



## PROSPECTUS

**FULCRUM UCITS SICAV**  
Société d'Investissement à Capital Variable  
Luxembourg

Subscriptions can only be accepted on the basis of the prospectus of the SICAV (hereafter the "**Prospectus**") accompanied by the key investor information document, latest annual report (if any), as well as by the latest semi-annual report, if published after the latest annual report. These documents form part of the Prospectus.

No information other than that contained in the Prospectus, in the key investor information document, in the periodic financial reports or in any other document mentioned in the Prospectus and which may be consulted by the public may be given in connection with this offer.

The investment in the SICAV is only appropriate for investors willing to accept the risks thereof. The specific risks related to the investment in each Sub-Fund of the SICAV are described in Part B of this Prospectus.

## Important Information

FULCRUM UCITS SICAV (the "**SICAV**") is an investment company organized under the laws of the Grand-Duchy of Luxembourg as a *Société d'Investissement à Capital Variable*. The SICAV is governed by Part I of the Luxembourg law of December 17, 2010 relating to undertakings for collective investment as amended from time to time (hereafter the "**UCI Law**").

The SICAV is offering shares (the "**Shares**") of several separate sub-funds (individually a "**Sub-Fund**" and collectively the "**Sub-Funds**") on the basis of the information contained in the prospectus (the "**Prospectus**") and in the documents referred to herein. No person is authorized to give any information or to make any representations concerning the SICAV other than as contained in the Prospectus and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Prospectus shall be solely at the risk of the investor.

The distribution of the Prospectus is not authorized unless it is accompanied by the most recent annual and semi-annual reports of the SICAV, if any. Such report or reports are deemed to be an integral part of the Prospectus.

The Shares to be issued hereunder may be of several different classes which relate to several separate Sub-Funds of the SICAV. Except as otherwise indicated in the Prospectus, Shares of the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the net asset value (the "**Net Asset Value**" or "**NAV**") per Share of the relevant Sub-Fund or class, as defined in the articles of incorporation of the SICAV (the "**Articles**").

A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the SICAV is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which one or more Sub-Fund(s) may be most appropriate for their specific risk and return expectations as well as their diversification needs. Furthermore, in accordance with the Articles, the board of directors of the SICAV (the "**Board of Directors**") may issue Shares of different classes (individually a "**Class**" and collectively the "**Classes**") in each Sub-Fund; within each Sub-Fund, investors may then also choose the alternative Class features which are most suitable to their individual circumstances, given their qualification, the amount subscribed, the reference currency of the relevant Class, the fee structure of the relevant Class or any other specific feature. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated or supplemented accordingly.

The Board of Directors of the SICAV has currently authorized the issuance of the Classes of Shares that are more fully described in Part B of the Prospectus for specific Sub-Funds.

The distribution of the Prospectus and the offering of the Shares may be restricted in certain jurisdictions. The Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the Prospectus and of any person wishing to apply for Shares to inform himself or herself and to observe all applicable laws and regulations of relevant jurisdictions.

**Luxembourg** - The SICAV is registered pursuant to Part I of the UCI Law. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorised and unlawful.

**United Kingdom ("UK")** - The SICAV is a recognised collective investment scheme within the meaning of Section 264 of the UK Financial Services and Markets Act 2000 (the "**FSMA**"). Only shares in Fulcrum Alternative Beta Plus Daily Fund and the Fulcrum Commodity Fund may be promoted to the UK public by persons authorised to carry on investment business in the UK. The SICAV is registered with the UK Financial Conduct Authority ("**FCA**") under the number 494311. The FCA's registered office is at 25 The North Colonnade, Canary Wharf, London E14 5HS. This Prospectus constitutes a financial promotion under Section 21 of the FSMA, and has been approved by Fulcrum Asset Management LLP (the "**Facilities Agent**"). The Facilities Agent is authorised and regulated by the FCA to carry on regulated activities in the UK and is subject to the rules of the FCA. Any advice or recommendation which may be given or offered by this Prospectus does not relate to products and services of the Facilities Agent, but to those of the SICAV.

**European Union ("EU")** - The SICAV is an Undertaking for Collective Investment in Transferable Securities ("**UCITS**") for the purposes of the Directive 2009/65/EC of the European Parliament and of the European Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended (the "**UCITS Directive**") and the Board of Directors proposes to market the Shares in accordance with the UCITS Directive in certain member states of the EU and in countries which are not member states of the EU.

**United States of America ("USA")** - The Shares have not been registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"); they may therefore not be publicly offered or sold in the USA, or in any of its territories subject to its jurisdiction or to or for the benefit of a U.S. Person as such expression is defined by Article 5 of the Articles and hereinafter. The Shares are not being offered in the USA, and may be so offered only pursuant to an exemption from registration under the 1933 Act, and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the SICAV been registered under the Investment Company Act of 1940, as amended (the "**1940 Act**"). No transfer or sale of the Shares shall be made unless, among other things, such transfer or sale is exempt from the registration requirement of the 1933 Act and any applicable state securities laws or is made pursuant to an effective registration statement under the 1933 Act and such state securities laws and would not result in the SICAV becoming subject to registration or regulation under the 1940 Act. Shares may furthermore not be sold or held either directly by nor to the benefit of, among others, a citizen or resident of the USA, a partnership organized or existing in any state, territory or possession of the USA or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the law of or existing in the USA or any state, territory or possession thereof or other areas subject to its jurisdiction (a "**U.S. Person**"). All purchasers must certify that the beneficial owner of such Shares is not a U.S. Person and is purchasing such Shares for its own account, for investment purposes only and not with a view towards resale thereof.

The Articles give powers to the Board of Directors of the SICAV to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the SICAV are acquired or held by any person in breach of the law or the requirements

of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the SICAV incurring any liability or taxation or suffering any other disadvantage which the SICAV may not otherwise have incurred or suffered and, in particular, by any U.S. Person as referred to above. The SICAV may compulsorily redeem all Shares held by any such person.

The value of the Shares may fall as well as rise and a shareholder on transfer or redemption of Shares may not get back the amount he initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from, taxation may change. There can be no assurance that the investment objectives of the SICAV will be achieved.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, conversion, redemption or disposal of the Shares of the SICAV.

All references in the Prospectus to “**EUR**” are to the legal currency of the European Union member states participating in the Economic and Monetary Union.

All references to “**Business Day**” refer to any day when the banks in Luxembourg are fully open for business in Luxembourg and/or such other place or places and such other day or days as the Board of Directors may determine and notify to shareholders in advance. 24 December is not a day fully open for business in Luxembourg.

Further copies of this Prospectus may be obtained from:

6c, route de Trèves  
L-2633 Senningerberg  
Grand Duchy of Luxembourg

## TABLE OF CONTENTS

PAGE

ADMINISTRATION OF THE SICAV .....	7
GLOSSARY OF TERMS .....	9
PART A: SICAV INFORMATION .....	13
PRINCIPAL FEATURES .....	13
INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS.....	14
SPECIAL INVESTMENT AND TECHNIQUES AND INSTRUMENTS .....	23
RISK CONSIDERATIONS.....	26
BOARD OF DIRECTORS.....	38
MANAGEMENT COMPANY.....	38
INVESTMENT MANAGER .....	38
CO-MANAGEMENT AND POOLING .....	39
DEPOSITARY.....	40
CENTRAL ADMINISTRATION AGENT AND PAYING AGENT .....	41
PRINCIPAL DISTRIBUTOR .....	42
FACILITIES AND INFORMATION IN THE UK .....	42
PREVENTION OF LATE TRADING AND MARKET TIMING .....	44
PREVENTION OF MONEY LAUNDERING.....	44
THE SHARES .....	45
ISSUE AND SALE OF SHARES.....	46
REDEMPTION OF SHARES .....	47
CONVERSION OF SHARES.....	48
SWING PRICING ADJUSTMENT .....	49
DETERMINATION OF THE NET ASSET VALUE.....	50
DISTRIBUTION POLICY .....	53
CHARGES AND EXPENSES .....	54
TAXATION.....	55
GENERAL INFORMATION .....	64
DOCUMENTS AVAILABLE .....	70
PART B: SPECIFIC INFORMATION RELATING TO THE SUB-FUNDS.....	72
A. Fulcrum UCITS SICAV - Fulcrum Alternative Beta Plus Daily Fund (hereinafter referred to as “Fulcrum Alternative Beta Plus Daily” or “Sub-Fund”).....	72
B. Fulcrum UCITS SICAV - Fulcrum Commodity Fund (hereinafter referred to as “Fulcrum Commodity” or “Sub-Fund”) .....	83
C. Fulcrum UCITS SICAV - Fulcrum Diversified Absolute Return Fund (hereinafter referred to as “Fulcrum Diversified Absolute Return Fund” or “Sub-Fund”).....	94

<b>D. Fulcrum UCITS SICAV - Fulcrum Fixed Income Absolute Return Fund (hereinafter referred to as “Fulcrum Fixed Income Absolute Return” or “Sub-Fund”).....</b>	<b>106</b>
<b>E. Fulcrum UCITS SICAV - Fulcrum Multi Asset Trend Fund (hereinafter referred to as “Fulcrum Multi Asset Trend” or “Sub-Fund”).....</b>	<b>115</b>
<b>APPENDIX: ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND .....</b>	<b>125</b>

## **ADMINISTRATION OF THE SICAV**

### **Board of Directors:**

#### **Chairman:**

Richard N. B. Goddard  
Independent Company Director

#### **Members:**

Malcolm Paterson  
Independent Director

Joseph Davidson  
Chief Operating Officer  
Fulcrum Asset Management LLP, London

#### **Management Company:**

FundRock Management Company S.A.  
33, rue de Gasperich  
L-5826 Hesperange

#### **Board of directors of the Management Company**

Kevin Brown (Chairman), Independent  
Non-Executive Director, London

Lorna Cassidy, Director, Head of Finance,  
FundRock Management Company S.A.,  
Luxembourg

Gudrun Goebel, Director, Chief Operating  
Officer, FundRock Management Company  
S.A., Luxembourg

Henry Kelly, Independent Non-Executive  
Director, Managing Director, KellyConsult  
S.à.r.l., Luxembourg

Eric May, Director, CEO, BlackFin Capital  
Partners, Paris

Michel Vareika, Independent Non-Executive  
Director, Director of Companies,  
Luxembourg

Revel Wood, Director, Chief Executive  
Officer, FundRock Management Company  
S.A., Luxembourg

#### **Conducting persons of the Management Company**

Christophe Douche, Director - Risk and Fund  
Compliance

Gudrun Goebel, Executive Director –  
Operations

Romain Denis, Director – IT Projects & Data Management

Gregory Nicolas, Director - Legal, Compliance and Corporate Secretary

Revel Wood, Director, Chief Executive Officer, FundRock Management Company S.A., Luxembourg

**Registered Office:**

6c, route de Trèves  
L-2633 Senningerberg  
Grand Duchy of Luxembourg

**Depository:**

J.P. Morgan Bank Luxembourg S.A.  
6c, route de Trèves  
L-2633 Senningerberg  
Grand Duchy of Luxembourg

**Central Administration Agent, Paying and Domiciliary Agent:**

J.P. Morgan Bank Luxembourg S.A.  
6c, route de Trèves  
L-2633 Senningerberg  
Grand Duchy of Luxembourg

