to contributions or withdrawals made by each Compartment. This apportionment system applies to each investment line of the Pool-account. Additional investments made on behalf of the pooled Compartments are therefore allocated to these Compartments according to their respective entitlements, while assets sold will be similarly deducted from the assets attributable to each of the pooled Compartments.
- 4.19 All banking transactions involved in the running of the Compartments (dividends, interest, non-contractual fees, expenses) are accounted for in the Pool-account and reassigned for accounting to each of the Compartments on a pro rata basis on the day the transactions are recorded (provisions for liabilities, bank recording of income and/or expenses). Contractual fees (custody, administration, management and advisory fees (including license fees), etc.) may be accounted at the pool or at the Compartments level but in no case duplication of such fees will occur.
- 4.20 In order to ensure the continued economic segregation of each Compartment's assets, the assets and liabilities attributable to each Compartment are identifiable at any given moment.
- 4.21 The pooling technique does not infringe the investment policy of each of the Compartments concerned and will not exceed the maximum fees provided for each Compartment in the relevant Appendix.

5. SUBSCRIPTIONS

- 5.1 The list of Compartments already in operation is included in Appendix 1 to this Prospectus.
- 5.2 Appendix 1 will be updated to take into account the activation or the decision to activate any added Compartment or any added category of Shares.
- 5.3 Subscriptions for Shares in each Compartment already in operation shall be accepted at the issue price, as defined hereunder in Section 7 "Issue price", at the office of the Depository as well as at any other establishments authorised to do so by the Fund.
- 5.4 At the discretion of the Board of Directors, Shares may be issued against contributions of Transferable Securities or other eligible assets to the Compartments provided that these assets are Eligible Investments and the contributions comply with the investment policies and restrictions laid out in this Prospectus and have a value equal to the issue price of the Shares

concerned. The assets contributed to the Compartment, as described above, will be valued separately in a special report of the Auditor.

- 5.5 Unless specifically mentioned under Appendix I, for any subscription received by the Fund or by the distributor, prior to 4 p.m., at the latest, on the last Business Day before the Valuation Day, the Net Asset Value calculated as of the said Valuation Day will be applicable.
- 5.6 For any subscription arriving at the Fund or at the distributor after the deadline set at 4 p.m. on the last Business Day before a Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the next following Valuation Day.
- 5.7 The amount for the subscription shall be paid or transferred, in the reference currency of the relevant Compartment, into the account of the Depositary, to the order of the Fund with reference to the Compartment(s) concerned within four Business Days counting from the relevant Valuation Day or any other day as set out in the Appendix 1.
- 5.8 The Fund does not permit practices of Market Timing or Late Trading and both the Fund and the day-to-day managers reserve the right to reject subscription and conversion orders from an investor who the Fund suspects of using such practices and, if appropriate, to take the necessary measures to protect the other investors of the Fund.
- 5.9 The Fund may also, at any time and at its discretion, temporarily discontinue, cease permanently or limit the issue of Shares in one or more Compartments to persons or corporate bodies resident or domiciled in some countries or territories. The Fund may prohibit them from acquiring Shares if such a measure is necessary to protect the Shareholders as a whole and the Fund. In particular, the Fund is entitled to reject, at its discretion, any application to subscribe to Shares.

6. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS

- 6.1 A number of Luxembourg laws and regulations relating to money laundering and the financing of terrorism impose obligations on those working in the financial sector to prevent the use of investment funds for money-laundering and financing of terrorism purposes. As a result, in order that a subscription be considered as valid and acceptable by the Fund, the identity of subscribers must be revealed to the Fund by means of a certified copy of the passport or identity card for natural persons and, for legal persons, a copy of the articles of incorporation accompanied by a recent original extract from the national trade and companies register, the indication of the beneficial owner of the company and, where applicable, a certified copy of the authorisation to operate issued by the competent authority; these documents shall be attached to the subscription form. Such information shall be collected for verification purposes only and shall be covered by the banking and professional secrecy imposed on the Depositary and the Central Administration Agent.
- 6.2 The Central Administration Agent will check the identity of subscribers except where the subscription form is transmitted to the Fund by a financial intermediary submitted to anti-money laundering obligations considered as similar to those applied in Luxembourg and where this financial intermediary is submitted to a prudential supervision considered as equivalent to the one carried out by the CSSF. Further to their subscription(s) in the Fund, Shareholders may be requested to provide additional and/or updated identification documents, from time to time, to allow the Central Administration Agent to perform its ongoing client due diligence, as required under applicable laws and regulations.

- 6.3 The absence of documents required for identification purposes may lead to the suspension of a request for subscription and/or redemption.

7. ISSUE PRICE

- 7.1 The issue price for Shares in each Compartment is equal to the Net Asset Value of each Share (or each category of Shares, respectively) in that Compartment, calculated as of the first Valuation Day following the day of subscription.
- 7.2 Under certain circumstances, the Board of Directors has the power to charge a “dilution levy” on the issue price as described hereafter under Section 10 “Dilution Levy”. In any case, the effective dilution levy charged on any Valuation Day shall be identical for all issues effected on such day.
- 7.3 The issue price will also be increased to cover any duties, taxes and stamp duties which may have to be paid.

8. REDEMPTIONS

General

- 8.0 Shareholders are entitled at any time to redeem all or part of their Shares at the redemption price as further set out in Sections 8.6 to 8.10 “Redemption price” below, by addressing an irrevocable application for redemption to the Fund, or other authorised establishments.
- 8.1 Unless specifically mentioned under Appendix I, for any request for redemption received by the Fund or by a distributor by 4 p.m., at the latest, on the last Business Day before a Valuation Day, the Net Asset Value calculated as of that Valuation Day shall be applicable.
- 8.2 For any request for redemption received by the Fund or by a distributor after the deadline of 4 p.m. on the last Business Day before a Valuation Day, the Net Asset Value applicable will be calculated on the following Valuation Day thereafter.
- 8.3 If, because of applications for redemption or conversion, it is necessary on a given Valuation Day to repurchase or convert more than 10% of the Shares issued in a particular Compartment, the Board of Directors may decide that redemptions or conversions have to be postponed to the Valuation Day. On that Valuation Day, applications for redemption or conversion which had been postponed (and not withdrawn) shall be given priority over applications for redemption or conversion received for that particular Valuation Day (and which had not been postponed).
- 8.4 The Fund is entitled to repurchase, at any time, Shares which have been acquired in violation of a measure of exclusion taken by virtue of the Fund.
- 8.5 The price for the Shares presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within four Business Days following Valuation Day (see Sections 8.6 to 8.10 on “Redemption price” below) or any day as set out in the Appendix 1.

Redemption price

- 8.6 The redemption price for Shares in each Compartment is equal to the Net Asset Value of each Share (or each category of Shares respectively) in that Compartment as calculated on the first applicable day after the application for redemption has been made.
- 8.7 No redemption commission shall be deducted.
- 8.8 Under certain circumstances, the Board of Directors has the power to charge a dilution levy on the redemption price as described hereafter under Section 10 "Dilution Levy". In any case, the effective dilution levy charged on any Valuation Day shall be identical for all redemptions effected on such day.
- 8.9 The redemption price may also be reduced to cover any duties, taxes and stamp duties which might have to be paid.
- 8.10 The redemption price could be higher or lower than the subscription price paid, depending on how the Net Asset Value has changed in the intervening period.

9. CONVERSION

- 9.1 Subject to any potential restriction which may be set out in the Appendix to the Prospectus, any Shareholder may request the conversion of all or part of his/her/its Shares (or categories of Shares, respectively) in one Compartment into Shares of another Compartment, on the basis of the respective Net Asset Values as calculated on the Valuation Day of the Compartments (or category of Shares) concerned plus the amounts charged for the issue and the redemption as mentioned above.
- 9.2 Unless specifically mentioned under Appendix 1, for any conversion requests received by the Fund or by a distributor by 4 p.m., at the latest, on the last Business Day before a Valuation Day, the Net Asset Value calculated as of the said Valuation Day will be applicable.
- 9.3 For any conversion requests received by the Fund or a distributor after the deadline of 4 p.m. on the last Business Day before a Valuation Day, the Net Asset Value applicable will be calculated as of the next following Valuation Day thereafter.
- 9.4 Under certain circumstances, the Board of Directors has the power to charge a dilution levy on the conversion price as described hereafter under the Section 10 "Dilution Levy". In any case, the effective dilution levy charged on any Valuation Day shall be identical for all redemptions effected on such day.

10. DILUTION LEVY

- 10.1 Under certain circumstances (for example, large volumes of deals) investment and/or disinvestments costs may have an adverse effect on the Shareholders' interest in the Fund. In order to prevent this effect, called "dilution", the Board of Directors has the power to charge a dilution levy on the issue, redemption and/or conversion of Shares. If charged, the dilution levy will be paid into the relevant Compartment and will become part of the relevant Compartment.
- 10.2 The dilution levy for each Compartment will be calculated by reference to the costs of dealing in the underlying investments of that Compartment, including any dealing spreads, commission and transfer taxes.
- 10.3 The need to charge a dilution levy will depend on the volume of issues, redemptions or conversions. The Board of Directors may charge a discretionary dilution levy on the issue, redemption and/or conversion of Shares, if in its opinion, the existing Shareholders (for issues) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:
- (a) where a Compartment is in constant decline (large volume of redemption requests);
 - (b) on a Compartment experiencing substantial issues in relation to its size;
 - (c) in the case of "large volumes" of redemptions, subscriptions and /or conversions where "large volumes" refers to net redemptions or subscriptions exceeding 5% of the Compartment's entire assets;
 - (d) in all other cases where the Board of Directors considers the interests of Shareholders require the imposition of a dilution levy.
- 10.4 In any case the dilution levy shall not exceed 2% of the Net Asset Value per Share.

11. CALCULATION OF THE NET ASSET VALUE

- 11.1 The Net Asset Value as well as issue, redemption and conversion prices for Shares are calculated by the Central Administration Agent for each Compartment in the Reference Currency used for the Compartment on the basis of the last known prices, at intervals which may vary for each Compartment and are specified in Appendix 1.
- 11.2 If the Calculation Day is not a Business Day, the Net Asset Value for that Compartment will be calculated on the next Business Day.
- 11.3 The Net Asset Value of a Share in each Compartment will be calculated by dividing the net assets of that Compartment by the total number of Shares outstanding of that Compartment. The Net Asset Value of a Compartment corresponds to the difference between the total assets and the total liabilities of the Compartment.
- 11.4 If different categories of Shares are issued for a Compartment, the Net Asset Value of each category of Shares in the Compartment concerned will be calculated by dividing the total Net Asset Value as calculated for the Compartment concerned and attributable to that category of Shares, by the total number of Shares issued for that category of Shares.