**Investment Manager and Principal Distributor:**

Fulcrum Asset Management LLP  
66-68 Seymour Street  
London W1H 5BT

**Facilities Agent:**

Fulcrum Asset Management LLP  
66-68 Seymour Street  
London W1H 5BT

**Auditor:**

Ernst & Young  
35E, Avenue John F. Kennedy  
L-1855 Luxembourg

**Legal Adviser:**

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

## GLOSSARY OF TERMS

Articles	The Articles of Incorporation of the SICAV dated 12 October 2007 and as may be supplemented or amended from time to time
Board of Directors	The board of directors of the SICAV
Business Day	Any day when the banks in Luxembourg are fully open for business in Luxembourg and/or such other place or places and such other day or days as the Board of Directors may determine and notify to shareholders in advance. 24 December is not a day fully open for business in Luxembourg
Class of Shares	Shares of each Sub-Fund which may differ in respect to their targeted investors, sales, conversion or redemption fee, structure, minimum subscription or holding amounts, dividend policy, services fees, distribution fees or any other specific feature
Distributor	Any distributor which has entered into a distribution agreement with the Management Company
Distribution Agreement	Agreement by which the Management Company appoints the Distributor
EU	European Union
EUR or Euro	All references to EUR or Euro in the Prospectus are to the legal currency of the Economic and Monetary Union
Facilities Agent	The facilities agent appointed in relation to the SICAV, as set out in the Prospectus
FATCA	US Foreign Account Tax Compliance Act signed into law on 18 March 2010 as part of the US Hiring Incentives to Restore Employment Act (" <b>US HIRE Act</b> ")
FCA	UK Financial Conduct Authority and any successor to it
FSMA	UK Financial Services and Markets Act 2000, as amended or replaced from time to time
Group of Companies	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 recognized international accounting rules, as amended from time to time
Institutional Investor	Institutional investors, as defined by laws, regulations, guidelines or recommendations issued by the legislative bodies in Luxembourg and/or the Regulatory Authority from time to time
Investment Grade	Investments with a rating of at least BBB (S&P) or Baa (Moody's) or the equivalent for other rating agencies

Investment Manager	The investment manager appointed in relation to the SICAV, as set out in the Prospectus
Investment Management Agreement	Agreement by which the Management Company appoints the Investment Manager
Member State	A member state of the European Union. Other than the member states of the EU, the states that are contracting parties to the agreement creating the European Economic Area, within the limits set forth by such agreement and related acts, are considered as equivalent to members states of the EU
Management Company	FundRock Management Company S.A.
<i>Mémorial</i>	The <i>Mémorial C, Recueil des Sociétés et Associations</i>
Money Market Instruments	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as Money Market Instruments, as defined by regulations or guidelines issued by the Regulatory Authority from time to time
NAV	Net Asset Value, as defined in section “Determination of the Net Asset Value” of this Prospectus
Offer Price	The offer price per Share of the relevant Class within the relevant Sub-Fund
Other State	Any State which is not a Member State
Prospectus	The present Prospectus, as may be supplemented or amended from time to time
Reference Currency	Currency of denomination of the relevant Class or Sub-Fund
Regulatory Authority	The Luxembourg authority or its successor in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg
Regulated Market	A market defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as amended
SICAV	FULCRUM UCITS SICAV, which term shall include any Sub-Fund thereof from time to time
Share	Each share within any Class of a Sub-Fund of the SICAV issued and outstanding from time to time
Sub-Fund	Specific portfolio of assets, which is invested in accordance with a particular investment objective
Sub-Fund’s Appendix	The term sheet relating to a specific Sub-Fund in Part B of the Prospectus

Transferable Securities	<ul style="list-style-type: none"> <li>- Shares and other securities equivalent to shares;</li> <li>- Bonds and other debt instruments (“<b>debt securities</b>”); and</li> <li>- Any other negotiable securities that carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as Techniques and Instruments as described under Section I</li> </ul>
UCI(s)	Undertaking(s) for collective investment
UCI Law	The Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time
UCITS	An undertaking for collective investment in Transferable Securities governed by the UCITS Directive
UCITS V Directive	The Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions
UCITS Directive	The Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time
U.S.	United States of America
USD	All references to USD in the Prospectus are to the legal currency of the United States of America
U.S. Person	<p>The term “U.S. Person” is defined in Regulation S adopted under the U.S. Securities Act (“<b>U.S. Person</b>”) and includes a natural person resident in the U.S.; any partnership or corporation organized or incorporated in the U.S.; any estate of which any executor or administrator is a U.S. Person; any trust of which any trustee is a U.S. Person; any agency or branch of a non-U.S. entity located in the U.S.; any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated or (if an individual) resident in the U.S.; and any partnership or corporation if organized or incorporated under the laws of any non-U.S. jurisdiction and formed by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act unless organized and owned by accredited investors (as defined in the U.S. Securities Act) who are not natural persons, estates or trusts.</p> <p>A U.S. Person does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated or (if an individual) resident in the</p>

U.S.; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person, if (A) any executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate, and (B) the estate is governed by non-U.S. law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. Person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the U.S. and customary practices and documentation of such country; (v) any agency or branch of a U.S. Person located outside the U.S. if (A) the agency or branch operates for valid business reasons, and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) certain international organizations as specified in Regulation S under the U.S. Securities Act.

Valuation Day	Business Day as of which the Net Asset Value per Share of each Sub-Fund is determined, as provided in the current Prospectus
1933 Act	The United States Securities Act of 1933, as amended
1940 Act	The United States Investment Company Act of 1940, as amended

## **PART A: SICAV INFORMATION**

### **PRINCIPAL FEATURES**

#### **STRUCTURE**

The SICAV is an open-ended investment company incorporated under the laws of the Grand Duchy of Luxembourg as a *Société d'Investissement à Capital Variable* ("**SICAV**").

The SICAV, FULCRUM UCITS III SICAV, was incorporated on 12 October 2007, for an unlimited period. The Articles have been published on 12 November 2007 in the *Mémorial C, Recueil des Sociétés et Associations* (the "**Mémorial**"). The Articles were last amended by a notarial deed dated 29 December 2011, which was published in the *Mémorial* on 19 January 2012.

The SICAV is an umbrella SICAV and as such provides investors with the choice of investment in a range of several separate Sub-Funds each of which relates to a separate portfolio of liquid assets and other securities and assets permitted by law with specific investment objectives, as described in Part B of the Prospectus.

#### **INVESTMENT CHOICE**

The SICAV offers Shares in those Sub-Funds as further described individually in the Sub-Fund Appendices in Part B of the Prospectus.

Upon creation of new Sub-Funds, the Prospectus shall be updated accordingly.

#### **SHARE CLASSES**

All Sub-Funds may offer more than one Class of Shares. Each Class of Shares within a Sub-Fund may have different features or be offered to different types of investors, but will participate in the assets of that Sub-Fund.

#### **MINIMUM INVESTMENT AND HOLDING**

The minimum initial and subsequent investments as well as the minimum holding requirements are set out for each Sub-Fund in the relevant Sub-Fund's Appendix in Part B of the Prospectus.

#### **OFFER PRICE**

After the Initial Offer Period or the Initial Offer Day (specified for each Sub-Fund/Class in Part B of the Prospectus), the Shares of each Class will typically be offered at a price equal to the NAV per Share of the relevant Class. However, the Shares of certain Sub-Funds/Classes can also be offered at a fixed Offer Price, which, if applicable, will be specified for the relevant Sub-Fund/Class in Part B of the Prospectus. For each Share Class, the subscription fee is specified in Part B of the Prospectus.

#### **DEALING**

Shares may normally be purchased or redeemed at prices based on the NAV per Share of the relevant Class within the relevant Sub-Fund as of the relevant Valuation Day (as defined in Part B, under section 8) of each Sub-Fund (specified for each Sub-Fund in Part B of the Prospectus).

## **LISTING**

The Shares of each Sub-Fund may be listed on the Luxembourg Stock Exchange. Part B of the Prospectus will specify if the Shares of a particular Sub-Fund are to be listed.

## **INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS**

### **GENERAL**

The SICAV provides investors with a choice of one or several Sub-Funds offering a diverse array of investment objectives sought through investment in a wide range of Transferable Securities and other liquid assets. The investment objective of the SICAV is to manage its assets for the benefit of the shareholders in accordance with the investment objectives of the Sub-Funds. No assurance can however be given that any of the Sub-Funds will achieve its objectives as described below.

### **INVESTMENT OBJECTIVE AND STRATEGY**

The investment objective and strategy of each Sub-Fund is individually set out in Part B of the Prospectus.

### **INVESTMENT RESTRICTIONS**

The Board of Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Sub-Fund, the Reference Currency of a Sub-Fund and the course of conduct of the management and business affairs of the SICAV.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund under section "Investment Objectives and Policies of the Sub-Funds" of the Prospectus, the investment policy shall comply with the rules and restrictions laid down hereafter:

#### **A. Permitted Investments:**

The investments of a Sub-Fund must comprise only one or more of the following:

- (1) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognized and open to the public;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt in on another market in an Other State which is regulated, operates regularly and is recognized and open to the public;
- (4) 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, stock exchange or on another regulated market as described under (1)-(3) above;
  - such admission is secured within one year of issue;
- (5) units of UCITS and/or other UCIs within the meaning of Article 1(2) points (a) and (b) of the UCITS Directive, whether or not established in a Member State, provided that:
- such other UCIs are authorized under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders 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;
  - the business of the 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;
  - 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, be invested in aggregate in units of other UCITS or other UCIs;
- (6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a 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 Regulatory Authority as equivalent to those laid down in EU law;
- (7) financial derivative instruments, in particular options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or other market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
- (i) - the underlying consists of instruments covered by this Section A, financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objectives;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority, and
  - 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 Sub-Fund's initiative;

- (ii) Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives.
- (8) Money Market Instruments other than those dealt in on a Regulated Market, and which fall within the definition given in the Glossary of Terms of the Prospectus, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU 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 of the EU belong, or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets referred to in (1), (2) or (3) above, or
  - 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 Regulatory Authority to be at least as stringent as those laid down by EU law; or
  - issued by other bodies 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 (EUR 10,000,000.-) 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.
- (9) to the extent permissible by the UCI Law, securities issued by one or several other Sub-Funds of the SICAV (the “**Target Sub-Fund**”), under the following conditions:
- A. the Target Sub-Fund does not invest in the investing Sub-Fund;
  - B. not more than 10% of the assets of the Target Sub-Fund may be invested in other Sub-Funds of the SICAV;
  - C. the voting rights linked to the transferable securities of the Target Sub-Fund are suspended during the period of investment;
  - D. in any event, for as long as these securities are held by the SICAV, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and

- E. there is no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund of the SICAV having invested in the Target Sub-Fund and this Target Sub-Fund.

**B. However, each Sub-Fund:**

- (1) shall not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments other than those referred to above under Section A(1) through A(4) and A(8);
- (2) shall not acquire either precious metals or certificates representing them;
- (3) may hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the shareholders;
- (4) may acquire movable and immovable property which is essential for the direct pursuit of its business;
- (5) may borrow up to 10% of its net assets, provided that (i) such borrowings are made only on a temporary basis, or (ii) enables the acquisition of immovable property which is essential for the direct pursuit of its business. When a Sub-Fund is authorized to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its assets in total. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction; and
- (6) may acquire foreign currency by means of a back-to-back loan.

**C. Investment Restrictions:**

**(a) Risk Diversification rules**

For the purpose of calculating the restrictions described in (1) to (5) and (8) hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules.

• ***Transferable Securities and Money Market Instruments***

- (1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
  - (i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of such issuer; or
  - (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC

derivative transactions made with financial institutions subject to prudential supervision.

- (2) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The limit of 10% set forth above under (1)(i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).
- (4) The limit of 10% set forth above under (1)(i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. 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 Sub-Fund 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 Sub-Fund.
- (5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).
- (6) **Notwithstanding the ceilings set forth above, each Sub-Fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a member state of the EU, by its local authorities, by any other member state of the Organization for Economic Cooperation and Development ("OECD") such as the U.S., by certain non-member states of the OECD (currently Brazil, Indonesia, Russia, Singapore and South Africa), or by a public international body of which one or more member state(s) of the EU are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.**
- (7) Without prejudice to the limits set forth hereunder under (b) below, the limits set forth in (1) are raised to a maximum of 20 % for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the Regulatory Authority, on the following basis:
  - the composition of the index is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers;
  - it is published in an appropriate manner; and
  - the index complies with the requirements set out under the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the UCI Law and implementing the UCITS Directive as regards the clarification of certain definitions.

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, provided that the investment up to this 35% limit is only permitted for a single issuer.

- **Bank Deposits**

- (8) A Sub-Fund may not invest more than 20 % of its net assets in deposits made with the same body.

- **Derivative Instruments**

- (9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in A (6) above or 5 % of its net assets in other cases.
- (10) 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 (1) to (5), (8), (9), (13) and (14). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (1) to (5), (8), (9), (13) and (14). When investing in financial derivative instruments on Transferable Securities or Money Market Instruments issued or guaranteed by public issuers referred to under (6) above, the diversification requirements set out in (6) do not need to be complied with, provided however that any direct investments in the relevant Transferable Securities or Money Market Instruments together with any investments in financial derivative instruments on such Transferable Securities or Money Market Instruments do not represent, on an aggregate basis, more than 100% of the relevant Sub-Fund's net assets.
- (11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A) (7) (ii) and (D) (1) above as well as with the risk exposure and information requirements laid down in the present Prospectus.

- **Units of Open-Ended Funds**

- (12) Unless otherwise provided in a Sub-Fund's Appendix, a Sub-Fund may not invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs. If a Sub-Fund's Appendix does authorize investment in aggregate for more than 10% of its net assets in the shares/units of other UCITS or other UCIs, then the investment in the shares/units of a single other UCITS or a single other UCI may not exceed 20% of the relevant Sub-Fund's net assets.

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

A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in its Sub-Fund's Appendix at the end of this prospectus the maximum level of the investment management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report the SICAV shall indicate the maximum proportion of investment management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

- **Master- Feeder structures**

To the extent permissible under the UCI Law, a Sub-Fund may act as a feeder fund (the "**Feeder**"), i.e. invest its assets in (i) another UCITS or the sub-funds thereof; (ii) other sub-fund(s) of the SICAV.

The following conditions apply: the Feeder must invest at least 85% of its assets in shares/units of another UCITS or of a sub-fund of such UCITS/of the SICAV (the "**Master**"), which is not itself a Feeder nor holds units/shares of a Feeder. The Sub-Fund, as Feeder, may not invest more than 15% of its assets in one or more of the following:

- A. ancillary liquid assets in accordance with Article 41(2) second paragraph of the UCI Law ;
- B. financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) point g) and Article 42 (2) and (3) of the UCI Law;
- C. movable and immovable property which is essential for the direct pursuit of the SICAV's business.

When a Sub-Fund qualifying as a Feeder invests in the shares/units of a Master, the Master may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares/units of the Master.

Should a Sub-Fund qualify as a Feeder, a description of all remuneration and reimbursement of costs payable by the Feeder by virtue of its investments in shares/units of the Master, as well as the aggregate charges of both the Feeder and the Master, shall be disclosed in the Sub-Fund's Appendix. In its annual report, the SICAV shall include a statement on the aggregate charges of both the Feeder and the Master.

Should a Sub-Fund qualify as a Master , the Feeder UCITS will not be charged any subscription fees, redemption fees or contingent deferred sales charges, conversion fees, from the Master.

- **Combined limits**

(13) Notwithstanding the individual limits laid down in C (a)(1), (8) and (9) above, a Sub-Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following::

- investments in Transferable Securities or Money Market Instruments issued by that body,
- deposits made with that body, and/or

- exposures arising from OTC derivative transactions undertaken with that body.
- (14) The limits set out in C (a)(1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with C (a)(1), (3), (4), (8), (9) and (13) above may not exceed a total of 35 % of the net assets of each Sub-Fund.

**(b) Limitations on Control**

- (15) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable the SICAV to exercise legal or management control or to exercise a significant influence over the management of the issuer. In the case where one Sub-Fund invests into another Sub-Fund, such voting rights attached to the Shares held by the investing Sub-Fund are suspended for the time of its investment.
- (16) The SICAV may acquire no more than: (i) 10% of the outstanding non-voting shares of the same issuer; (ii) 10% of the outstanding debt securities of the same issuer; (iii) 10% of the Money Market Instruments of any single issuer; or (iv) 25% of the outstanding shares or units of a sub-fund of the same UCITS or other UCI.

The limits set forth in (ii) to (iv) 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 the instruments in issue cannot be calculated.

The limits set forth above under (15) and (16) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any other state that is not a Member State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- Shares in the capital of a fund which is incorporated under or organized pursuant to the laws of a state which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that state a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investments policy the restrictions set forth under C, items (1) to (5), (8), (9) and (12) to (16);
- Shares held by one or more Sub-Funds in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of shareholders exclusively on its or their behalf.

**D. Global exposure:**

- (1) Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

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.

**E. Additional investment restrictions:**

- (1) No Sub-Fund may acquire commodities or precious metals directly or certificates representative thereof, provided however that transactions in foreign currencies, financial instruments, indices or Transferable Securities as well as futures and forward contracts, options and swaps thereon are not considered to be transactions in or certificates representative of commodities for the purposes of this restriction.
- (2) No Sub-Fund may invest in real estate, or any option, right or interest therein, provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (3) The investment policy of a Sub-Fund may replicate the composition of an index of securities or debt securities in compliance with the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the UCI Law and implementing the UCITS Directive.
- (4) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non -fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A, items (5), (7) and (8), and shall not prevent the lending of securities in accordance with applicable laws and regulations (as described further in "Securities lending and Borrowing" below).
- (5) The SICAV may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under A, items (5), (7) and (8).
- (6) If a Sub-Fund's Appendix authorises investment in aggregate for more than 10% of its net assets in the shares/units of other UCITS or other UCIs, then investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.
- (7) The limits set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to securities in such Sub-Fund's portfolio.
- (8) If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.

Financial derivative instruments utilised by each Sub-Fund may include total return swaps. The total return swaps will be entered into with first class financial institutions acting as swap counterparties selected at the choice and discretion of the SICAV.

Where a Sub-Fund enters into a total return swap or invests in other derivatives with similar characteristic:

- the assets held by the Sub-Fund should comply with the investment limits set in this Prospectus; and
- the underlying exposures of such derivatives must be taken into account to calculate the investment limits set out in the Prospectus.

Counterparties do not have any discretion over the composition or day to day management of the Sub-Fund investment portfolio or over the underlying financial derivative instruments.

The Board of Directors has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the SICAV are offered or sold.

## **SPECIAL INVESTMENT AND TECHNIQUES AND INSTRUMENTS**

### **GENERAL**

The SICAV may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for hedging and efficient portfolio management purposes as well as for investment purposes.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in "Section: "Investment Restrictions".

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus.

Furthermore, the SICAV may, for efficient portfolio management purposes, exclusively resort to Securities Lending and Borrowing and Repurchase Agreement Transactions, provided that the following rules are complied with:

### **SECURITIES LENDING AND BORROWING**

Each Sub-Fund may for the purpose of generating additional capital or income or for reducing costs or risks engage in securities lending transactions to the maximum extent allowed by, and within the limits set forth in, applicable Luxembourg regulations.

The legal entity acting as securities lending agent on behalf of the Sub-Funds as well as the costs/fees paid to such entity will be set out in the SICAV's annual reports.

All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs/fees will be returned to the relevant Sub-Fund.

The Management Company will ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables the SICAV, at all times, to meet its

redemption obligations and that these transactions do not jeopardise the management of the SICAV's assets in accordance with its investment policy.

For the moment the SICAV does not use securities lending. Any haircut policy and disclosure required pursuant to the ESMA Guidelines 2014/937 will be described in the Prospectus in case any Sub-Fund of the SICAV intends to use such techniques.

The risk exposure to the counterparty arising from securities lending transactions and OTC financial derivative instruments should be combined when calculating the counterparty risk limits foreseen under section C above "Investment Restrictions".

The securities lending agent on behalf of the Sub-Fund will ensure that its counterparty delivers collateral either in the form of cash, or in the form of securities compliant with the applicable Luxembourg regulations.

Non-cash collateral received will not be sold, re-invested or pledged. It should comply with the criteria defined in the ESMA Guidelines 2014/937, i.e. in terms of liquidity, valuation, issuer credit quality, correlation and diversification with a maximum exposure to a given issuer of 20% of its net asset value.

As the case may be, cash collateral received by each Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such Sub-Fund, and in compliance with the requirements of the ESMA Guidelines 2014/937, as described below:

- placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive;
- invested in high-quality government bonds; and
- invested in short-term money market funds as defined in the ESMA Guidelines 10/049 on a Common Definition of European Money Market Funds.

Reinvested cash collateral should be diversified in accordance with the diversification requirements applicable to non cash-collateral. To the extent required by the applicable Luxembourg regulations, reinvestments of such cash collateral must be taken into account for the calculation of the Sub-Fund's global exposure.

For further details on the risks linked to such transactions, please refer to the section "Risk Considerations" of the Prospectus.

Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund. Each Sub-Fund may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Depositary fails to make delivery; and (d) as a technique to meet its obligation to deliver the securities being the object of a repurchase agreement when the counterparty to such agreement exercises its right to repurchase these securities, to the extent such securities have been previously sold by the relevant Sub-Fund.

#### **REVERSE REPURCHASE AND REPURCHASE AGREEMENT TRANSACTIONS**

Each Sub-Fund may on an ancillary basis enter into reverse repurchase and repurchase agreement transactions, which consist of a forward transaction at the

maturity of which

- the seller (counterparty) has the obligation to repurchase the asset sold and the Sub-Fund the obligation to return the asset received under the transaction. Securities that may be purchased in reverse repurchase agreements are limited to those referred to in the CSSF Circular 08/356 and they must conform to the SICAV's investment policy; or
- the Sub-Fund has the obligation to repurchase the asset sold and the buyer (the counterparty) the obligation to return the asset received under the transaction. The Sub-Fund must ensure that, at maturity of the agreement, it has sufficient assets to be able to settle the amount agreed with the counterparty for the restitution to the Sub-Fund.

Each Sub-Fund may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those prescribed by EU law.

Each Sub-Fund must take care to ensure that the value of the reverse repurchase or repurchase agreement transactions is kept at a level such that it is able, at all times, to meet its redemption obligations towards its shareholders.

A Sub-Fund that enters into a reverse repurchase agreement must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement must be used for the calculation of the net asset value of the Sub-Fund.

A Sub-Fund that enters into a repurchase agreement must ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days are to be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund.

## **COLLATERAL**

The SICAV is typically not involved in transactions necessitating any posting of collateral for the benefit of the SICAV and therefore the SICAV does not need to apply any haircut policy with respect to any such collateral received. In particular, when entering into OTC derivatives transactions, it is ensured that the SICAV's risk exposure to any counterparty does not exceed 10% of a Sub-Fund's net asset value when the counterparty is a credit institution or 5% of a Sub-Fund's net asset value in other cases. Thus, no collateral will typically be posted for the benefit of the SICAV in the context of OTC derivatives transactions.

In case any Sub-Fund intends to be regularly involved in transactions necessitating that collateral be posted for its benefit, the applicable specific rules and disclosures required pursuant to ESMA Guidelines 2014/937 in relation to the types of eligible collateral, the level of collateral received, the haircut policy and reinvestment of the collateral will be described in an updated version of the Prospectus.

## **RISK CONSIDERATIONS**

An investment in the SICAV involves certain risks. The investments within each Sub-Fund are subject to the risk that the NAV per Share of each Sub-Fund will fluctuate in response to changes in economic conditions, interest rates, and the market's perception of the securities held by the Sub-Funds; accordingly, no assurance can be given that the investment objectives will be achieved.