- 11.5 The percentage of the total Net Asset Value of the Compartment concerned attributable to each category of Shares, which was initially identical to the percentage of the number of Shares represented by that category of Shares, will change in respect of the distributions carried out in connection with dividend Shares as follows:
- (a) Upon payment of a dividend or any other distribution in respect of dividend Shares, the total net assets attributable to that category of Shares will be reduced by the amount of such distribution (the effect being to reduce the percentage of total net assets of the Compartment concerned attributable to dividend Shares), and the total net assets attributable to capitalisation Shares will remain identical (resulting in an increase in the percentage of the total net assets of the Compartment attributable to capitalisation Shares);
 - (b) Upon the capital increase of the Compartment concerned by the issue of new Shares in one of the -category of Shares, the total net assets attributable to the category of Shares concerned will be increased by the amount received for such issue;
 - (c) Upon the redemption by the Compartment concerned of the Shares in a particular category of Shares, the total net assets attributable to the corresponding category of Shares will be reduced by the price paid for the redemption of such Shares;
 - (d) Upon the conversion of the Shares in one category of Shares into Shares in another category of Shares, the total net assets attributable to that category of Shares will be reduced by the Net Asset Value of the Shares thus converted, the total net assets attributable to the category of Shares concerned being increased by that amount.
- 11.6 The Reference Currency of the Fund is the EUR and corresponds to the difference between the total assets and the total liabilities of the Fund. In order to calculate this value, the net assets of each Compartment will, unless they are already expressed in EUR, be converted into EUR, and added together.
- 11.7 The assets of the Fund shall be valued as follows:
- (a) Securities and other assets listed or dealt in on a stock exchange or any Other Regulated Market will be valued at the last available price; where such securities or other assets are listed or dealt in one or by more than one stock exchange or any Other Regulated Market, the Board of Directors shall make regulations for the order of priority in which stock exchanges or other regulated markets will be used for the provisions of prices of securities or assets.
 - (b) Assets not listed on an official stock exchange or not traded on any Regulated Market and assets so listed or dealt in with an official listing for which the last available price is not representative of a fair market value will be valued, prudently and in good faith, on the basis of their estimated sale prices.
 - (c) Cash and other liquid assets will be valued at their face value with interest accrued;
 - (d) The units/shares of open-ended UCIs will be valued on the basis of the last known net asset value or, if the price so determined is not representative of their fair market value, will be valued as the Board of Directors may deem fair and reasonable. The units/shares of closed-ended UCIs will be valued on the basis of the last known market value.

- (e) Liquidities and Money Market Instruments not listed on stock exchanges or not traded on any Regulated Market and with remaining maturity of less than 12 months are valued at their nominal value, increased by any interest accrued thereon, if any; the total value being amortised in accordance with the amortised cost method.
- (f) Futures, forward and options contracts not dealt in on a stock exchange or another regulated market will be valued at their liquidating value determined pursuant to the policies established in good faith by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts dealt in on a stock exchange or another organised market will be based on the last available settlement prices published by such stock exchange or other regulated market where these particular futures, forward or options contracts are traded. If a futures, forward or options contract could not be liquidated on the Valuation Day of the relevant assets, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;
- (g) Cash flows which result from swap transactions are calculated at the date of valuation of the zero-coupon swap rate corresponding to the maturity date of these cash flows. The value of the swaps is therefore derived from the difference between these two calculations;
- (h) For each Compartment, securities whose value is expressed in a currency other than the reference currency of that Compartment will be converted into that reference currency at the average rate between the last available buy/sell rate in Luxembourg or, failing that, in a financial centre which is most representative for those securities;
- (i) any other security, instrument or asset will be valued, prudently and in good faith, on the basis of their estimated sale prices by the Board of Directors.

11.8 The Board of Directors is entitled to adopt any other appropriate principles for valuing the Fund's assets in the event that extraordinary circumstances make it impracticable or inappropriate to determine the values according to the criteria specified above.

11.9 In cases when applications for subscription or redemption are sizeable, the Board of Directors may assess the value of the Share on the basis of rates during the trading session on the stock exchanges or markets during which it was able to buy or sell the necessary securities for the Fund. In such cases, a single method of calculation will be applied to all applications for subscription or redemption received at the same time.

12. SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION PRICES

12.1 The calculation of the Net Asset Value or the issue, redemption and conversion prices of Shares in one or more Compartments may be suspended in the following circumstances:

- (a) When one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the Fund's assets, or when one or more foreign exchange markets in the currency in which the Net Asset Value of Shares is expressed or in which a substantial portion of the Fund's assets is held, are closed other than for ordinary

holidays or if dealings therein are suspended, restricted or subject to major short-term fluctuations.

- (b) When, as a result of political, economic, military, monetary or social events, strikes or other circumstances outside the responsibility and control of the Fund, the disposal of the Fund's assets is not reasonably or normally practicable without being seriously detrimental to the Shareholders' interests.
- (c) In the case of a breakdown in the normal means of communication used to calculate the value of an asset in the Fund or when, for whatever reason, the value of an asset in the Fund cannot be calculated as rapidly and as accurately as required.
- (d) If, as a result of exchange controls or other restrictions on the movement of capital, transactions for the Fund are rendered impracticable or if purchases or sales of the Fund's assets cannot be made at normal rates of exchange.
- (e) In the case of suspension, of the calculation of the net asset value of one or several of the target UCIs in which the Fund has invested a substantial portion of its assets.
- (f) On the occurrence of any event entailing the liquidation of the Fund or one of its Compartments.

12.2 In such cases of suspension, Shareholders who have submitted applications to subscribe to, redeem or convert Shares in Compartments affected by the suspensions shall be notified immediately in the event that the suspension period is extended.

12.3 The Fund may, at any time and at its discretion, temporarily discontinue, cease permanently or limit the issue of Shares in one or more Compartments to persons or corporate bodies resident or domiciled in some countries or territories. The Fund may also prohibit them from acquiring Shares if such a measure is necessary to protect the Shareholders as a whole and the Fund.

12.4 In addition, the Fund is entitled to:

- a) reject, at its discretion, any application to subscribe to Shares ;
- b) repurchase at any time, Shares which have been acquired in violation of a measure of exclusion taken by virtue of the Fund.

12.5 For the reasons outlined in Section "US Tax considerations" hereafter, the Shares of the Fund may not be offered, sold, assigned or delivered to investors who are not i) participating foreign financial institutions, (ii) deemed-compliant foreign financial institutions, (iii) non-reporting IGA foreign financial institutions, (iv) exempt beneficial owners (v), Active Non Financial Foreign Entity ("Active NFFE") or (vi) non-specified US persons, all as defined under FATCA, the US FATCA final regulations and/or any applicable intergovernmental agreement on the implementation of FATCA. Such FATCA non-compliant investors may not hold Shares of the Fund and Shares may be subject to compulsory redemption if this is deemed appropriate for the purpose of ensuring compliance of the Fund with FATCA. Investors will be required to provide evidence of their status under FATCA by means of any relevant tax documents, in particular a "W-8BEN-E" form of the US Internal Revenue Service that must be renewed on a regular basis according to applicable regulations.

12.6 The Fund does not knowingly allow investments which are associated with Market Timing practices or any other excessive transactional practice which may adversely affect the performance of the Fund or harm Investors. The Fund reserves the right to reject any subscription or conversion request by, or may decide to redeem the whole holding of, an investor suspected of such practices. It will also take all necessary steps to protect Investors in the Fund.

13. INCOME DISTRIBUTION

13.0 The Fund issues, unless otherwise provided for a specific Compartment in Appendix 1 of the present Prospectus, non-distributing Shares ("**Non-Distributing Shares**"). Non-Distributing Shares capitalise their entire earnings.

14. FUND EXPENSES

14.1 Operation and administration expenses.

The Fund will pay out of the assets of the relevant Compartment all expenses incurred by it, which will include but not be limited to: all taxes which may be due on the assets and the income of the Fund; the reasonable disbursements and out-of-pocket expenses (including without limitation telephone, and postage expenses) incurred by the Depositary and any custody charges of banks and financial institutions to whom custody of assets of the Fund is entrusted; usual banking fees due on transactions involving securities or other assets (including derivatives) held in the portfolio of the Fund (such fees to be included in the acquisition price and to be deducted from the selling price); the fees, expenses and all reasonable out-of-pocket expenses properly incurred by the Fund, the Investment Manager and the service providers and any other agent appointed by the Fund; legal expenses incurred by the Fund, the Investment Manager or the service providers while acting in the interests of the Shareholders; the cost and expenses of preparing and/or filing and printing the Articles and all other documents concerning the Fund (in such languages as are necessary), including registration statements, prospectuses and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the marketing of Shares of the Fund; the cost of preparing, in such languages as are necessary for the benefit of the Shareholders, and distributing annual reports and such other reports or documents as may be required under applicable laws or regulations; the cost of accounting, bookkeeping and calculating the Net Asset Value (and Adjusted Price); the cost of preparing and dispatching notices to the Shareholders; reasonable marketing expenses; the costs incurred with the admission and the maintenance of the Shares on the stock exchanges on which they are listed (if listed); the fees, expenses and reasonable out-of-pocket expenses in relation with the Fund's compliance with local and international tax regulations, as applicable; the remuneration of the Board of Directors' members and the reasonable costs and expenses incurred by the same in attending board meetings of the Fund. The Fund may accrue in its accounts for administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

14.2 The Depositary and the Central Administration Agent are remunerated out of the assets of each category of Shares within each Compartment, as disclosed in the relevant Compartment appendices.

14.3 Remuneration of the Management Company.

Unless stated otherwise in the Appendices to this Prospectus describing the various Compartments, a management company service fee will be paid to the Management Company for its corporate and governance support services of up to 0.08% p.a. with a minimum of EUR 220'000 for the whole structure (currently made of 4 Compartments).

14.4 Remuneration of the Investment Manager(s) or Investment Adviser(s).

If an Investment Manager or Investment Adviser is entitled to receive a remuneration out of the assets of a Compartment, then such remuneration will be disclosed in the relevant Compartment appendices.

14.5 Formation and launching expenses.

All formation and launching expenses (including but not limited to legal fees related to the set-up of the Fund, travel expenses, etc.) incurred on behalf of, or in connection with, the formation of the Fund except for the direct costs in relation to the launching of the Initial Compartments (together the Fund Formation Expenses) will be borne by the Fund (and the Initial Compartments). Expenses incurred in connection with the creation of any additional Compartment (Additional Compartment Formation Expenses) may be borne by the relevant Compartment and be written off over a period not exceeding five years.

14.6 Annual subscription tax (*Taxe d'abonnement*)

The Fund's assets are subject to tax (*taxe d'abonnement*) in Luxembourg at a rate of 0.05% p.a. on net assets (except for Compartments or categories of Shares which are reserved to Institutional Investors which are subject to a tax at a reduced rate of 0.01% p.a. on net assets), payable quarterly. Some Compartments are exempt from the subscription tax.