Investors should be aware that there are risks inherent in the holding of securities:

- (a) There is no assurance that any appreciation in the value of the portfolio will occur, or that the investment objectives of any Sub-Fund will be achieved. Past performance is no guide to the future. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full;
- (b) The tax treatment of the Sub-Funds may change and such changes cannot be foreseen;
- (c) Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment; and
- (d) The difference at any one time between subscription and redemption prices for Shares means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.

### Nominee

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the SICAV, notably the right to participate in general shareholders' meetings if the investor is registered himself and in his own name in the shareholders' register of the SICAV. In cases where an investor invests in the SICAV through an intermediary investing into the SICAV in his own name but on behalf of the investor (nominee), it may not always be possible for the investor to exercise certain shareholder rights directly against the SICAV. Investors are advised to take advice on their rights.

### Business Risk

There can be no assurance that the Sub-Funds will achieve their investment objective and there is limited operating history by which to evaluate their likely future performance. The investment results of each Sub-Fund are reliant upon the success of the Investment Manager.

### Investments on an international basis

The Sub-Funds' international investments involve certain risks, including fluctuations in foreign exchange rates, future political and economic developments and the possible imposition of exchange controls or other governmental laws or restrictions. Security prices in different countries are subject to different economic, financial, political and social factors. In addition, investments may be subject to non-recoverable withholding taxes.

### Borrowing

The Sub-Funds may use borrowings within the limits of the UCITS Directive. The use of borrowing creates special risks and may increase the Sub-Funds' investment risk. Borrowing creates an opportunity for greater yield and total return but, at the same time, may increase the Sub-Fund's exposure to capital risk and interest costs.

### Unlisted and illiquid securities

A Sub-Fund may invest up to 10% of its net assets in securities that are neither listed on a Regulated Market or which may be considered illiquid due to the lack of an active trading market. The Sub-Funds may encounter substantial delays and could incur losses in attempting to sell such securities. Although these securities may be resold in privately negotiated transactions, the price realised on such sales could be less than that originally paid by the Sub-Funds or less than the most recent price quote or the Investment Manager's most recent estimate of the securities' fair value. If such securities are required to be registered under the securities laws of one or more jurisdictions before being resold, a Sub-Fund may be required to bear the expenses of registration. Issuers whose securities are neither listed on an exchange nor traded in an over-the-counter market may not be subject to the same disclosure and other legal requirements that are applicable to issuers whose securities are either listed on an exchange or traded in an over-the-counter market, and, therefore, there may be less public information available with respect to such issuers.

### Counterparty Risk

Each Sub-Fund may enter into transactions in over-the-counter markets that expose it to the credit of its counterparty and its ability to satisfy the terms of such contracts. Where a Sub-Fund enters into financial derivative instruments, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and may incur a significant loss. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the SICAV, for instance, bankruptcy, supervening illegality, a substantial decline in the Net Asset Value or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the SICAV's policy to net exposures against its counterparties.

### Cross Class Liabilities

If the liabilities of a Class exceed its assets, creditors of the SICAV may have recourse to the assets attributable to the other Classes.

### Derivative counterparties to the relevant Sub-Funds / Depositary to the SICAV

In addition, some cash held with brokers that does not treat as client money under the FCA's client money rules is not segregated from the relevant derivative counterparty's or the Depositary's own cash and may be used by the relevant derivative counterparty or Depositary in the course of its business and the SICAV will therefore rank as an unsecured creditor in relation thereto.

### Derivative counterparties' and/or Depository's Insolvency

The SICAV is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors (“**Insolvency**”) of the derivative counterparties or the Depository before the accrual of any Performance Fee. These risks include without limitation: the loss of all cash held with a derivative counterparty or the Depository; the loss of some or all of any securities held (or which the derivative counterparties or Depository should have been holding) in custody (“**custody assets**”) in connection with a reduction to pay for administrative costs of the Insolvency and/or the process of identifying and transferring the relevant custody assets or for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the custody or cash accounts by a derivative counterparty or the Depository; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets.

The SICAV will be subject to similar risks in the event of Insolvency of any broker with which any relevant securities are held.

An Insolvency would be likely to cause severe disruption to the trading of the SICAV. In some circumstances, this could cause the Directors to declare a temporary suspension of Net Asset Value calculations with respect to the SICAV or a Sub-Fund, during which time affected Shares would neither be issued nor redeemed.

### Investment in Lower Rated Securities

Certain Sub-Funds may invest in lower rated securities. The widespread expansion of government, consumer and corporate debt within the economy has made the corporate sector, especially cyclically sensitive industries, more vulnerable to economic downturns or increased interest rates. Because lower-rated debt securities involve issuers with weaker credit fundamentals (such as debt-to-equity ratios, interest charge coverage and earnings history), an economic downturn, or increases in interest rates, could severely disrupt the market for lower-rated debt securities and adversely affect the value of outstanding debt securities and the ability of the issuers to repay principal and interest. The markets for and prices of lower-rated debt securities have been found to be less sensitive to interest rate changes than higher-rated investments, but more sensitive to adverse economic changes or individual corporate developments. In addition, periods of economic uncertainty and changes can be expected to result in increased volatility of market prices of lower-rated debt securities.

### Investment in mortgage-backed and asset-backed securities

Certain Sub-Funds may invest in mortgage-backed and asset-backed securities. With respect to such securities, in a period of sharply declining interest rates, there is a potential for increased prepayments, which may have to be reinvested at lower rates. Also, mortgage-backed securities may not be as effective as other instruments in "locking in" attractive long-term interest rates. During periods of declining interest rates, mortgage-backed securities may have less potential for capital appreciation, because of the possibility of increased prepayments. During periods of rising interest rates, mortgage-backed securities have a risk of partial depreciation comparable to that of other long-term fixed income securities. As proprietary hedging strategies are used to create portfolios providing a certain return profile over a certain horizon, the sale of Shares prior to the horizon may impact negatively the strategy.

### Performance Risk

The investment performance of each Sub-Fund is directly related to the investment performance of the underlying investments held by such Sub-Fund. The ability of a Sub-Fund to meet its investment objective depends upon the allocation of the Sub-Fund's assets among the underlying investments and the ability of an underlying investment to meet its own investment objective. It is possible that an underlying investment will fail to execute its investment strategies effectively. As a result, an underlying investment may not meet its investment objective, which would affect Sub-Fund's investment performance. There can be no assurance that the investment objective of any Sub-Fund or any underlying investment will be achieved.

### Exchange rates

Some of the underlying investments in which the Sub-Funds invest may be denominated in a different currency than the Reference Currency in which such Sub-Funds are denominated; changes in foreign currency exchange rates will affect the value of shares held in such Sub-Funds.

### Client Money Protection

The agreements with derivative counterparties may provide that a portion of money received from, or held for or on behalf of, a Sub-Fund in the course of or in connection with the ISDA or derivative counterparty agreement (and any transactions thereunder) or any other documents entered into between the Sub-Fund and the derivative counterparty, is treated as client money in accordance with the FCA's client money rules. The portion of the Sub-Fund's money that is afforded client money protection will be determined by the derivative counterparty in accordance with the methodology applied by the derivative counterparty at such time.

Therefore, subject to the client money rules and the specific terms agreed between the derivative counterparty and the Sub-Fund, a portion of the Sub-Fund's cash should not be available to the derivative counterparty to use in the course of its business. To the extent that in accordance with the client money rules and the specific terms agreed between the derivative counterparty and the Sub-Fund, any portion of the cash is available to be used by the derivative counterparty in the course of its business, the Sub-Fund would be exposed to the creditworthiness and solvency of the derivative counterparty in respect thereof.

In respect of the portion of the SICAV's cash which is not available for use by the derivative counterparty and in accordance with the client money rules and the terms agreed between the derivative counterparty and the Sub-Fund, such portion of cash is required to be held with approved banks and/or institutions (not necessarily in Luxembourg or in the United Kingdom) and, in the event of the insolvency of the derivative counterparty, subject to any enforcement rights of the derivative counterparty in respect of amounts owed by the Sub-Fund to the derivative counterparty, that portion of the Sub-Fund's cash is not expected to form part of the asset pool available to satisfy claims of such derivative counterparty's creditors. If an approved bank or approved institution with which the Sub-Fund's client money is held becomes insolvent, there is a risk of loss of some or all of such money (subject to any deposit protection schemes that may apply) as well as a risk that it may not be possible to set off amounts held by such approved bank or institution against amounts owed by the Sub-Fund to the derivative counterparty.

Under the FCA's client money rules, cash may be held with an approved bank/financial institution which is affiliated to the derivative counterparty. In the event of the insolvency of the derivative counterparty, there is a possibility that the approved bank/financial institution which is affiliated to the derivative counterparty will also be, or become, insolvent. Such circumstances are likely to result in a greater loss of cash than would be the case if cash were held with an approved bank/financial institution which is not affiliated to the derivative counterparty.

The legal and regulatory regime applying to parties holding client money outside of the UK may be different to that of the UK and in the event of their default such money may be treated in a different manner from that which would apply if the money were held by such party in the UK. Accordingly such money may not be segregated from the assets of such a party and, in the event of the insolvency of such a party, the Sub-Fund might not be able to recover such money in full, or at all.

### Currency Exposure

The Shares are denominated in various currencies and will be issued and redeemed in those currencies. Certain of the assets of the SICAV may, however, be invested in securities and other investments which are denominated in currencies other than the relevant currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The SICAV may seek to hedge this foreign currency exposure but is not obliged to and may be subject to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the relevant currencies and such other currencies.

### Developing Markets

The Sub-Funds may invest in developing market debt securities, foreign exchange instruments and equities which may lead to additional risks being encountered when compared with investments in developed markets. Investment in developing market securities involves a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, developing market securities investments may carry the risks of less publicly available information, more volatile markets, less strict securities market regulation, less favourable tax provisions, and a greater likelihood of severe inflation, unstable or not freely convertible currency, war and expropriation of personal property than investments in securities of issuers based in developed countries. In addition, the Sub-Funds' investment opportunities in certain developing markets may be restricted by legal limits on foreign investment in local securities.

Developing markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighbouring exchange. Volume and liquidity levels in developing markets are lower than in developed countries. When seeking to sell developing market securities, little or no market may exist for the securities. In addition, issuers based in developing markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official data published by the government or securities exchanges in developing markets may not accurately reflect the actual circumstances being reported.

Some developing markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale. The issuers of some of these securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and therefore potentially carry greater risk.

In addition, settlement of trades in some developing markets is much slower and subject to a greater risk of failure than in markets in developed countries. Further, depositarys are not able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Sub-Fund will not be recognised as the owner of securities held on its behalf by a broker.

With respect to any developing market country, there is the possibility of nationalisation, expropriation or confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the SICAV, political changes, government regulation, social instability or diplomatic developments (including war) which could affect adversely the economies of such countries or the value of the SICAV's investments in those countries. Further, the economies of developing countries generally are heavily dependent upon international trade and, accordingly, have been, and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

### Debt Securities

The Sub-Funds may invest in debt securities which may be unrated by a recognised credit rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Sub-Funds may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Sub-Funds may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Sub-Funds may invest in distressed debt securities which are subject to the significant risk of the issuer's inability to meet principal and interest payments on the 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 risk (market risk). The Sub-Funds will therefore be subject to credit, liquidity and interest rate risks.

In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, which can make it difficult to accurately calculate discounting spreads for valuing financial instruments.

## Derivatives

The Sub-Funds may utilise both exchange-traded and over-the-counter futures, options and contracts for differences as part of their investment policy. These instruments are highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited.

Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

The Sub-Funds may also sell covered and uncovered options on securities. To the extent that such options are uncovered, the Sub-Funds could incur an unlimited loss.