14.7 Charges involved in the calculation of the Net Asset Values of the various Compartments shall be spread between the Compartments in proportion to their net assets, except in cases where charges specifically involve one Compartment, in which case they will be charged to that Compartment, as more fully described in Section 16 "Tax Status".

15. RISK CONSIDERATIONS

The Fund bears the general risks laid down below. However, each Compartment is subject to specific risks, which the Board of Directors will seek to lower, as listed in the relevant Appendix.

General

- 15.1 The following statements are intended to inform Investors of the uncertainties and risks associated with investments and transactions in equities, fixed income securities, currency instruments, derivatives and other similar instruments. Investors should remember that the price of Shares and any income from them may fall as well as rise and that Shareholders may not get back the full amount invested. Past performance is not necessarily a guide to future performance and Shares should be regarded as a medium to long-term investment. Where the currency of the relevant Compartment varies from the Investor's home currency, or where the currency of the relevant Compartment varies from the currencies of the markets in which the Compartment invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual risks of investment.

Equity Securities

- 15.2 Investing in equity securities may offer a higher rate of return than other investments. However, the risks associated with investments in equity securities may also be higher, because the performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security value may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

Investment in UCIs

- 15.3 Investment in UCIs may embed a duplication of the fees and expenses which will be charged to the Fund, i.e. setting-up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, Depositary bank fees and other service providers' fees. The accumulation of these costs may cause higher costs and expenses that would have been charged to the Fund if the latter had invested directly. The Fund will however seek to avoid any irrational multiplication of costs and expenses to be borne by Shareholders.
- 15.4 When a Compartment invests in UCIs linked to the Fund by common management or control, or by a substantial direct or indirect holding, or managed by a management Fund linked to the relevant Investment Manager, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such UCIs.
- 15.5 Also, the Fund must ensure that its portfolios of target UCIs present appropriate liquidity features to enable them to meet their obligation to redeem or repurchase their Shares. However, there is no guarantee that the market liquidity for such investments will always be sufficient to satisfy redemption requests favourably at the exact time they are submitted. Any absence of liquidity may impact in the liquidity of the Shares and the value of its investments.

Investment in warrants

- 15.6 Investors should be aware of and prepared to accept the greater volatility in the prices of warrants which may result in greater volatility in the price of the Shares. Thus, the nature of the warrants will involve Shareholders in a greater degree of risk than is the case with conventional securities.

Stock market volatility

- 15.7 The Net Asset Value of the Fund will reflect the volatility of the stock market. Stock markets are volatile and can move significantly in response to the issuer, demand and supply, political, regulatory, market and economic developments.

Issuer-specific risk

- 15.8 The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

Interest rate risks

- 15.9 The Net Asset Value of the Fund will change in response to fluctuations in interest rates. Generally, interest rate risk involves the risk that when interest rates decline, the market value of bonds tends to increase, and vice versa. The extent to which the price of a bond changes as the interest rates move may differ by the type of the debt securities.

Market/Settlement risk

- 15.10 Although it is intended that the portfolio of the Fund will be diversified, the investments of the Fund are subject to normal market fluctuations and to the risks inherent in investment in equities, fixed income securities, currency instruments, derivatives and other similar instruments. The prices of the Shares can go down as well as up and investors may not be able to realise their investment objective. Although the Board of Directors will attempt to restrict the exposure of the Fund to market movements, there is no guarantee that this strategy will be successful.

- 15.11 Furthermore, the following settlement risks may also exist:

- The securities markets in some countries lack the liquidity, efficiency and regulatory and supervisory controls of more developed markets.
- Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Fund may make it difficult to assess reliably the market value of assets.
- The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected.
- Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.
- The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Funds.
- Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

Investment in derivative instruments

- 15.12 The use of futures, options and forward contracts exposes the Fund to additional investment risks. Financial futures prices are highly volatile and influenced by a variety of diverse factors including, i.a., changing supply and demand relationships, government, fiscal, monetary and

exchange control programs and policies, national and international political and economic events and government intervention in certain markets, particularly in the currency and interest rate markets. Transactions in futures thus carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately larger impact which may work for or against the Investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Futures are also subject to illiquid situations when market activity decreases or when a daily price fluctuation limit has been reached.

- 15.13 Transactions in options also carry a high degree of risk as the trading of options, including options on futures contracts and OTC options, is speculative and highly leveraged. Specific market movements of futures contracts or securities underlying an option cannot be accurately predicted. Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is “covered” by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced. Options traded OTC are not regulated.
- 15.14 In respect of such trading, the Fund is subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to the Fund.

Foreign exchange/currency risk

- 15.15 Although Shares may be denominated in a particular currency, the Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the Fund as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between that currency and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to a foreign exchange/currency risk as follows:
- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.
 - The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.
 - Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.
 - It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

Political and/or regulatory risks

- 15.16 The value of the Fund’s assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign

investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

Emerging markets Risks

- 15.17 Legal infrastructure, in certain countries in which investments may be made, may not provide with the same degree of investors' protection or information to investors, as would generally apply to major securities markets (governments' influence, social, political and economic instability, different accounting, auditing and financial report practises). Emerging markets securities may also be less liquid and more volatile than similar securities available in major markets, and there are higher risks associated to transactions settlement, involving timing and pricing issues.

Russian Market

- 15.18 The Compartment's investments in Russia, other than those which are listed on the "MICEX-RTS", combined with investments that are made in other assets as referred in item 1, (A) (2) of the chapter "Investment restrictions", shall not exceed 10% of the net assets of the Compartment.

Custody risk

- 15.19 Local custody services in some of the market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

Taxation

- 15.20 Potential investors' attention is drawn to the taxation risks associated with investing in the Fund. Further details relating to the Luxembourg tax legislation are given under Section 16 "Tax status". Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which the Fund invests or may invest in the future (in particular emerging markets) is not clearly established. It is therefore possible that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. As a result, the Fund could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of. However, nothing in this Prospectus may be construed any tax advice and investors should consult their own professional advisers regarding any tax issues in the context of any contemplated investment in the Fund.

Execution and Counterparty risk

- 15.21 The Fund may be subject to the risk of the inability of the counterparty, or any other entities in or with which an investment or transaction is made, to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

- 15.22 In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

High yield debt securities

- 15.23 Some of the high yield securities held in the portfolio may involve increased credit and market risk; such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. In selecting securities, the Compartment will consider among other things, the price of the securities, and the issuer's financial history, condition, management and prospects. The Compartment will endeavour to mitigate the risks associated with high yield securities, by diversifying its holdings by issuer, industry and credit quality.

Asset-Backed and Mortgage-Backed Securities

- 15.24 Some Compartments may invest in securities that represent an interest in a pool of mortgages ("mortgage-backed securities") and, subject to applicable law, credit card receivables or other types of loans ("asset-backed securities"). Payments of principal and interest on the underlying loans are passed through to the holders of such securities over the life of the securities. Most mortgage-backed securities and asset-backed securities are subject to early prepayment of principal, which can be expected to accelerate during periods of declining interest rates. Such prepayments can usually be reinvested only at the lower yields then prevailing in the market. Therefore, during periods of declining interest rates, these securities are less likely than other fixed income obligations to appreciate in value and less effective at locking in a particular yield. On the other hand, mortgage-backed securities and asset-backed securities are subject to substantially the same risk of depreciation during periods of rising interest rates as other fixed income securities.
- 15.25 Asset-backed securities present certain credit risks that are not presented by mortgage-backed securities because asset-backed securities generally do not have the benefit of a security interest over the collateral that is comparable to mortgage assets. There is the possibility that, in some cases, recoveries on repossessed collateral may not be available to support payments on these securities.

Illiquidity/Suspension of Share dealings

- 15.26 Some Compartments may face temporary illiquidity situations due to parameters such as market activity, small volumes of investments or difficulties in the pricing of underlying investments.
- 15.27 Under certain exceptional circumstances, such as unusual market conditions, an unusual volume of repurchase requests or other, illiquidity situations may lead the Fund to suspend or postpone the redemption or conversion of Shares. On the next Valuation Day following this period, such outstanding redemption or conversion requests will be met in priority to later requests.

Potential conflicts of interest

- 15.28 The Investment Managers and other companies of the Investment Manager's group can carry out operations in which they directly or indirectly have an interest that could conflict with their obligations towards the Fund. The Investment Managers will ensure that these operations are carried out under conditions that are as favourable for the Fund as those that would have prevailed in the absence of the potential conflict of interest and that applicable policies and procedures are complied with. Such conflicts of interest or commitments may arise from the fact that the Investment Managers or other members of their group have directly or indirectly invested in the Fund. More specifically, the Investment Managers by virtue of the rules of conduct applicable to them, must endeavour to avoid all conflicts of interest and, if such a conflict cannot be avoided, ensure that its clients (including the Fund) are treated equally.

Securities Lending, Repurchase or Reverse Repurchase Transactions

- 15.29 The principal risk when engaging in securities lending, repurchase or reverse repurchase 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 Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the Fund. However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralised. Fees and returns due to the Fund under securities lending, repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline in between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the Fund.
- 15.30 A Compartment may also incur a loss in reinvesting cash collateral received. 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 Compartment to the counterparty as required by the terms of the transaction. The Compartment 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 Compartment.
- 15.31 Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.
- 15.32 A Compartment may enter into securities lending, repurchase or reverse repurchase transactions with other companies in the same group of companies as the Investment Manager, affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Compartment in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the Compartment and its investors. However, investors should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

Nominee arrangements

- 15.33 The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Fund, in particular the right to participate

in general meetings of Shareholders, if the investor is registered himself/herself/itself and in his/her/its own name in the register of the Shareholders. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his/her/its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

16. TAX STATUS

The Fund is subject to Luxembourg tax legislation.

The Fund

- 16.1 **In accordance with current Luxembourg law, the Fund is not subject to any tax on income, capital gains tax or wealth tax.**
- 16.2 However, income collected by the Fund on securities in its portfolios may be subject to withholding tax which, in normal circumstances, cannot be reclaimed.
- 16.3 The Fund's net assets are subject to a subscription tax of 0.05% per annum (except for certain Compartments or categories of Shares specifically reserved for to Institutional Investors and for money market funds, which benefit from the reduced rate of 0.01% per annum), payable at the end of each quarter and calculated on the basis of the total net assets at the end of the relevant quarter. This tax is not applicable for the portion of the assets of a Compartment invested in other Luxembourg undertakings for collective investment already subject to *taxe d'abonnement*.
- 16.4 Interest and dividend income received by the Compartment may be subject to non-recoverable withholding tax in the countries of origin. The Compartment may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.
- 16.5 No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Compartment except a one-off payment of EUR 1,250 upon incorporation of the Compartment.