## Over-the-Counter (“OTC”) Transactions

There has been an international effort to increase the stability of the financial system in general, and the OTC derivatives market in particular, in response to the recent financial crisis. In September 2009, the leaders of the G20 agreed, and in June 2010 reaffirmed, that all standardised OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end 2012 at the latest, that OTC derivative contracts should be reported to trade repositories and non-centrally cleared contracts should be subject to higher capital requirements.

In the United States, the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Reform Act**”), which became law in July 2010, includes provisions that comprehensively regulate the OTC derivatives markets for the first time. Key provisions of the Reform Act require rulemaking by the U.S. Securities and Exchange Commission (“**SEC**”) and the CFTC, not all of which has been proposed or finalised as at the date of this Prospectus. As a result, investors should expect future changes in the regulatory environment. The Reform Act will require that a substantial portion of OTC derivatives must be executed on regulated markets and submitted for clearing to regulated clearinghouses. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible SEC or CFTC-mandated margin requirements. The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives. Although the Reform Act includes limited exemptions from the clearing and margin requirements for so-called “end-users”, the SICAV does not expect to be able to rely on such exemptions. In addition, the OTC derivative dealers with which the SICAV may execute the majority of its OTC derivatives will not be able to rely on the end-user exemptions under the Reform Act and therefore such dealers will be subject to clearing and margin requirements notwithstanding whether the SICAV is subject to such requirements. OTC derivative dealers will also be required to post margin to the clearinghouses through which they clear their customers’ trades instead of using such margin in their operations, as they currently are allowed to do. This will further increase the dealers’ costs, which costs are expected to be passed through to other market participants in the form of higher fees and less favourable dealer marks. The SEC and the CFTC may also require a substantial portion of derivative transactions that are currently executed on a bilateral basis in the OTC markets to be executed through a

regulated securities, futures, or swap exchange or execution facility. Such requirements may make it more difficult and costly for investment funds, including the SICAV, to enter into highly tailored or customised transactions. They may also render certain strategies in which the SICAV might otherwise engage impossible or so costly that they will no longer be economical to implement. OTC derivative dealers and major OTC derivatives market participants will be required to register with the SEC and/or the CFTC. The SICAV, the Investment Manager and/or any sub-investment manager may be required to register as major participants in the OTC derivatives markets. Whether or not such registration will be required will depend on future rulemaking by the SEC and the CFTC. Dealers and major participants will be subject to minimum capital and margin requirements. These requirements may apply irrespective of whether the OTC derivatives in question are exchange-traded or cleared. OTC derivatives dealers will also be subject to new business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory burdens. These requirements may increase the overall costs for OTC derivative dealers, which are likely to be passed along, at least partially, to market participants in the form of higher fees or less advantageous dealer marks. The overall impact of the Reform Act on the SICAV is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime. Although the Reform Act will require many OTC derivative transactions previously entered into on a principal-to-principal basis to be submitted for clearing by a regulated clearinghouse, certain of the derivatives that may be traded by the SICAV may remain principal-to-principal or OTC contracts between the SICAV and third parties entered into privately. The risk of counterparty non-performance can be significant in the case of these OTC instruments, and “bid-ask” spreads may be unusually wide in these heretofore substantially unregulated markets. While the Reform Act is intended in part to reduce these risks, its success in this respect may not be evident for some time after the Reform Act is fully implemented, a process that may take several years.

To the extent not mitigated by implementation of the Reform Act, if at all, the risks posed by such instruments and techniques, which can be extremely complex and may involve leveraging of the Sub-Funds’ assets, include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty’s failure to meet its financial obligations); (2) market risk (adverse movements in the price of a financial asset or commodity); (3) legal risks (the characterisation of a transaction or a party’s legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (4) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risk (exposure to losses resulting from inadequate documentation); (6) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (7) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Steps are also taken to regulate OTC derivative transactions in Europe. On 4 July 2012, the Regulation on OTC derivatives, central counterparties and trade repositories (known as “EMIR” - European Market Infrastructure Regulation or the “**EMI Regulation**”) was adopted and entered into force on 16 August 2012. The EMI Regulation introduces uniform requirements covering financial counterparties (“**FICPs**”), such as investment firms, credit institutions, insurance companies and

managers of investment funds and certain non-financial counterparties (“**Non-FICPs**”) in respect of OTC derivative contracts. FICPs would be subject to a general obligation to clear all so-called “eligible” OTC derivative contracts through a duly authorised central counterparty (the “**clearing obligation**”) and to report the details of all such contracts to a trade repository (the “**reporting obligation**”). A Non-FICP may also be subject to the clearing obligation and the reporting obligation, subject to its positions in OTC derivatives contracts exceeding certain thresholds. In addition, a FICP or a Non-FICP subject to the clearing obligation which enters into an OTC derivative contract which is not eligible for the clearing obligation would have to ensure that appropriate procedures and arrangements are in place to measure, monitor and mitigate operational and credit risk. On 19 December 2012, the European Commission has adopted nine regulatory and implementing technical standards to complement the obligations defined under the EMI Regulation. These texts are all very recent and their interpretation by the European supervisory authorities still has to be developed. Accordingly, it is difficult to predict the precise impact of the EMI Regulation on the SICAV. The Directors and the Investment Manager will continue to monitor the position and react appropriately. However, prospective investors and Shareholders should be aware that the regulatory changes arising from the EMI Regulation may in due course adversely affect the SICAV’s ability to adhere to its investment approach and achieve its investment objective.

#### Swap Agreements

The SICAV may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the SICAV’s exposure to long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The SICAV is not limited to any particular form of swap agreement if consistent with the terms of the Prospectus and the investment objective and policy of a Sub-Fund.

Swap agreements tend to shift the SICAV’s investment exposure from one type of investment to another. For example, if the SICAV agrees to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease the SICAV’s exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the SICAV’s portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the SICAV. If a swap agreement calls for payments by the SICAV, the SICAV must be prepared to make such payments when due. In addition, if a counterparty’s creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the SICAV.

#### Use of Swaps and Other Derivatives

The Investment Manager may make use of swaps and other forms of derivative contracts. In general, a derivative contract typically involves leverage (within the permitted limits), i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security or currency (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level

can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. Many of the derivative contracts used by the SICAV will be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. These transactions are also expected to involve significant transaction costs.

#### Effect of Substantial Redemptions

Substantial redemptions by Shareholders within a short period of time could require the SICAV to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the SICAV's assets and/or disrupting the Investment Manager's investment strategy. Reduction in the size of the SICAV could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the SICAV's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

#### Forward Foreign Exchange Contracts

A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. The Sub-Funds may be subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Sub-Fund to cover its commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

#### Legal Risk

The SICAV may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the developing countries in which assets of the SICAV are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the SICAV and its operations.

#### Illiquidity

There is no active secondary market for the Shares and it is not expected that such a market will develop.

## Tax Considerations

The SICAV may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the SICAV is incorporated, established or resident for tax purposes. Where the SICAV invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The SICAV will not be able to recover such tax paid, and so any change would have an adverse effect on the Net Asset Value of the Shares.

Where the SICAV chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by a Sub-Fund (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares. This could cause benefits or detriments to certain Shareholders, depending upon the timing of their entry to and exit from the Sub-Fund.

## Common Reporting Standard

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the “**Standard**”) and its Common Reporting Standard (the “**CRS**”) as set out in the Luxembourg law dated 18 December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the “**CRS-Law**”). Under the terms of the CRS-Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions, the Company will be required to annually report to the Luxembourg tax authority personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain shareholders as per the CRS-Law (the “**Reportable Persons**”) and (ii) Controlling Persons of certain non-financial entities (“**NFES**”) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS-Law (the “**Information**”), will include personal data related to the Reportable Persons.

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

The term “Controlling Person” means in the present context any natural persons who exercise control over an entity. In the case of a trust it means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

The Shareholders are further informed that the Information related to Reportable Persons within the meaning of the CRS-Law will be disclosed to the Luxembourg tax authority annually for the purposes set out in the CRS-Law. In particular, Reportable

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

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

Any Shareholder that fails to comply with the Company's Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such shareholder's failure to provide the Information.

### FATCA

The United States Hiring Incentives to Restore Employment Act (the "**US HIRE Act**") may impose a 30% withholding tax on certain payments to the SICAV of US source income allocable to non-US financial institutions and may also impose a 30% withholding tax on all investors' proceeds from the sale of property that could give rise to US source interest or dividends unless the SICAV enters, directly or indirectly, into an agreement with the US Internal Revenue Service to disclose the name, address and taxpayer identification number of certain U.S. persons that own, directly or indirectly, an interest in the SICAV, as well as certain other information relating to any such interest. US HIRE Act rules being particularly complex and as the rules governing their implementation for Luxembourg funds are still uncertain, the SICAV cannot at this time accurately assess the extent of the requirements that US HIRE Act provisions will place upon it. Although the SICAV will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the SICAV will be able to satisfy these obligations. If the SICAV becomes subject to a withholding tax as a result of the US HIRE Act, the return of all shareholders may be materially affected. In addition, the SICAV may reduce the amount payable on any distribution or redemption to a shareholder that fails to provide the SICAV with the requested information.

All prospective investors and shareholders should consult with their own tax advisors regarding the possible implications of the US HIRE Act on their investments in the SICAV.

The SICAV may compulsorily redeem the Shares of any shareholder that fails to cooperate with the SICAV's efforts to comply with the US HIRE Act. The SICAV's ability to comply with the US HIRE Act will depend on each shareholder providing the SICAV with information that the SICAV requests concerning the direct and indirect owners of each shareholder. If a shareholder fails to provide the SICAV with any information the SICAV requests, the SICAV may exercise its right to redeem such shareholder's Shares compulsorily.

### Regulatory Risks

The regulatory environment for investment funds is evolving and changes therein may adversely affect the ability of the SICAV to pursue its investment strategies. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by the Sub-Funds. The effect of any future regulatory or tax change on the SICAV is impossible to predict.

## **BOARD OF DIRECTORS**

The Board of Directors is responsible for the overall management and control of the SICAV. The members of the Board of Directors (the “**Directors**” and each a “**Director**”) will receive periodic reports from the Investment Manager and/or the Central Administration Agent detailing the performance and analysing the investment portfolio of each Sub-Fund.

The Board of Directors of the SICAV shall have the broadest powers to act in any circumstances on behalf of the SICAV, subject to the powers expressly conferred by law on the shareholders at general meetings.

The Board of Directors is responsible for the investment objectives and policies of each Sub-Fund and for the investment management and administration of the SICAV.

## **MANAGEMENT COMPANY**

The Board of Directors has appointed FundRock Management Company S.A. (the “**Management Company**”) as the SICAV’s management company. The Management Company was established in Luxembourg on November 10, 2004. Its articles of incorporation were published in the *Mémorial* of December 6, 2004 Nr 1245; they have been amended for the last time on December 31, 2015. The Management Company is established for an unlimited period of time. The Management Company has its registered office at 33, rue de Gasperich, L-5826 Hesperange, Grand-Duchy of Luxembourg. Its subscribed and paid in capital amounts to 10,000,000.- EUR.

In addition to the SICAV, the Management Company also manages other funds. The list of funds managed by the Management Company will be set out in the SICAV’s annual reports and shall be made available to investors on request at the registered office of the Management Company.

The Management Company is responsible for the execution of the duties concerning the SICAV’s investment management, central administration and distribution.

The Management Company, with the approval of the Board of Directors and in accordance with the applicable legal provisions, has delegated the execution of the following duties (as described hereunder) to the following third parties:

- the performance of the daily investment policy has been delegated to Fulcrum Asset Management LLP as Investment Manager;
- Fulcrum Asset Management LLP has been appointed Distributor; and
- J.P. Morgan Bank Luxembourg S.A. has been appointed as Central Administration.