Shareholders

- 16.6 According to legislation and current practice in Luxembourg, Shareholders, other than those domiciled, residing or permanently established in Luxembourg and certain former residents of Luxembourg holding more than 10% of the Fund's share capital, are not liable to pay any Luxembourg tax on income, capital gains, donations or legacies. However, it is incumbent upon any purchasers of Shares in the Fund to inform themselves about the relevant legislation and tax regulations applicable to the acquisition, holding and sale of Shares with regard to their residence qualifications and nationality.

European Union Tax Considerations

- 16.7 The Council of the European Union adopted on June 3, 2003, a Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "EU Savings Directive"). Under the EU Savings Directive, EU Member States will be required to provide the tax authorities of another EU Member State with details of payments of interest or other similar

income paid by a person within its jurisdiction to an individual resident in that other EU Member State. Austria, Belgium and Luxembourg have opted instead for a withholding tax system for a transitional period in relation to such payments. Certain other countries, including the Swiss Confederation, the Caribbean countries, UK Channel Islands, Isle of Man, the Principality of Monaco and the Principality of Liechtenstein, will also be introducing measures equivalent to information reporting or withholding tax.

- 16.8 The law implementing the EU Savings Directive in national legislation in Luxembourg was adopted on June 21, 2005 (the "2005 Law").
- 16.9 The applicable withholding tax rate is 35%.
- 16.10 Article 9 of the 2005 Law provides that no withholding tax will be withheld if the beneficial owner expressly authorises the paying agent to report information in accordance with the provisions of the 2005 Law.
- 16.11 If withholding tax is applied, any dividends distributed by a fund will be subject to the directive if more than 15% of a fund's assets are invested in debt claims (as defined in the EU Savings Directive). Proceeds realised by Shareholders on the disposal of Shares will be subject to such reporting or withholding if more than 25% of a fund's assets are invested in debt claims.
- 16.12 Because of the investment policies pursued by the Compartments currently in operation, it is presently expected that capital gains realized by Shareholders on the disposal of Shares in the Compartments may be subject to such reporting or withholding.
- 16.13 Under the directive 2015/2060/EU, the Savings Directive has been repealed and will no longer apply once all the reporting obligations concerning year 2015 will have been complied with.
- 16.14 Meanwhile, the Organisation for Economic Cooperation and Development (the "OECD") received a mandate by the G8/G20 countries to develop a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") in the future on a global basis. The CRS will require Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis. Unitholders may therefore be reported to the Luxembourg and other relevant tax authorities under the applicable rules.

On this basis, a Council Directive 2014/107/EU amending the Council Directive amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") has been adopted on 9 December 2014 in order to implement the CRS among the EU Member States. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 within the limit of the EU Member States for the data relating to calendar year 2016.

The measures of cooperation provided thus by the Directive should be progressively replaced by the implementation of the Euro-CRS Directive. Under transitional arrangements, the Directive continued to be operational until the end of 2015 and has been replaced by the Euro-CRS Directive since 1 January 2016. Provided the proposal to repeal the Directive is adopted by the Council of the European Union, the Luxembourg laws dated 21 June 2005 implementing the

Directive will no longer apply and the amendments to the Directive, which had been adopted by the Council on 24 March 2014, will not become applicable.

In addition, Luxembourg tax authorities signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. A bill of law (n°6858) was filed with the Luxembourg Parliament in order to implement the EURO-CRS Directive (the "Bill of Law").

Under the Bill of Law, the first exchange of information is expected to be applied by 30 September 2017 for information related to the year 2016. Accordingly, the Fund would be committed as of 1 January 2016 to run additional due diligence process on its Shareholders and to report the identity and residence of financial account holders (including certain entities and their controlling persons), account details, reporting entity, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of residency of the foreign investors to the extent that they are resident of another EU Member State or of a country for which the Multilateral Agreement is in full force and applicable. Shareholders should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

US Tax considerations

- 16.15 The US Foreign Account Tax Compliance Act ("FATCA") aims at preventing US tax evasion by requiring foreign (non-US) financial institutions to report to the US Internal Revenue Service information on financial accounts held outside the United States by US investors. US securities held by a non-US financial institution that does not comply with the FATCA reporting regime will be subject to a US tax withholding of 30% on gross sales proceeds and income, commencing on 1 July 2014.
- 16.16 Luxembourg has entered into a Model I Intergovernmental Agreement (the "IGA") with the US on 28 March 2014. Under the terms of the IGA, the Fund will be obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Luxembourg legislation implementing the IGA (the "Luxembourg IGA Legislation"). Under the IGA, Luxembourg-resident financial institutions that comply with the requirements of the Luxembourg IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA ("FATCA Withholding"). In order to elect for and keep such FATCA status, the Fund only allows (i) participating foreign financial institutions, (ii) deemed-compliant foreign financial institutions, (iii) non-reporting IGA foreign financial institutions, (iv) exempt beneficial owners (v), Active NFFE or (vi) non-specified US persons, all as defined under FATCA as shareholders; accordingly, investors may only subscribe for and hold Shares through a financial institution that complies or is deemed to comply with FATCA. The Fund may impose measures and/or restrictions to that effect, which may include the rejection of subscription orders or the compulsory redemption of Shares, as further detailed in this Prospectus and in the Articles, and/or the withholding of the 30% tax from payments to the account of any shareholder found to qualify as a "recalcitrant account" or "non-participating foreign financial institution" under FATCA. Prospective investors should (i) consult their own tax advisors regarding the impact of FATCA further to an investment in the Fund and (ii) be advised that although the Fund will attempt to comply with all FATCA obligations, no assurance can be given that it will be able to satisfy the such obligations and therefore to avoid FATCA Withholding. The attention of US taxpayers is drawn to the fact that the Fund qualifies as a passive foreign investment company ("PFIC") under US tax laws and does not intend to

provide information that would allow such investors to elect to treat the Fund as a qualified electing fund (so-called “QEF election”).

17. BUSINESS YEAR

The Business Year runs from July 1st to June 30th of each year.

18. PERIODICAL REPORTS AND PUBLICATIONS

18.1 The Fund will publish an audited annual report within 4 months after the end of the Business Year and an un audited semi-annual report within 2 months after the end of the period to which it refers.

18.2 The reports include accounts of the Fund and of each Compartment.

18.3 All these reports will be made available to the Shareholders at the registered office of the Fund, the Depositary, the distributor and other establishments appointed by the Depositary. The first report was an audited annual report as at 30th June 2010.

18.4 The Net Asset Value per Share of each Compartment as well as the issue and redemption prices will be made to the public at the offices of the Depositary.

18.5 Any amendments to the Articles will be published in the RESA.

19. LIFETIME, MERGER AND LIQUIDATION OF THE FUND AND COMPARTMENTS

The Fund

19.1 The Fund has been established for an indefinite period, but the Board of Directors may, at any time, propose the dissolution of the Fund to an extraordinary General Meeting.

19.2 If the capital of the Fund falls below two thirds of the minimum capital required by the law, the Board of Directors must submit the question of the dissolution of the Fund to a General Meeting for which no quorum shall be required and which shall decide by a simple majority of the Shares represented at this meeting.

19.3 If the capital of the Fund falls below one fourth of the minimum capital, the Board of Directors must submit the question of the dissolution of the Fund to a General Meeting for which no quorum shall be required; dissolution may be resolved by a simple majority of the Shareholders holding one fourth of the Shares represented at this meeting.

19.4 The liquidation of the Fund shall be carried out in accordance with the provisions of the 2010 Law which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and in the connection provides for deposit in escrow at the *Caisse des Consignations* in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds shall be distributed to the Shareholders in proportion to their respective holdings.

Merger of the Fund and the Compartments

- 19.5 In accordance with the provisions of the 2010 Law and of the Articles, the Board of Directors may decide to merge or consolidate the Fund with, or transfer substantially all or part of the Fund's assets to, or acquire substantially all the assets of, another UCITS established in Luxembourg or another EU Member State. For the purpose of this Section 19.5, the term UCITS also refers to a compartment of a UCITS and the term Fund also refers to a Compartment.
- 19.6 Any merger leading to termination of the Fund must be approved by a Shareholders meeting subject to the quorum and the majority requirement applying to the modification of the Articles. For the avoidance of doubt, this provision does not apply in respect of a merger leading to the termination of a Compartment.
- 19.7 The Fund will provide appropriate and accurate information on the proposed merger to its Shareholders so as to enable them to make an informed judgment of the impact of the merger on their investment and to exercise their rights under this Section 19 and the 2010 Law.
- 19.8 The Shareholders have the right to request, without any charge other than those retained by the Fund to meet disinvestment costs, the redemption of their Shares.
- 19.9 The Board of Directors may decide to allocate the assets of a Compartment to those of another existing Compartment within the Fund or to another Luxembourg UCITS or to another compartment within such other Luxembourg UCITS (the "New Compartment") and to repatriate the Shares of the category of Shares or categories of Shares concerned as Shares of another category of Shares (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described in Section 19.7 above one month before its effectiveness (and, in addition, the publication will contain information in relation to the New Compartment), in order to enable the Shareholders to request redemption of their Shares, free of charge, during such period.
- 19.10 Notwithstanding the powers conferred to the Board of Directors by Section 19.9 above, a contribution of the assets and of the liabilities attributable to any Compartment to another Compartment within the Fund may in any other circumstances be decided by a general meeting of Shareholders of the category of Shares or categories of Shares issued in the Compartment concerned for which there will be no quorum requirements and which will decide upon such a merger by resolution taken by simple majority of those present or represented and voting at such meeting.
- 19.11 If the interest of the Shareholders of the relevant Compartment or in the event that a change in the economic or political situation relating to a Compartment so justifies, the Board of Directors may proceed to the reorganisation of a Compartment by means of a division into two or more Compartments. Information concerning the New Compartment(s) will be provided to the relevant Shareholders. Such publication will be made one month prior to the effectiveness of the reorganisation in order to permit Shareholders to request redemption of their Shares free of charge during such one month prior period.

Liquidation of Compartments

- 19.12 The Board of Directors may also propose to dissolve a Compartment at a General Meeting of that Compartment. The proceedings at this General Meeting shall be subject to quorum

requirements in conformity with the Articles and the decision to dissolve the Compartment shall be taken by the majority of the Shares in that Compartment represented at this meeting.