Without prejudice to the aforementioned delegation of duties to third parties the Management Company remains responsible for the supervision of the respective delegated duties.

## **INVESTMENT MANAGER**

The Management Company, with the consent of the Board of Directors has appointed Fulcrum Asset Management LLP as investment manager (the “**Investment Manager**”) for the SICAV pursuant to an investment management agreement dated 12 October

2007 terminable by either party giving not less than 180 calendar days' prior notice to the other party.

The Investment Manager is an independent investment management firm established in 66-68 Seymour Street, London, W1H 5BT, is authorized and regulated by the UK Financial Conduct Authority (FCA) and is permitted (amongst other regulated activities) to advise, arrange, deal (as agent) and manage investments.

The Investment Manager provides the Management Company and/or Board of Directors with advice, reports and recommendations in connection with the management of the assets of the Sub-Funds and shall advise the Management Company and/or the Board of Directors as to the selection of liquid assets and other securities and assets constituting the portfolios of the Sub-Funds and have discretion, on a day-to-day basis and subject to the overall control and responsibility of the Board of Directors of the SICAV, to purchase and sell such liquid assets and other securities and otherwise to manage the Sub-Funds' portfolios. Any management activities of the Investment Manager shall be subject to compliance with the investment objective, strategy and restrictions of the relevant Sub-Funds as set out in this Prospectus as well as with any additional restrictions and directions notified by the Management Company to the Investment Manager from time to time.

#### **CO-MANAGEMENT AND POOLING**

To ensure effective management of the SICAV, the Board of Directors may decide to manage all or part of the assets of one or more Sub-Funds with those of other Sub-Funds in the SICAV (pooling technique) or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Sub-Funds with the assets of other Luxembourg investment funds or of one or more sub-funds of other Luxembourg investment funds (hereinafter referred to as the "**Party(ies) to the co-managed assets**") for which the SICAV's Depositary is the appointed Depositary. These assets will be managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets will only participate in co-managed assets which are in accordance with the stipulations of their respective Prospectuses and investment restrictions.

Each Party to the co-managed assets will participate in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets will be allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets. Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets. The aforementioned co-managed assets will be formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Board of Directors may regularly make subsequent transfers to the co-managed assets. The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets. Dividends, interest and other distributions deriving from income generated by the co-managed assets will accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets. All charges and expenses incurred in respect of the co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.

In the case of an infringement of the investment restrictions affecting a Sub-Fund of the SICAV, when such a Sub-Fund takes part in co-management and even if the manager has complied with the investment restrictions applicable to the co-managed assets in question, the Board of Directors shall ask the manager to reduce the investment in question in proportion to the participation of the Sub-Fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the Sub-Fund.

When the SICAV is liquidated or when the Board of Directors of the SICAV decide, without prior notice, to withdraw the participation of the SICAV or a Sub-Fund of the SICAV from co-managed assets, the co-managed assets will be allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.

The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management in as much as all Parties to the co-managed assets have the same depositary.. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the assets and liabilities of each Sub-Fund of the SICAV will be constantly separated and identifiable.

## **DEPOSITARY**

The SICAV has appointed J.P. Morgan Bank Luxembourg S.A., as depositary (the “**Depositary**”) of all the SICAV’s assets, including its cash and securities, which will be held either directly or through other financial institutions such as correspondents, nominees, agents or delegates of the Depositary.

J.P. Morgan Bank Luxembourg S.A is a public limited company (société anonyme) under the laws of Luxembourg incorporated for an unlimited duration. Its registered and administrative offices are at 6c, route de Trèves, L-2633 Luxembourg, Grand Duchy of Luxembourg. It is licensed to engage in all banking operations under Luxembourg law.

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

In addition, the Depositary shall also ensure that:

- (i) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law and the Articles of Incorporation;
- (ii) the value of the Shares is calculated in accordance with Luxembourg law and the Articles of Incorporation;
- (iii) the instructions of the Management Company or the Company are carried out, unless they conflict with applicable Luxembourg law and/or the Articles of the SICAV;
- (iv) in transactions involving the SICAV’s assets any consideration is remitted to the SICAV within the usual time limits; and

- (v) the SICAV's incomes are applied in accordance with Luxembourg law and the Articles of the SICAV.

The Depositary may entrust all or part of the assets of the SICAV that it holds in custody to such sub-custodians as may be determined by the Depositary from time to time. Except as provided in the Investment Funds Legislation, the Depositary's liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to a third party.

The Depositary is liable to the SICAV or its investors for the loss of a financial instrument held in custody by the Depositary or any of its delegates. The Depositary shall however, not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary is also liable to the SICAV or its investors for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance with the Investment Funds Legislation.

When selecting and appointing a sub-custodian or other delegate, the Depositary shall exercise all due skill, care and diligence as required by the Investment Funds Legislation to ensure that it entrusts the SICAV's assets only to a delegate who may provide an adequate standard of protection.

In carrying out its role as depositary, the Depositary shall act independently from the Company and the Manager and solely in the interest of the SICAV and its investors.

As part of the normal course of global custody business, the Depositary may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping, fund administration or related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise (i) from the delegation by the Depositary to its safekeeping delegates, or (ii) generally between the interests of the Depositary and those of the SICAV, its investors or the Manager; for example, where an affiliate of the Depositary is providing a product or service to a fund and has a financial or business interest in such product or service or receives remuneration for other related products or services it provides to the funds, for instance foreign exchange, securities lending, pricing or valuation, fund administration, fund accounting or transfer agency services. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will at all times have regard to its obligations under applicable laws including Article 25 of the UCITS V Directive.

Up-to-date information on the identity of the Depositary and its sub-custodians, its duties, conflicts of interest on the delegated safekeeping functions and of any conflicts of interest that may arise from such a delegation (or, if applicable, sub-delegation) shall be made available at the following website:  
[https://www.fulcrumasset.com/assets/6/5629\\_document.pdf?1472563063](https://www.fulcrumasset.com/assets/6/5629_document.pdf?1472563063).

#### **CENTRAL ADMINISTRATION AGENT AND PAYING AGENT**

J.P. Morgan Bank Luxembourg S.A. has been appointed central administration agent (the "**Central Administration Agent**"). The Central Administration Agent will carry out all administrative duties related to the administration of the SICAV, including the calculation of the NAV of the Shares and the provision of accounting services to the SICAV.

The relationship between the SICAV, the Management Company and the Central Administration Agent is subject to the terms of the administration agreement. The SICAV, the Management Company and the Central Administration Agent may terminate this agreement upon ninety (90) days' prior written notice.

J.P. Morgan Bank Luxembourg S.A. has also been appointed as registrar and transfer agent of the SICAV (the "**Registrar and Transfer Agent**"). In such capacity J.P. Morgan Bank Luxembourg S.A. will process all subscriptions, redemptions, conversions and transfers of Shares and will register these transactions in the share register of the SICAV. The relationship between the SICAV and the Registrar and Transfer Agent is subject to the terms of the registrar and transfer agency agreement. The SICAV and the Registrar and Transfer Agent may terminate this agreement upon ninety (90) days' prior written notice.

The registered address of the Central Administration Agent is 6c, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

In connection with the calculation of the NAV, the Central Administration Agent relies on information supplied by third parties (such as the administrative or valuation agents or managers of underlying funds) or by the Board of Directors. In the absence of manifest error, the Central Administration Agent shall not be liable for the accuracy of the relevant information received or for any errors in the NAV calculation resulting from the inaccuracy of the relevant information received by the Central Administration Agent. In relation to assets which are not listed, the Central Administration Agent may completely rely on the valuations provided by the Board of Directors or by any third party authorized to that effect by the Board of Directors.

The Central Administration Agent is not responsible for any investment decisions of the SICAV or the effect of such investment decisions on the performance of the SICAV.

## **PRINCIPAL DISTRIBUTOR**

The Management Company with the consent of the SICAV has appointed as principal Distributor Fulcrum Asset Management LLP (the "**Principal Distributor**"), to market, distribute and promote the SICAV's Shares in each Sub-Fund in all countries of the world except the United States of America (its territories or possessions, or other areas subject to its jurisdiction) and any other jurisdiction that may require other distribution arrangements. With the prior consent of the Management Company, the Principal Distributor may conclude contractual arrangements with dealers as its sub-distributors to market, distribute and promote the SICAV's Shares. The appointment of the Principal Distributor was made pursuant to a principal distribution agreement dated as of 12 October 2007 concluded for an unlimited period of time from the date of its signature. It may be terminated by either party thereto giving not less than a six months' prior notice. The Principal Distributor does not accept subscription monies. Such payments will be made directly to the SICAV's account opened with the Depositary.

## **FACILITIES AND INFORMATION IN THE UK**

The SICAV is a recognised collective investment scheme within the meaning of Section 264 of the FSMA. Only shares in Fulcrum Alternative Beta Plus Daily and Fulcrum Commodity may be promoted to the UK public by persons authorised to carry on investment business in the UK.

The SICAV does not carry on investment business in the UK, so as to require the conduct of its business to be regulated under the FSMA. Shareholders will therefore not benefit from the protections provided by the UK regulatory system.

Compensation under the Financial Services Compensation Scheme will generally not be available to UK investors, in connection with an investment in Fulcrum Alternative Beta Plus Daily or Fulcrum Commodity.

In addition, the protections available under the Financial Ombudsman Service (such as the right to refer to that service to resolve disputes regarding the Company) will not be available in connection with an investment in the Fulcrum Alternative Beta Plus Daily or Fulcrum Commodity.

A UK investor who enters into an investment agreement with the SICAV to acquire shares in the Fulcrum Alternative Beta Daily or Fulcrum Commodity in response to the Prospectus will not have the right to cancel the agreement under the cancellation rules made by the FCA. The agreement will be binding upon acceptance of the order by the SICAV.

The attention of potential UK investors is drawn to the summary of the anticipated tax treatment as set out below.

The SICAV is required by the FCA to maintain certain facilities at a UK address in the interests of investors in Fulcrum Alternative Beta Plus Daily or Fulcrum Commodity. The Facilities Agent has been appointed, pursuant to an agreement with the SICAV dated as of 4<sup>th</sup> February 2009, to act as the facilities agent for the SICAV in the UK and it has agreed to provide certain facilities at its below-mentioned office in respect of the SICAV. The Facilities Agent shall receive such fee as may be determined from time to time between the SICAV and the Facilities Agent.

The attention of investors is drawn to the “Issue and Sale of Shares” procedures and “Redemption of Shares” procedures contained in this Prospectus in particular with regard to the deadlines for subscription and redemption of Shares in the SICAV. Redemption Requests should be sent to the SICAV, details of which are contained in this Prospectus under PART A: SICAV INFORMATION, “Redemption of Shares” or alternatively, requests for redemption can be made to the Facilities Agent at the below-mentioned offices.

The NAV per Share and the issue and redemption prices per Share of each Class of Shares may be obtained during central European business hours at the registered office of the SICAV (6c, route de Trèves, L-2633 Senningerberg, Grand-Duchy of Luxembourg) and from the Facilities Agent at the above-mentioned offices.

The following documents of the SICAV, in the English language, can be inspected free of charge and copies of them obtained (free of charge, in the case of the document at (b) and (c), and otherwise at no more than a reasonable charge) from the below-mentioned offices of the Facilities Agent:

- (a) the Articles and any amendments thereto;
- (b) the Prospectus together with any supplements;
- (c) the key investor information document most recently issued by the SICAV (if any); and

- (d) the most recently published annual and half yearly reports relating to the SICAV.

Complaints about the operation of the SICAV may be submitted to the SICAV directly or through the Facilities Agent to the following address:

Fulcrum Asset Management LLP  
66-68 Seymour Street  
London  
W1H 5BT  
United Kingdom

The complaints handling policy may be requested by contacting the Investment Manager at the address [info@fulcrumasset.com](mailto:info@fulcrumasset.com) or fax number +44 (0) 207 016 6460.

### **PREVENTION OF LATE TRADING AND MARKET TIMING**

**Late trading** is to be understood as 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 order at the price based on the NAV applicable to such same day.

The SICAV considers that the practice of late trading is not acceptable as it violates the provisions of the Prospectus which provide that an order received after the cut-off time is dealt with at a price based on the next applicable NAV. As a result, subscriptions, conversions and redemptions of Shares shall be dealt with at an unknown NAV. The cut-off time for subscriptions, conversions and redemptions is set out in Part B of this Prospectus.

**Market timing** is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the NAV of the undertaking for collective investment.

The SICAV considers that the practice of market timing is not acceptable as it may affect the SICAV's performance through an increase of the costs and/or entail a dilution of the profit. As a result, the SICAV reserves the right to refuse any application for subscription or conversion of Shares which might or appears to be related to market timing practices and to take any appropriate measures in order to protect investors against such practice.

### **PREVENTION OF MONEY LAUNDERING**

The applicants wanting to subscribe shares of the SICAV must provide the Central Administration Agent with all necessary information, which the Central Administration Agent may reasonably require to verify the identity of the applicant. Failure to do so may result in the SICAV refusing to accept the subscription for Shares in the SICAV. Applicants must indicate whether they invest on their own account or on behalf of a third party. Except for applicants applying through companies who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg, any applicant (applying in its own name or through companies) is obliged to submit to the Central Administration Agent in Luxembourg all necessary information, which the Central Administration Agent may reasonably require to verify. The Central Administration

Agent must verify the identity of the applicant. In the case of an applicant acting on behalf of a third party, the Central Administration Agent must also verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Central Administration Agent prior to the occurrence of any change in the identity of any such beneficial owner.

## **THE SHARES**

The SICAV issues Shares in each Class of the separate Sub-Funds.

Shares may be issued in one or more Classes in each Sub-Fund by the Board of Directors; each Class having features or being offered to different types of investors, as more fully disclosed in Part B of the Prospectus for each Sub-Fund individually. The Board of Directors may however decide that no such Classes will be available in any of the Sub-Funds or alternatively that such Class may only be purchased upon prior approval of the Board of Directors as more fully disclosed in Part B of the Prospectus for each Sub-Fund individually.

The net proceeds from the subscriptions are invested in the specific portfolio of assets constituting the relevant Sub-Fund.

The Board of Directors shall maintain for each Sub-Fund a separate portfolio of assets. As between shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

**The SICAV shall be considered as one single legal entity. With regard to third parties, in particular towards the SICAV's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it.**

Shares of any Class in any Sub-Fund will be issued in registered form only.

The inscription of the shareholder's name in the register of Shares evidences his or her right of ownership of such registered Shares. A holder of registered Shares shall receive written confirmation of his or her shareholding.

Forms for the transfer of Shares are available at the Registered Office of the SICAV. Shares are freely transferable except to Prohibited Persons.

All Shares must be fully paid-up; they are of no par value and carry no preferential or pre-emptive rights. Each Share of the SICAV of any Class to whatever Sub-Fund it belongs is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles.

Fractional Shares may be issued (at such number of decimal places as specified for each Sub-Fund in Part B of this Prospectus), and such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the net profits and in the proceeds of liquidation attributable to the relevant Class in the relevant Sub-Fund on a pro rata basis.

The Board of Directors may decide to create further Sub-Funds and/or Classes with different characteristics, and in such cases, this Prospectus will be updated accordingly.

## ISSUE AND SALE OF SHARES

After the Initial Offer Period or the Initial Offer Day (which shall be described for each Sub-Fund in Part B of this Prospectus), the Shares of each Class will typically be offered at a price equal to the NAV per Share of the relevant Class, after the swing pricing adjustment (if any) mechanism is applied. However, the Shares of certain Sub-Funds/Classes can also be offered at a fixed Offer Price, which, if applicable, will be specified for the relevant Sub-Fund/Class in Part B of the Prospectus. For each Class of Shares, the subscription fee specified for each Class within each Sub-Fund individually in Part B of the Prospectus. The Offer Price is available at the Registered Office of the SICAV.

Investors whose applications are accepted will be allotted Shares issued on the basis of the above-mentioned Offer Price per Share determined as of the Valuation Day (as defined in Part B of the Prospectus for each Sub-Fund individually) following receipt of the application order provided that such application is received at the Registered Office of the SICAV (from the Principal Distributor or an agent thereof or direct from the subscriber) at a time as defined in Part B of the Prospectus for each Class within each Sub-Fund individually.

The subscription fee, which shall revert to the Principal Distributor, is specified for each Class within each Sub-Fund individually in Part B of the Prospectus.

Payments for Shares will be required to be made in the Reference Currency of the relevant Class, if any, or in the Reference Currency of the relevant Sub-Fund within a period as defined in Part B of the Prospectus for each Class within each Sub-Fund individually.

Written confirmations of shareholding will be sent to shareholders within three Business Days after the relevant publication of the NAV relating to the issue or sale of Shares.

The SICAV reserves the right to reject any application in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant within seven Business Days after confirmation of the rejection, or to suspend at any time and without prior notice the issue of Shares in one, several or all of the Sub-Funds.

The SICAV may agree to issue Shares as consideration for a contribution in kind of securities, provided that such securities comply with the investment objectives, policies and restrictions of the relevant Sub-Fund and in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the SICAV ("*réviseur d'entreprises agréé*") which shall be available for inspection. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant shareholders.

No Shares of any Sub-Fund will be issued during any period when the calculation of the NAV per Share in such Sub-Fund is suspended by the SICAV, pursuant to the powers reserved to it by Article 13 of the Articles.

In the case of suspension of dealings in Shares the application will be dealt with as of the first Valuation Day following the end of such suspension period.

## REDEMPTION OF SHARES

Each shareholder of the SICAV may at any time request the SICAV to redeem on the first Business Day immediately following the specific Valuation Day specified for each Class within each Sub-Fund in Part B of the Prospectus all or any of the Shares held by such shareholder in any Class within each of the Sub-Funds.

Shareholders desiring to have all or any of their Shares redeemed should apply in writing to the Registered Office of the SICAV. The Distributors or any agent thereof are also authorized to transmit redemption requests on behalf of shareholders to the SICAV.

Redemption requests should contain the following information (if applicable): the identity and address of the shareholder requesting the redemption, the number of Shares or the amount to be redeemed, the relevant Class and the relevant Sub-Fund, the account number and the ISIN code. All necessary documents to complete the redemption should be enclosed with such application.

Shareholders whose applications for redemption are accepted will have their Shares redeemed on the first Business Day immediately following any Valuation Day provided that the applications have been received in Luxembourg at a time defined in Part B of the Prospectus for each Class within each Sub-SICAV individually.

Shares will be redeemed at a price equal to the NAV per Share of the relevant Class within the relevant Sub-Fund less a redemption fee and after the swing pricing adjustment (if any) and/or the performance fee adjustments (if any) mechanisms are applied, the rate of which (if any) is indicated in Part B of the Prospectus (the "**Redemption Price**").

The payment of the Redemption Price shall be made within a period as defined in Part B of the Prospectus for each Class within each Sub-Fund individually.

Payment will be made by wire or by bank order to an account indicated by the shareholder, at such shareholder's expense and at the shareholder's risk.

The Redemption Price will be paid in the Reference Currency of the relevant Class, if any, or in the Reference Currency of the relevant Sub-Fund. In the last case, any currency conversion costs shall be borne by the shareholder. The Redemption Price may be higher or lower than the price paid at the time of subscription or purchase.

Shares in any Sub-Fund will not be redeemed if the calculation of the NAV per Share in such Sub-Fund is suspended by the SICAV in accordance with Article 12 of the Articles.

If, as a result of any request for redemption, the aggregate NAV of the Shares held by any shareholder in a Sub-Fund/Class would fall below the minimum holding requirement specified in Part B of the Prospectus for each Sub-Fund/Class, the SICAV may treat such request as a request to redeem the entire shareholding of such shareholder in such Sub-Fund/Class. At the SICAV's discretion, the SICAV reserves the right to transfer any existing shareholder who falls below the minimum holding requirement for one Class of Shares into another appropriate Class of Shares without charge.

The Board of Directors may defer redemptions for a particular Valuation Day to the next Valuation Day as of which the requested redemptions exceed 10% of a

Sub-Fund's Net Asset Value. The Board of Directors will ensure the consistent treatment of all shareholders who have sought to redeem Shares for any Valuation Day as of which redemptions are deferred. The Board of Directors will pro-rate all such redemption requests to the stated level (i.e. 10% of the Sub-Fund's Net Asset Value) and will defer the remainder until the next Valuation Day. The Board of Directors will also ensure that all deals relating to an earlier Valuation Day are completed before those relating to a later Valuation Day are considered. The Directors currently expect not to exercise such power to defer redemptions except to the extent that they consider that existing shareholders would otherwise be materially prejudiced or that such exercise is necessary to comply with applicable law or regulation.

The Articles contain at Article 11 provisions enabling the SICAV to compulsorily redeem Shares held by Prohibited Persons.

The SICAV shall have the right, if the Board of Directors so determines, to satisfy payment of the Redemption Price to any shareholder who agrees, in specie by allocating to the holder investments from the portfolio of assets set up in connection with such Sub-Fund equal in value (calculated in the manner described in Article 12 of the Articles), as of the Valuation Day as of which the Redemption Price is determined, to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Shares and the valuation used shall be confirmed by a special report of the auditor of the SICAV. The costs of any such transfers shall be borne by the transferee.

The Board of Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a shareholder at any time for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the SICAV incurring any liability or taxation or suffering any other disadvantage which the SICAV may not otherwise has incurred or suffered (including, but not limited to, shareholders who become Prohibited Person or US Persons who are not able to meet the conditions set out in this Prospectus). In circumstances where a shareholder is identified as a person from whom information is required for the purposes of fulfilling the requirements of FATCA, but such shareholder fails to provide such required information and/or the classification of such shareholder requires information to be reported to the Luxembourg tax authority, the Board of Directors at its discretion may choose to redeem such shareholder's interest in any of the Sub-Funds. Furthermore, the Board of Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a shareholder at any time in exceptional circumstances where they determine that such a compulsory redemption is in the interest of other investors and/or the relevant Sub-Fund or the SICAV as a whole.

## **CONVERSION OF SHARES**

Shareholders have the right, subject to the provisions hereinafter specified and subject to any limitations set out in relation to one or more Sub-Funds in Part B of the Prospectus, to convert on the first Business Day immediately following the Valuation Day specified for each Sub-Fund in Part B of the Prospectus Shares from one Class within one Sub-Fund for Shares of another Sub-Fund and/or Shares of another Class.

The rate at which Shares of any Class in any Sub-Fund shall be converted will be determined by reference to the respective NAVs of the relevant Shares calculated as

of the same specific Valuation Day following receipt of the documents referred to below by a time defined in Part B of the Prospectus for each Class individually in each Sub-Fund.

A conversion fee may be charged by the Distributor. Such conversion fee shall not exceed the difference between the respective maximum subscription fees for the subscription of shares of the two Sub-Funds or Classes concerned.

A conversion of Shares of one Sub-Fund or Class for Shares of another Sub-Fund or Class will be treated as a redemption of Shares and a simultaneous purchase of Shares. A converting shareholder may, therefore, realize a taxable gain or loss in connection with the conversion under the laws of the country of the shareholder's citizenship, residence or domicile.

All terms and notices regarding the redemption of Shares shall equally apply to the conversion of Shares.