- 19.13 If the net assets of a Compartment fall below or fail to achieve the amount set by the Board of Directors as the minimum value that allows this Compartment or category of Shares to be managed efficiently, or if a change in the economic or political situation so justifies, or as part of a policy of rationalisation, the decision to execute a forced redemption of the category of Shares in question and/or all categories of Shares at the Net Asset Value applicable on the Valuation Day on which this resolution comes into effect. The Fund will communicate this decision to the Shareholders of the category or categories of Shares in question before the forced redemption comes into effect, stating the reasons for the forced redemption and explaining the procedure to be followed: holders of registered Shares will be informed in writing. Provided that the Board of Directors does not specify otherwise with a view to ensuring equal treatment of Shareholders and in the interests of the latter, the Shareholders may still apply to redeem or exchange their Shares at no charge (although with due regard to the current sale prices of the assets and to any associated costs) before the date of the forced redemption.
- 19.14 If a Compartment is dissolved, the liquidation process shall be conducted in conformity with the provisions of the 2010 Law. This legislation stipulates the procedures to be followed to enable Shareholders to share in the proceeds of the liquidation and, in this respect, specifies that any amount not distributed to Shareholders once the dissolution process has been completed shall be first kept at the Depository bank for a period of six months; should the proceeds not be claimed during this period, they will be then surrendered to the *Caisse des Consignations* in Luxembourg. The net proceeds of the liquidation for each Compartment shall be distributed to the Shareholders of that particular Compartment in proportion to the number of Shares held in the relevant Compartment.

20. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are deposited and kept available for inspection at the Fund's registered office:

- the Articles;
- the latest annual and semi-annual reports of the Fund;
- the KIIDs;
- the Depository Agreement;
- the Management Company Services Agreement;
- each Investment Management Agreement.

21. INVESTMENT RESTRICTIONS

- 21.1 The Fund has adopted the following restrictions relating to the investment of the Fund's assets and its activities. These restrictions and policies may be amended from time to time by of the Fund if and as it shall deem it to be in the best interests of the Fund, in which case this Prospectus will be updated.
- 21.2 The investment restrictions imposed by Luxembourg law must be complied with by each Compartment.

Investments in eligible assets

- 21.3 Investments in the Fund shall comprise exclusively:
- (a) Transferable Securities and Money Market Instruments listed or dealt on a Regulated Market; and /or
 - (b) Transferable Securities and Money Market Instruments dealt on an Other Regulated Market in a EU Member State; and /or
 - (c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt on an Other Regulated Market in an Other State; and/or
 - (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 Regulated Market, an official stock exchanges in an Other State or on an Other Regulated Market referred to above under Sections 21.3(a) to 21.3(c) of the main part of the Prospectus and that such a listing will be obtained within one year of the date of issue;
 - (e) units/shares of UCITS and/or other UCIs, whether situated in a EU Member State or not, provided that:
 - (i) such other UCIs have been authorised under the 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 (at the time of the present Prospectus, the EU law and/or OCDE Member States as well as Hong Kong, Jersey, Guernsey and Liechtenstein);
 - (ii) the level of protection for shareholders in such other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
 - (iii) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;

- (iv) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units/shares of other UCITS or other UCIs; and/or
- (f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a EU Member State or, if the registered office of the credit institution is situated in an Other State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law; and/or
- (g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market, stock exchange in an Other State or on an Other Regulated Market referred to under Sections 21.3(a) to 21.3(c) of the main part of the Prospectus above, and/or OTC Derivatives, provided that:
 - (i) the underlying consists of instruments covered by this Section 21.3, financial indices, interest rates, foreign exchange rates or currencies, in which the Compartments may invest according to their respective investment objective;
 - (ii) the counterparties to OTC Derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
 - (iii) 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 Fund's initiative; and/or
- (h) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
 - (i) issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the European Union or the European Investment Bank, an Other 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, or
 - (ii) issued by an undertaking any securities of which are dealt in on Regulated Markets or Other Regulated Market referred to Sections 21.3(a) to 21.3(c) of the main part of the Prospectus above, or
 - (iii) 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
 - (iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (EUR10,000,000) and which presents and publishes its

annual accounts in accordance with Directive 78/660/EEC, 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.

- (i) In addition, the Fund may invest a maximum of 10% of the net assets of any Compartment in Transferable Securities and Money Market Instruments other than those referred to under Section 21.3 above.

21.4 However, each Compartment may:

- (a) hold ancillary liquid assets;
- (b) invest no more than 10% of its net assets in Transferable Securities or Money Market Instruments issued by the same body.

Risk diversification

21.5 Each Compartment may not invest more than 20% of its net assets in deposits made with the same body.

21.6 Furthermore, where any Compartment holds investments in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the Net Asset Value of such Compartment, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Compartment. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.

21.7 The counterparty risk of a Compartment arising from OTC Derivative transactions and efficient portfolio management techniques may not exceed 10% of its net assets when the counterparty is a credit institution referred to in Section 21.3(f) above or 5% in any other case.

21.8 Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in Sections 21.4(b), 21.6, 21.7, 21.12 to 21.14, 21.16 and 21.18 of the main part of the Prospectus. When the Compartment invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in Sections 21.4(b), 21.6, 21.7, 21.12 to 21.14, 21.16 and 21.18 of the main part of the Prospectus.

21.9 When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of Sections 21.10 and 21.11 below as well as with the risk exposure and information requirements laid down in this Prospectus.

21.10 The Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

21.11 The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

PROTEA UCITS II

- 21.12 Notwithstanding the individual limits laid down in Sections 21.4(b), 21.6 and 21.7 above, a Compartment may not combine:
- (a) investments in Transferable Securities or Money Market Instruments issued by,
 - (b) deposits made with, and/or
 - (c) exposures arising from OTC Derivative transactions undertaken with,
- a single body in excess of 20% of its net assets.
- 21.13 The limit of 10% laid down in Section 21.4(b) above shall be 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a EU Member State, its local authorities or by any Other State or by public international bodies of which one or more EU Member States are members.
- 21.14 The limit of 10% set forth under Section 21.4(b) above is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a EU Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, “qualifying debt securities” are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Compartment invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Compartment.
- 21.15 The securities and Money Market Instruments specified under (i) and (C)(4) above shall not be included in the calculation of the limit of 40% under (C)(2)(i).
- 21.16 The limits set out in Sections 21.4(b), 21.6, 21.7, 21.12 to 21.14 above may not be aggregated and, accordingly, the value of investments in Transferable Securities and Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body, effected in accordance with Sections 21.4(b), 21.6, 21.7, 21.12 to 21.14 above may not, in any event, exceed a total of 35% of each Compartment’s Net Asset Value.
- 21.17 Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in Sections 21.4(b) to 21.18 of the main part of the Prospectus.
- 21.18 A Compartment may cumulatively invest up to 20% of its net assets in Transferable Securities and Money Market Instruments within the same group.
- 21.19 Subject to having due regard to the principle of risk spreading, a Compartment need not comply with the limits set out in articles 43 to 46 of the 2010 Law for a period of 6 months following the date of its authorisation and launch.

Exceptions which can be made

- 21.20 **Where any Compartment has invested in accordance with the principle of risk spreading in Transferable Securities and Money Market Instruments issued or guaranteed by a EU Member State, by its local authorities or by any OECD Member State, by certain non-OECD Member States (currently Brazil, Indonesia, Russia, Singapore, Hong-Kong and South-Africa), or by public international bodies of which one or more EU Member States are members, the Fund may invest 100% of the net assets of any Compartment in such Transferable Securities and Money Market Instruments provided that such Compartment must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net assets of the Compartment.**
- 21.21 Without prejudice to the limits set forth hereafter under Section 21.32 below, the limits set forth in Sections 21.5 to 21.18 above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Compartment's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, on the following basis:
- (a) the composition of the index is sufficiently diversified,
 - (b) the index represents an adequate benchmark for the market to which it refers,
 - (c) it is published in an appropriate manner.

The limit of 20% 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. The investment up to this limit is only permitted for a single issuer.

Investment in UCITS and/or other UCIs

- 21.22 Each Compartment may acquire units of the UCITS and/or other UCIs referred to in Section 21.3(e) above, provided that no more than 20% of a Compartment's net assets are invested in the units of a single UCITS or other UCI.
- 21.23 For the purpose of the application of investment limits, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
- 21.24 Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Compartment.
- 21.25 When a Compartment invests in the units of other UCITS and/or other UCIs linked to the Fund by common management or control, or by a substantial direct or indirect holding, or managed by a management company linked to the relevant Investment Manager, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs.
- 21.26 In respect of a Compartment's investments in UCITS and other UCIs linked to the Fund as described in the preceding Section, the total management fee (excluding any performance fee, if any) charged to such Compartment and each of the UCITS or other UCIs concerned shall not

exceed 2.5% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Compartment and to the UCITS and other UCIs in which such Compartment has invested during the relevant period.

- 21.27 The Fund may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS and/or UCI concerned, all Compartments combined.
- 21.28 The underlying investments held by the UCITS or other UCIs in which the Compartments invest do not have to be considered for the purpose of the investment restrictions set forth under Sections 21.5 to 21.18 above.
- 21.29 The investment limits laid down above may be exceeded whenever subscription rights attaching to securities which form part of the Fund's assets are being exercised.
- 21.30 If such limits are exceeded as a result of exercising subscription rights or for reasons beyond the Fund's control, the Fund shall endeavour as a priority aim to redress the balance, while taking due account of the interests of the Shareholders.

Investments between Compartments

- 21.31 A Compartment (the "Investing Compartment") may invest in one or more other Compartments. Any acquisition of shares of another Compartment (the "Target Compartment") by the Investing Compartment is subject to the following conditions:
- (a) the Target Compartment may not invest in the Investing Compartment;
 - (b) the Target Compartment may not invest more than 10% of its net assets in UCITS (including other Compartments) or other UCIs referred to in Section 21.3(e) above;
 - (c) the voting rights attached to the shares of the Target Compartment are suspended during the investment by the Investing Compartment; and
 - (d) the value of the share of the Target Compartment held by the Investing Compartment are not taken into account for the purpose of assessing the compliance with the EUR1,250,000 minimum capital requirement.

Prohibited investments

- 21.32 The Fund is prohibited from:
- (a) borrowing for the account of any Compartment, unless:
 - (i) the loan is only temporary and does not exceed 10% of the net assets of the Compartment in question;
 - (ii) the borrowing is in the form of a back-to back loan.
 - (b) acquiring shares carrying voting rights which would enable the Fund to exercise significant influence over the management of the issuing body;

- (c) acquiring more than:
 - (i) 10% of the non-voting shares of the same issuer;
 - (ii) 10% of the debt securities of the same issuer,
 - (iii) 10% of the Money Market Instruments of the same issuer.

However, the limits laid down in the second and third incidents above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments or the net amount of instruments in issue cannot be calculated.

The limits set out in sub-paragraphs (b) and (c) of Section 21.32 above shall not apply to:

- (i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
 - (ii) Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
 - (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members; or
 - (iv) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Compartment's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in articles 43, 46 and 48(1) and (2) of the 2010 Law.
- (d) making investments in precious metals or certificates representing these
 - (e) entering into transactions involving commodities or commodity contracts, except that the Fund may employ techniques and instruments relating to Transferable Securities within the limits set out in Section 22 below;

purchasing or selling real estate or any option, right or interest therein, provided the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein;
 - (f) carrying out uncovered sales of Transferable Securities, other financial instruments or Money Market Instruments referred to in Sections 21.3(e), 21.3(g) and 21.3(h) above;
 - (g) mortgaging, pledging, hypothecating or otherwise encumbering as security for indebtedness any securities held for the account of any Compartment, except as may be necessary in connection with the borrowings mentioned in sub-paragraph (a) of Section 21.32 above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net assets of each Compartment. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other

assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose;

- (h) underwriting or sub-underwriting securities of other issuers.

22. EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

General

- 22.1 The Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments provided that such techniques and instruments are used for the purposes of efficient portfolio management within the meaning of, and under the conditions set out in, applicable laws, regulations and circulars issued by the CSSF from time to time. In particular, those techniques and instruments should not result in a change of the investment objective and policy of a Compartment or should not add substantial supplementary risks in comparison to the stated risk profile of any Compartment.
- 22.2 The risk exposure to a counterparty resulting from efficient portfolio management techniques and OTC Derivatives must be combined when calculating counterparty risk limits referred to under Section 21.7 above.
- 22.3 All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Fund. In particular, fees and cost may be paid to agents of the Fund and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Fund through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary or Investment Manager – will be available in the annual report of the Fund.

Securities lending and borrowing

- 22.4 The Fund may more specifically enter into securities lending transactions provided that the following rules are complied with in addition to the abovementioned conditions:
 - (a) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
 - (b) The Fund may only lend securities to a borrower either directly or 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 the EU law and specialised in this type of transaction;
 - (c) The Fund 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.

Repurchase agreement transactions

- 22.5 The Fund may enter into repurchase agreements that consist of forward transactions at the maturity of which the Fund (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions. The Fund may further enter into reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the asset sold and the Fund (buyer) the obligation to return the assets purchased under the transactions. The Fund may also enter into transactions that consist of the purchase/sale of securities with a clause reserving for the counterparty/Fund the right to repurchase the securities from the Fund/counterparty at a price and term specified by the parties in their contractual arrangements.
- 22.6 The Fund's involvement in such transactions is, however, subject to the additional following rules:
- (a) The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
 - (b) The Fund may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Management of collateral and collateral policy

- 22.7 In the context of OTC Derivatives transactions and efficient portfolio management techniques, the Fund may receive collateral with a view to reduce its counterparty risk. This Section sets out the collateral policy applied by the Fund in such case. All assets received by the Fund in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase transactions) shall be considered as collateral for the purposes of this Section.

Eligible collateral

- 22.8 Collateral received by the Fund or a Compartment may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral 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 on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
 - (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 Fund's or Compartment's net assets to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Compartment may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong, provided the Compartment receives securities from at least six different issues and any single issue does not account for more than 30% of the Compartment's NAV. Accordingly a Compartment may be fully collateralised in securities issued or guaranteed by an eligible OECD Member State.
- (e) It should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

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

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) Bonds issued or guaranteed by a OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- (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 mentioned in (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 EU Member State or on a stock exchange of a OECD Member State, on the condition that these shares are included in a main index

22.10 Notwithstanding the previous Section, in line with the CSSF Circular 14/592, which transposed the Guidelines issued by the European Securities and Market Authority (ESMA) "ESMA/2014/937", at the date of the Prospectus, collateral will be only received in:

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments
- (b) Bonds issued or guaranteed by a OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope.
- (c) To the extent that this policy should be reviewed by the Investment managers, the Prospectus will be amended accordingly.

Level of collateral required

22.11 The level of collateral required across all efficient portfolio management techniques or OTC Derivatives will be at least 100% of the exposure to the relevant counterparty. This will be achieved by applying the haircut policy set out under Sections 22.12 to 22.18 below.

Haircut policy

22.12 Collateral will be valued on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Fund for each asset class based on its haircut policy. This 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 by the Fund under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

22.13 In case of non-cash collateral, a haircut will be applied. The Investment Manager will only accept non-cash collateral which does not exhibit high price volatility. The non-cash collateral received on behalf of the Fund will typically be government debts and supranational debt securities.

22.14 For non-cash collateral, a haircut of 1% to 8% will be applied as follows:

Government debts and supranational debt securities	Remaining stated maturity of	Haircut applied
	Not exceeding 1 year	1%
	1 to 5 years	3%
	5 to 10 years	4%
	10 to 20 years	7%
	20 to 30 years	8%

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

22.16 Cash collateral received by the Fund can only be:

- (a) placed on deposit with credit institutions which have their registered office in a 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;
- (b) invested in highly rated government bonds;
- (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;
- (d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European money market funds.

PROTEA UCITS II

- 22.17 Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral under Section 22.8 above.
- 22.18 The Fund 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 Fund to the counterparty at the conclusion of the transaction. The 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 Fund.

23. RISK MANAGEMENT PROCESS

The Fund will employ a risk-management process which enables it with the Investment Managers to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Compartment. The Fund or the relevant Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC Derivatives.

APPENDIX 1- COMPARTMENTS ALREADY IN OPERATION

This appendix will be updated to take account of any changes in any of the Compartments already in operation, or whenever a new Compartment is set up.

1. PROTEA UCITS II – GLOBAL OPPORTUNITIES

Objectives and investment policy

- 1.1 The objective of this Compartment is to achieve capital appreciation over the medium term to long-term by investing its assets across all the assets classes based on a macro analysis and a quantitative approach.
- 1.2 The Compartment intends to invest mainly (1) in all kinds of securities, with fixed or variable income, including, but not limited to, equity, bonds (including but not limited to zero-coupon, indexed or convertible bonds, high yield bonds), (2) in all kind of financial derivative instruments as described below (3) in money market instruments (4) in structured products (as described below).
- 1.3 There is no limitation or restriction on with respect to the asset allocation or sectoral and geographical exposure (including emerging markets), subject to the specific investment restrictions listed in the Prospectus.
- 1.4 Depending on financial market conditions, a particular focus can be placed in a limited asset classes, a limited type of securities, a single country, a small number of countries, or a particular geographic region.
- 1.5 Notwithstanding the above, the Compartment does not intend to use distressed or defaulted bonds, nor contingent convertible securities.
- 1.6 Non-investment grade securities according to Moody's or Standard & Poor's standards, including non-rated bonds investments will be limited to 30% of the net assets. In case of discrepancies between ratings, the higher score will apply. Investments in asset-backed securities and mortgage-backed securities can be made up to 20% of the net assets of the Compartment.
- 1.7 Within the limits set out in the chapter "Investment restrictions" in the main body of the Prospectus, the investment policy can be achieved indirectly via investments in other UCITS and/or UCIs.
- 1.8 For hedging and for any other purposes, within the limits set out in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC), provided they are contracted with leading financial institutions specialized in this type of transactions, subject to regulatory supervision.

- 1.9 However, in normal market conditions, the Investment Manager intends to use options, warrants, futures and forward exchange contracts on currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities, indices (including volatility indices), undertakings for collective investment., in line with the 2010 Law.
- 1.10 The Sub-Fund does not intend to use total return swaps, credit default swaps, contract for difference.
- 1.11 The Sub-Fund may invest up to 20% in structured products, such as but not limited to notes, certificates, convertible or reverse convertible securities, or any other transferable securities whose returns are correlated with changes in, among others, equities, debts or a basket of transferable securities, financial indices, currency at all times in compliance with the Grand-Ducal Regulation.
- 1.12 In case of opportunities or for defensive purposes, the Compartment may also invest 10% in eligible structured products without embedded derivatives giving exposure to precious metals (ETFS Gold bullion securities, ...).
- 1.13 Those investments may not be used to elude the investment policy of the Compartment.
- 1.14 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may also hold, on a temporary basis, up to 100% of its net assets, in liquidities such as among others cash deposits, money market funds and money market instruments.

Risk Considerations

- 1.15 The portfolio is subject to risks linked to markets, interest rates or currency fluctuations and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.
- 1.16 The attention of prospective investors is drawn to the fact that the acquisition of financial derivative instruments in the aim of increasing results may entail certain risks, which may in turn have a negative impact on the overall performance of the Compartment.
- 1.17 Investors should be aware that, due to the political and economic situations in emerging countries, investment in this Compartment presents greater risk and is intended only for investors who are able to bear and assume this increased risk.
- 1.18 Investments in specific countries may mean that diversification in country and economic area terms is slight. The performance can also differ significantly from the general trend of the global bond markets.
- 1.19 Investors should refer to the Section 15“Risk Considerations” of the Prospectus for further details in this connection.
- 1.20 The Compartment’s global risk exposure is monitored by using the Value-at-Risk (“VaR”) approach which aims to estimate the maximum potential loss that the Compartment could suffer within a certain time horizon (one month) and with a certain confidence level (99% confidence interval), in normal market conditions. More specifically, the Compartment uses the absolute VaR option, whereby the Compartment's VaR is limited to 20%.

- 1.21 In addition, stress tests will be carried out in order to manage additional risks related to possible abnormal market movements at a specific point of time.
- 1.22 The expected level of leverage of this Compartment is 100% (gross commitment). This figure is computed as the sum of the absolute notionals of the financial derivative instruments (FDI), whereby a large part of these FDI is used for hedging purposes. Depending on market conditions, higher leverage levels may be used to increase the hedging component of the Compartment and/or generate a higher market exposure.

Income Distribution Policy

- 1.23 This Compartment pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out.

Investment Manager of the Compartment

- 1.24 The Management Company has appointed Banque Pictet & Cie S.A. as Investment Manager of the Compartment.
- 1.25 Banque Pictet & Cie S.A. is a bank specializing in global custody and asset management for a discerning private-customer base, and for some of the world’s biggest institutions. With over 435 CHF billion in funds under deposit and nearly 3’800 staff (at the level of the group), Banque Pictet & Cie S.A. is one of the largest private banks in Switzerland and one of the leading investment fund management institutions in Europe.

Frequency of calculation of NAV

- 1.26 The Net Asset Value of the Compartment shall be calculated on a bi-monthly basis (on the 1st and the 16th of each month) (Calculation Day), on the basis of the closing prices as of the preceding day (Valuation Day). If such day is not a Bank Business Day, on the immediately following Business Day.

Specific dealings in the Compartment

<p>Cut-off</p>	<p>Subscription: 4 p.m., on the Valuation Day. If it is not a Business Day, the previous Business Day.</p> <p>Redemption: 4 p.m., 4 Business Days before the Valuation Day. If it is not a Business Day, the previous Business Day.</p> <p>Conversion(*):4 p.m., 4 Business Days before the Valuation Day. If it is not a Business Day, the previous Business Day.</p>
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Valuation Day (Pricing Day)	<ul style="list-style-type: none"> ➤ For the NAV calculated on the 1st calendar day of each month, the valuation will correspond to the last calendar day of the previous month. ➤ For the NAV calculated on the 16th calendar day of each month, the Valuation Day will correspond to the Business Day preceding the Calculation Day.
Calculation Day	Bi-monthly, on the 1st and the 16th calendar day of each month. If such day is not a Business Day, the NAVs will be calculated on the following Business Day.
Settlement Day	<p>Subscription: within 4 Business Days after the relevant Valuation Day</p> <p>Redemption: within 4 Business Days after the relevant Valuation Day</p> <p>Conversion: within 4 Business Days after the relevant Valuation Day</p>

Reference currency

1.27 The reference currency is the Euro. ("EUR")

Categories of Shares

Categories of Shares available	A restricted special	
ISIN code	LU0650582272	
Minimum Initial Subscription	1 Share	
Base currency	EUR	
Subscription and redemption currencies	EUR	
Fees1(max %)	Management Fee of the Investment Manager and Distribution Fee	0.45%
	Central Administration, Depository Bank and Management Company Fees2	0.20%
	Management Fees of the Investment Managers of underlying funds	2%

This table shows all fees charged to the Compartment, except fees charged by the Management Company for corporate and governance support, as described in Section 14. "Fund Expenses".

1 Per year of the average net assets attributable to this type of share out of the assets of the Compartment.

"restricted special" shares shall be reserved for Shareholders expressly approved by Banque Pictet & Cie, S.A.

2 Management fees at the level of the Fund will be prorated so as to exclude all investments which have already been subject to management fees at the level of the underlying.

Subscription price:

- 1.28 Spread: Max 2% on subscription, redemption or conversion will be paid to the Compartment.
- 1.29 When marketing the Compartment abroad, regulations in certain jurisdictions may require the presence of a local Paying Agent. In such cases, investors domiciled in these jurisdictions may be required to pay any fees and charges deducted by the local Paying Agents.
- 1.30 In accordance with market practices, and in line with the requirements of local distributors, the Distributor may deem it necessary to set minimum subscription levels for share in the Compartment, limit conversions between categories of Shares and, while remaining within the limits set out by the Prospectus, apply a specific policy for subscription, redemption and conversion fees levied on behalf of local distributors.
- 1.31 In addition to the fees above, the Compartment will also pay brokerage commissions and fees, the *taxe d'abonnement* (subscription tax), legal and auditing fees and any other costs incurred on behalf of the Compartment.
- 1.32 The initial subscription minimum as well as the minimum subsequent investment (if any) may be waived at the entire discretion of the Board of Directors.

2. PROTEA UCITS II– GLOBAL BALANCED

Objectives and investment policy

- 2.1 The objective of this Compartment is to achieve capital appreciation over the medium to long-term by investing its assets across all the asset classes based on a macro analysis and a quantitative approach.
- 2.2 The Compartment intends to invest mainly (1) in all kinds of securities, with fixed or variable income, including, but not limited to, equity, bonds (including but not limited to zero-coupon, indexed or convertible bonds, high yield bonds), (2) in all kind of financial derivative instruments as described below (3) in money market instruments (4) in structured products (as described below).
- 2.3 There is no limitation or restriction on with respect to the asset allocation or sectoral and geographical exposure (including emerging markets), subject to the specific investment restrictions listed in the Prospectus.
- 2.4 Depending on financial market conditions, a particular focus can be placed in a limited asset classes, a limited type of securities, a single country, a small number of countries, or a particular geographic region.
- 2.5 Notwithstanding the above, the Compartment does not intend to use distressed or defaulted bonds, nor contingent convertible securities. Non-investment grade securities according to Moody's or Standard & Poor's standards, including non-rated bonds investments will be limited to 30% of the net assets of the Compartment. In case of discrepancies between ratings, the higher score will apply.
- 2.6 Investments in asset-backed securities and mortgage-backed securities can be made up to 20% of the net assets of the Compartment.
- 2.7 Within the limits set out in the chapter "Investment restrictions" in the main body of the Prospectus, the investment policy can be achieved indirectly via investments in other UCITS and/or UCIs.
- 2.8 For hedging and for any other purposes, within the limits set out in the investment restrictions in the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.
- 2.9 However, in normal market conditions, the Investment Manager intends to use options, warrants, futures and forward exchange contracts on currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities, indices (including volatility indices), undertakings for collective investment, in line with the 2010 Law.
- 2.10 The Compartment does not intend to use total return swaps, credit default swaps, contract for difference.

- 2.11 The Sub-Fund may invest up to 20% in structured products, such as but not limited to notes, certificates, convertible or reverse convertible securities, any other transferable securities whose returns are correlated with changes in, among others equities, debts, basket of transferable securities, financial indices , currency at all times in compliance with the Grand-Ducal Regulation.
- 2.12 In case of opportunities or for defensive purposes, the Compartment may also invest 10% in eligible structured products without embedded derivatives giving exposure to precious metals (ETFs Gold bullion securities, ...).
- 2.13 Those investments may not be used to elude the investment policy of the Compartment.
- 2.14 If the Investment Manager considers this to be in the best interest of the Shareholders, the Compartment may also hold, on a temporary basis, up to 100% of its Net Assets, in liquidities such as among others cash deposits, money market funds and money market instruments.

Risk Considerations

- 2.15 The portfolio is subject to risks linked to equity markets, interest rates or currency fluctuations and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.
- 2.16 The attention of prospective investors is drawn to the fact that the use of financial derivative instruments with the aim of increasing results may entail certain risks, which may in turn have a negative impact on the overall performance of the Compartment.
- 2.17 Due to the increasing volatility of the market, the portfolio may be subject to a high rotation, with the consequent increase in transaction fees.
- 2.18 Investors should refer to the Section 15 "Risk Considerations" of the Prospectus for further details in this connection.
- 2.19 Investors should be aware that, due to the political and economic situations in emerging countries, investment in this Compartment presents greater risk and is intended only for investors who are able to bear and assume this increased risk.
- 2.20 Investments in specific countries may mean that diversification in country and economic area terms is slight. The performance can also differ significantly from the general trend of the global equity markets.
- 2.21 The Compartment's global risk exposure is monitored by using the Value-at-Risk ("VaR") approach which aims to estimate the maximum potential loss that the Compartment could suffer within a certain time horizon (one month) and with a certain confidence level (99% confidence interval), in normal market conditions. More specifically, the Compartment uses the absolute VaR option, whereby the Compartment's VaR is limited to 20%.

- 2.22 In addition, stress tests will be carried out in order to manage additional risks related to possible abnormal market movements at a specific point of time.
- 2.23 The expected level of leverage of this Compartment is 100% (gross commitment). This figure is computed as the sum of the absolute notionals of the financial derivative instruments (FDI), whereby a large part of these FDI is used for hedging purposes. Depending on market conditions, higher leverage levels may be used to increase the hedging component of the Compartment and/or generate a higher market exposure.

Income Distribution Policy

- 2.24 This Compartment pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out.

Investment Manager of the Compartment

- 2.25 The Management Company has appointed Banque Pictet & Cie S.A., Genève, ACPI Investments Limited, and Stanhope Capital LLP, as Investment Managers of the Compartment.
- 2.26 Banque Pictet & Cie S.A. is a bank specialising in global custody and asset management for a discerning private-customer base, and for some of the world's biggest institutions. With over 435 CHF billion in funds under deposit and nearly 3'800 staff (at the level of the group), Banque Pictet & Cie S.A. is one of the largest private banks in Switzerland and one of the leading investment fund management institutions in Europe.
- 2.27 ACPI Investments Limited (formerly TriAlpha Investment Advisors Limited) was incorporated on 2 May 1999 under the Laws of England, having its registered office at Pegasus House, 37-43 Sackville Street, London W1S 3EH United Kingdom and is regulated by the Financial Conduct Authority of the United Kingdom in the conduct of financial services and investment management activities. ACPI Investments Limited is ultimately a wholly owned subsidiary of ACPI Holdings Limited, a company incorporated in Jersey. As at September, 2013 the Investment Manager had funds under management of approximately US\$2.9 billion.
- 2.28 Stanhope Capital LLP forms part of the Stanhope Capital group. The group is an independently owned investment firm that provides asset management services to substantial private clients, charities and endowments. Controlled by management, the firm was originally formed around a group of prominent European families dedicated to safeguarding and enhancing their wealth using the best available investment expertise in a conflict-free environment. Stanhope Capital is now one of the largest private investment offices in Europe representing over 200 families and institutions and oversees approximately USD 9.5 billion in multi-asset mandates.

Frequency of calculation of NAV

- 2.29 The Net Asset Value of the Compartment shall be calculated on a bi-monthly basis (on the 1st and the 16th of each month) (Calculation Day), on the basis of the closing prices as of the preceding day (Valuation Day). If such day is not a Business Day, on the immediately following Business Day.

Specific dealings in the Compartment

<p>Cut-off</p>	<p>Subscription: 4 p.m., on the Valuation Day. If it is not a Business Day, the previous Business Day.</p> <p>Redemption: 4 p.m., 4 Business Days before the Valuation Day. If it is not a Business Day, the previous Business Day.</p> <p>Conversion(*):4 p.m., 4 Business Days before the Valuation Day. If it is not a Business Day, the previous Business Day.</p>
<p>Valuation Day (Pricing Day)</p>	<ul style="list-style-type: none"> ➤ For the NAV calculated on the 1st calendar day of each month, the Valuation Day will correspond to the last calendar day of the previous month. ➤ For the NAV calculated on the 16th calendar day of each month, the Valuation Day will correspond to the Business Day preceding the Calculation Day.
<p>Calculation Day</p>	<p>Bi-monthly, on the 1st and the 16th calendar day of each month. If such day is not a Business Day, the NAVs will be calculated on the following Business Day.</p>
<p>Settlement Day</p>	<p>Subscription: within 4 Business Days after the relevant Valuation Day</p> <p>Redemption: within 4 Business Days after the relevant Valuation Day</p> <p>Conversion: within 4 Business Days after the relevant Valuation Day</p>

Reference currency

2.30 The reference currency is the Euro ("EUR").

Categories of Shares

Categories of Shares available	A restricted	
ISIN code	LU0459212477	
Minimum Initial Subscription	1 Share	
Base currency	EUR	
Subscription and redemption currencies	EUR	
Fees1(max %)	Management Fee of the Investment Managers based on the amounts of assets allocated to and effectively managed by them	
	Banque Pictet & Cie S.A.	0,45%
	ACPI Investments Limited	Depending on the amount of assets: <ul style="list-style-type: none"> - Up to 18Meuros: 0.65% - Up to 45Meuros : 0.60% - Above 45Meuros : 0.50%
	Stanhope Capital LLP	0.75%
	Central Administration, Depository Bank and Management Company Fees2	0.20%
	Management Fees of the Investment Managers of underlying funds	2%

1 Per year of the average net assets attributable to this type of share out of the assets of the Compartment.

"restricted" Shares shall be reserved for Shareholders expressly approved by Banque Pictet & Cie, S.A.

2 Management fees at the level of the Fund will be prorated so as to exclude all investments which have already been subject to management fees at the level of the underlying.

Subscription price:

2.31 Spread: Max 2% on subscription, redemption or conversion will be paid to the Compartment.

2.32 When marketing the Compartment abroad, regulations in certain jurisdictions may require the presence of a local Paying Agent. In such cases, investors domiciled in these jurisdictions may be required to pay any fees and charges deducted by the local Paying Agents.

2.33 In accordance with market practices, and in line with the requirements of local distributors, the Distributor may deem it necessary to set minimum subscription levels for Share in the Compartment, limit conversions between categories of Shares and, while remaining within the limits set out by the Prospectus, apply a specific policy for subscription, redemption and conversion fees levied on behalf of local distributors.

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- 2.34 In addition to the fees above, the Compartment will also pay brokerage commissions and fees, the *taxe d'abonnement* (subscription tax), legal and auditing fees and any other costs incurred on behalf of the Compartment.
- 2.35 The initial subscription minimum as well as the minimum subsequent investment (if any) may be waived at the entire discretion of the Board of Directors.

3. PROTEA UCITS II – DUET MENA HORIZON FUND

Objectives and Investment policy

- 3.1 The objective of this Compartment is to deliver superior absolute returns in Middle East and North African markets.
- 3.2 The Compartment will primarily offer an exposure to equities and equity related securities (such as ADR, GDR) of companies
- (i) incorporated or headquartered in the Middle East and North African countries ("MENA" countries) including, but not limited to Turkey, Kingdom of Saudi Arabia, United Arab Emirates, Kuwait, Qatar, Bahrain, Oman, Egypt, Jordan, Lebanon, Tunisia and Morocco, and/or
 - (ii) which have their principal business activities in MENA countries.
- 3.3 In order to achieve its objective, the Compartment will mainly invest:
- directly in the securities mentioned in the previous paragraph; and/or
 - in any transferable securities (such as structured products as described below, e.g. P-notes) linked or offering an exposure to the performance of the above-mentioned securities;
 - in financial derivative instruments (such as but not limited to LEPO-warrants, warrants, options, futures,...) having as underlying or offering exposure to the above mentioned securities.
- 3.4 Except for the geographical exposure, the choice of investments will neither be limited by economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single MENA country (or some MENA countries) and/or in a single currency and/or in a single economic sector.
- 3.5 The Compartment may also invest, on an ancillary basis, in other eligible assets, such as but not limited to transferable securities other than those mentioned above (bonds, convertible bonds), money market instruments, units/shares of UCITS and other UCIs and deposits.
- 3.6 However, investments in UCITS and other UCIs may not exceed 10% of the Compartment's net assets.
- 3.7 Structured products are instruments such as, but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the Frand-Ducal Regulation (including but not limited to indices on volatility), currencies, exchange rates, transferable securities or a basket of transferable securities or an undertaking for collective investment, at all times in compliance with the Grand-Ducal Regulation.
- 3.8 For hedging and for any other purposes, within the limits set out in the chapter "Investment Restrictions" of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in

line with the 2010 Law as well as the investment policy of the Compartment, including but not limited to, currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited indices on volatility), undertakings for collective investment.

- 3.9 The Investment Manager intends to use mostly forward exchange contracts, CFDs, and total return swaps. Total return swaps, will only be used in an opportunistic manner and not as part of the core strategy.
- 3.10 If the Investment Manager considers this to be in the best interest of the Shareholders, for defensive purposes and in exceptional market conditions, the Compartment may also hold, on a temporary basis, up to 100% of its net assets, in liquidities such as among others cash deposits, money market funds and money market instruments.

Risk Considerations

- 3.11 The portfolio is subject to risks linked to markets, interest rates or currency fluctuations and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.
- 3.12 The attention of prospective investors is drawn to the fact that the acquisition of financial derivative instruments in the aim of increasing results may entail certain risks, which may in turn have a negative impact on the overall performance of the Compartment.
- 3.13 Investors should be aware that, due to the political and economic situations in emerging countries, investment in this Compartment presents greater risk and is intended only for investors who are able to bear and assume this increased risk.
- 3.14 The Compartment's global risk exposure is monitored by using the Value-at-Risk ("VaR") approach which aims to estimate the maximum potential loss that the Compartment could suffer within a certain time horizon (one month) and with a certain confidence level (99% confidence interval), in normal market conditions. More specifically, the Compartment uses the absolute VaR option, whereby the Compartment's VaR is limited to 20%.
- 3.15 In addition, stress tests will be carried out in order to manage additional risks related to possible abnormal market movements at a specific point of time.
- 3.16 The expected level of leverage of this Compartment is 20% (gross commitment). This figure is computed as the sum of the absolute notionals of the financial derivative instruments (FDI), whereby a large part of these FDI is used for hedging purposes. Depending on market conditions, higher leverage levels may be used to increase the hedging component of the Compartment and/or generate a higher market exposure.

Income Distribution Policy

- 3.17 This Compartment pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out.

Investment Manager of the Compartment

- 3.18 Duet MENA Limited (Duet MENA) is the appointed Investment Manager of the Compartment. Duet MENA is part of Duet Group, with headquarters at 27 Hill Street, London W1J 5LP, United Kingdom. Duet Group is a leading, global alternatives asset management firm founded in 2002. As of the 31st of August 2015, the Duet platform manages over US\$5.5bn in assets across three business areas: hedge funds, funds of hedge funds and private equity funds. Duet Group employees 91 professionals in London, New York, New Delhi, Dubai, Accra and Cairo.
- 3.19 Duet MENA is licensed and regulated by the Dubai Financial Services Authority and holds the necessary approvals and licenses to act as Investment Manager to the Compartment. Duet MENA's registered office is at Al Fattan Currency House, Office 10, Level 4, Dubai International Financial Centre, PO Box 482011, Dubai, UAE.

Frequency of calculation of NAV

- 3.20 The Net Asset Value of the Compartment shall be calculated on each Wednesday (Calculation Day), on the basis of the closing prices as of the preceding Tuesday (Valuation Day). If such Wednesday is not a Business Day, on the immediately following Business Day. If the first Business Day of a month is not a Wednesday, an additional Net Asset Value calculation will take place on the first Business Day of each month, however, such additional Net Asset Value, although available for publication, will be produced for benchmarking purposes only, hence no subscription, redemption or conversion orders will be accepted on the basis thereof.

Specific dealings in the Compartment

Cut-off	Subscription: 4 p.m., on the Valuation Day Redemption: 4 p.m., 4 Business Days before the Valuation Day Conversion(*):4 p.m., 4 Business Days before the Valuation Day
Valuation Day (Pricing Day)	The Business Day preceding the Calculation Day
Calculation Day	Weekly, on each Wednesday. If such Wednesday is not a Business Day, the NAV will be calculated on the following Business Day.
Settlement Day	Subscription: within 2 Business Days after the relevant Valuation Day Redemption: within 4 Business Days after the relevant Valuation Day Conversion: within 4 Business Days after the relevant Valuation Day

Reference currency

3.21 The reference currency is the US Dollar ("USD").

Categories of Shares

Categories of Shares available		A EUR restricted*	B EUR ordinary*	A restricted	B ordinary
Minimum Initial Subscription		1 Share	1 Share	1 Share	1 Share
Base currency		EUR	EUR	USD	USD
Subscription and redemption currencies		EUR	EUR	USD	USD
Fees ¹ (max %)	Management Fee of the Investment Manager and Distribution Fee	1.25%	1.75%	1.25%	1.75%
	Performance Fee	10%	10%	10%	10%
	Central Administration Fee ²	0.15%	0.15%	0.15%	0.15%
	Depository Bank Fee ³	0.08%	0.08%	0.08%	0.08%

This table shows all fees charged to the Compartment, except fees charged by the Management Company for corporate and governance support, as described in Section 14. "Fund Expenses".

1 Per year of the average net assets attributable to this type of Share out of the assets of the Compartment.

2 With a minimum of EUR 42'500 for the Compartment. In certain circumstances and depending on the amount of asset under management of the Compartment, the minimum fee disclosed here may be higher than the maximum fee rate disclosed in the table.

3 With a minimum of EUR 15'000 for the Compartment. In certain circumstances and depending on the amount of asset under management of the Compartment, the minimum fee disclosed here may be higher than the maximum fee rate disclosed in the table.

* For the Categories of Shares denominated in EUR (A EUR restricted and B EUR ordinary) the Investment Manager will attempt to reduce the volatility resulting from exchange rate movements on a best efforts basis. For that purpose, the Compartment might enter into currency hedging transactions in order to cover the currency risks to a significant extent. However, Investors should note that a residual currency risk might remain unhedged.

"restricted" Shares shall be reserved for Shareholders expressly approved by Duet MENA in its sole discretion.

Subscription price

3.22 Spread: Max 2% on subscription, redemption or conversion will be paid to the Compartment.

3.23 When marketing the Compartment abroad, regulations in certain jurisdictions may require the presence of a local Paying Agent. In such cases, investors domiciled in these jurisdictions may be required to pay any fees and charges deducted by the local Paying Agents.

3.24 In accordance with market practices, and in line with the requirements of local distributors, the Distributor may deem it necessary to set minimum subscription levels for share in the Compartment, limit conversions between categories of Shares and, while remaining within the limits set out by the Prospectus, apply a specific policy for subscription, redemption and conversion fees levied on behalf of local distributors.

3.25 In addition to the fees above, the Compartment will also pay brokerage commissions and fees, the tax d'abonnement (subscription tax), legal and auditing fees and any other costs incurred on behalf of the Compartment.

Performance Fee

- 3.26 The Investment Manager will receive a performance fee, accrued on each weekly Valuation Day and paid quarterly.
- 3.27 The performance fee is equal to 10 % of the out-performance of the NAV per Sshare exceeding the high water mark (defined hereafter) multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per Share before performance fee turns out to be below the high water mark for the calculation period in question.
- 3.28 The high water mark means the greater of the following two figures:
- The last highest Net Asset Value per Share on which a performance fee has been paid and;
 - The initial NAV per Share.
- 3.29 Provision will be made for this performance fee on each weekly Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.
- 3.30 If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.
- 3.31 In case of subscription, the performance fee calculation is adjusted to avoid that subscription impacting the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the high water mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the high water mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.
- 3.32 The first performance fee calculation period will begin at the end of the initial subscription period and terminate at the end of the corresponding quarter.
- 3.33 Thereafter, calculation period shall correspond to each end of quarter.
- 3.34 Performance fees are payable within 20 Business Days of the relevant quarter.

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The formula for the calculation of the performance fee is as follows:

F	= 0 If $(B / E - 1) \leq 0$
F	= $(B / E - 1) * E * C * A$ If $(B / E - 1) > 0$
The new high water mark	= if $F > 0$; D If $F = 0$; E
Number of Shares outstanding	= A
NAV per Share before performance	= B
Performance fee rate (10%)	= C
NAV per Share after performance	= D
High water mark	= E
Performance fees	= F