No conversion of Shares will be effected until a duly completed conversion request form or other written notification acceptable to the Central Administration Agent have been received at the registered office of the Central Administration Agent:

Written confirmations of shareholding will be sent to shareholders within three Business Days after the relevant publication of the NAV.

In converting Shares of a Sub-Fund or Class for Shares of another Sub-Fund or Class, a shareholder must meet applicable minimum investment requirements, if any, imposed by the acquired Sub-Fund in the relevant Class.

If, as a result of any request for conversion, the aggregate NAV of the Shares held by the converting shareholder in a Class of Shares/Sub-Fund falls below the minimum holding requirement indicated in Part B of the Prospectus, the SICAV may treat such request as a request to convert the entire shareholding of such shareholder in such Class/Sub-Fund. At the SICAV's discretion, the SICAV reserves the right to transfer any existing shareholder who falls below the minimum shareholding requirement for a Class of Shares into another appropriate Class of Shares without charge.

Shares of any Class, if any, in any Sub-Fund will not be converted in circumstances where the calculation of the NAV per Share of such Sub-Fund is suspended by the SICAV pursuant to Article 13 of the Articles.

### **SWING PRICING ADJUSTMENT**

A Sub-Fund may suffer dilution of the NAV per Share due to investors buying or selling Shares in a Sub-Fund at a price that does not reflect the dealing and other costs that arise when security trades are undertaken by the Investment Manager to accommodate cash inflows or outflows.

In order to counter this impact, a swing pricing mechanism may be adopted to protect the interests of shareholders of each Sub-Fund. If as of any Valuation Day, the aggregate net transactions in Shares of a Sub-Fund exceed a pre-determined threshold, as determined and reviewed for each Sub-Fund on a periodic basis by the Board of Directors, the NAV per Share may be adjusted upwards or downwards to reflect net inflows and net outflows respectively. The net inflows and net outflows will be determined by the Board of Directors based on the latest available information at

the time of calculation of the NAV per Share. The swing pricing mechanism may be applied across all Sub-Funds.

The extent of the price adjustment, if any, will be set by the Board of Directors to reflect dealing and other costs for each Sub-Fund and will be described in the Sub-Fund's relevant Appendix. Such adjustment may vary from Sub-Fund to Sub-Fund and will not exceed 1.5% of the original NAV per Share.

## **DETERMINATION OF THE NET ASSET VALUE**

### **CALCULATION AND PUBLICATION**

The calculation of the NAV per Share of each Sub-Fund or Class of Shares as the case may be will be carried out by the Central Administration Agent of the SICAV, subject to the supervision of the Board of Directors, in accordance with the requirements of the Articles. The NAV per Share of each Sub-Fund or Class of Shares as the case may be shall be expressed in the Reference Currency of the relevant Sub-Fund or Class of Shares to the number of decimal places as the Board of Directors shall determine as indicated for each Sub-Fund in Part B of this Prospectus, and shall be determined for each Sub-Fund as of the relevant Valuation Day, by dividing the net assets of the SICAV attributable to Shares in such Class within such Sub-Fund being the value of the portion of assets less the portion of liabilities attributable to such Class within such Sub-Fund, as of any such Valuation Day, by the number of Shares of the relevant Class within the relevant Sub-Fund then outstanding, in accordance with the valuation rules set forth below. If since the time of determination of the NAV there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Class within the relevant Sub-Fund are dealt in or quoted, the SICAV may, in order to safeguard the interests of the shareholders and the SICAV, cancel the first valuation and carry out a second valuation for all applications received for the relevant Valuation Day.

The value of such assets is determined by the Central Administration Agent as follows:

- a) The value of any cash in hand or on deposit, bills, demand notes payable and accounts receivable, prepaid expenses, cash dividends and interests declared or accrued as aforesaid and but not yet received shall be valued at the par-value of the assets except however if it appears that such value is unlikely to be paid or received in full. In such a case, subject to the approval of the Board of Directors, the value shall be determined by deducting a certain amount to reflect the true value of these assets.
- b) The value of transferable securities, money market instruments and any financial assets admitted to official listing on any stock exchange or dealt on any Regulated Market shall be based on the last available closing or settlement price in the relevant market prior to the time of valuation, or any other price deemed appropriate by the Board of Directors.
- c) In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.

- d) The liquidating value of futures, forward or options contracts not admitted to official listing on any stock exchange or dealt on any Regulated Market shall mean their net liquidating value determined, pursuant to the policies established prudently and 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 or options contracts admitted to official listing on any stock exchange or dealt on any Regulated Market shall be based upon the last available closing or settlement prices of these contracts on stock exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded on behalf of the SICAV; provided that if a future, forward or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.
- e) The value of Money Market Instruments not listed or dealt in on any stock exchange or any other Regulated Market and with remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of 90 days or less will be valued by the amortized cost method, which approximates market value.
- f) Interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve.
- g) Units or Shares of open-ended UCI will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis. Units or Shares of a closed-ended UCI will be valued at their last available stock market value.
- h) All other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors or a committee appointed to that effect by the Board of Directors.

The Board of Directors may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant consideration, they consider that such adjustment is required to reflect the fair value thereof.

The value of all assets and liabilities not expressed in the Reference Currency of a Sub-Fund will be converted into the Reference Currency of such Sub-Fund at the rate of exchange (whether official or otherwise) determined as of the relevant Valuation Day in good faith by or under procedures established by the Board of Directors.

Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Board of Directors with care and in good faith or by a competent person.

To the extent that the Board of Directors considers that it is in the best interests of the SICAV, given the prevailing market conditions and the level of subscriptions or redemptions requested by shareholders in relation to the size of any Sub-Fund, an adjustment, as determined by the Board of Directors at its discretion, may be reflected in the NAV of the Sub-Fund for such sum as may represent the percentage estimate of

costs and expenses which may be incurred by the relevant Sub-Fund under such conditions.

The Board of Directors may, at its discretion, permit any other method of valuation to be used if it considers that such method of valuation better reflects the value generally or in particular markets or market conditions and is in accordance with the good practice.

The NAV per Share and the issue, redemption and conversion prices per Share of each Class within each Sub-Fund may be obtained during business hours at the Registered Office.

#### **TEMPORARY SUSPENSION OF THE CALCULATION**

The SICAV may temporarily suspend the determination of the NAV per Share of any Sub-Fund and the issue and redemption of its Shares to and from its shareholders as well as the conversion from and to Shares of each Sub-Fund:

- a) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Regulated Markets on which the SICAV's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- b) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation by the SICAV of investments of the Sub-Fund is not reasonably practicable or would be detrimental to the interests of shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the SICAV; or
- c) during the whole or part of any period when any breakdown occurs in the means of communication network normally employed in determining the price or value of any of any of the SICAV's investments of the relevant Sub-Fund; or
- d) during the whole or any part of any period when for any other reason the price or value of any of the SICAV's investments cannot be reasonably, promptly or accurately ascertained;
- e) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of the SICAV or the Sub-Fund being unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or
- f) following a possible decision to merge, liquidate or dissolve the SICAV or, if applicable, one or several Sub-Funds;
- g) (to the extent that it is permissible under the UCI Law, for a Sub-Fund to act as Feeder to a Master) following the suspension of (i) the calculation of the net asset value per share/unit, (ii) the issue, (iii) the redemption and/or (iv) the conversion of the shares/units issued within the Master fund in which the Sub-Fund invests in its quality as a Feeder fund of such Master fund;

- h) if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the SICAV or any Sub-Fund; or
- i) if, in exceptional circumstances, the Board of Directors determines that suspension of the determination of NAV is in the interest of shareholders (or shareholders in that Sub-Fund as appropriate); or
- j) during a period where the relevant indices underlying the derivative instruments which may be entered into by the Sub-Funds of the SICAV are not compiled or published; or
- k) during any period when for any other reason the prices of any investments owned by the SICAV, in particular the derivative instruments and repurchase transactions which may be entered into by the SICAV in respect of any Sub-Fund, cannot promptly or accurately be ascertained.

Any such suspension shall be published, if appropriate, by the SICAV and may be notified to shareholders having made an application for subscription, redemption or conversion of Shares for which the calculation of the NAV has been suspended.

Such suspension as to any Sub-Fund shall have no effect on the calculation of the NAV per Share, the issue, redemption and conversion of Shares of any other Sub-Fund, if the assets within such other Sub-Fund are not affected to the same extent by the same circumstances.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the NAV.

## **DISTRIBUTION POLICY**

Unless otherwise stipulated in the relevant Sub-Fund's Appendix relating to a Sub-Fund or Class of Shares, Shares of each Class of each Sub-Fund will be capitalizing Shares, i.e. it is not intended that the SICAV will pay dividends in relation to any Sub-Fund or Class of Shares.

The Board of Directors may decide that dividends be directly reinvested by the purchase of additional Shares.

In any event, no distribution may be made if, as a result, the NAV of the SICAV would fall below the equivalent of EUR 1,250,000.

Dividends to be reinvested will be paid to J.P. Morgan Bank Luxembourg S.A. who will reinvest the money on instructions received from the shareholders in additional Shares of the same class. Such Shares will be issued on the payment date at the NAV per Share of the relevant class. It should be borne in mind that reinvested dividends are likely to be treated for tax purposes in most jurisdictions as income received by the shareholders in these other jurisdictions.

Dividends not claimed within five years of their due date will lapse and revert to the relevant Class within the relevant Sub-Fund.

No interest shall be paid on a distribution declared by the SICAV and kept by it at the disposal of its beneficiary.

## **CHARGES AND EXPENSES**

The SICAV shall pay out of the assets attributable to each Class of Shares of each Sub-Fund, except if otherwise provided for specific Share Classes of specific Sub-Funds in Part B of the Prospectus, all expenses payable by the Sub-Fund, which shall include but not be limited to formation expenses, fees payable to its Investment Manager, fees and expenses payable to its accountants, Management Company, Central Administration Agent, Depositary, its correspondents, its listing agent, any paying agent, any Distributor and permanent representatives in places of registration, as well as any other agent employed by the SICAV, the remuneration of the Directors of the Board of Directors, their insurance coverage, and reasonable travelling costs and out of pocket expenses in connection with board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the SICAV with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing Prospectuses, explanatory memoranda, periodical reports or registration statements, and the costs of any reports to shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and facsimile. The SICAV may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

It may be specified in Part B of the Prospectus that certain Share Classes will only bear, on a pro-rata basis, the fees payable to the Investment Manager of the SICAV; other aforementioned charges and expenses attributable to such a Class of Share shall then be paid by the Investment Manager out of its Investment Management Fee.

### **FORMATION AND LAUNCHING EXPENSES OF THE SICAV**

The costs and expenses incurred in connection with the formation of the SICAV and the initial issue of Shares, including those incurred in the preparation and publication of the Prospectus, all legal and printing costs, certain launch expenses (including advertising costs) and preliminary expenses are estimated not to exceed USD 100,000.-. They are being written off over a period not exceeding five years from the formation of the SICAV and in such amounts in each year and in each Sub-Fund as determined by the Board of Directors on an equitable basis.

### **FORMATION AND LAUNCHING EXPENSES OF ADDITIONAL SUB-FUNDS**

Charges relating to the creation of a new Sub-Fund shall be written off over a period not exceeding five years against the assets of that Sub-Fund and in such amounts in each year as determined by the Board of Directors on an equitable basis. The newly created Sub-Fund shall not bear a pro rata share of the costs and expenses incurred in connection with the formation of the SICAV and the initial issue of Shares, which have not already been written off at the time of the creation of the new Sub-Fund.

### **FEES OF THE MANAGEMENT COMPANY, THE INVESTMENT MANAGER, THE DEPOSITARY AND THE CENTRAL ADMINISTRATION AGENT**

The remuneration of the Management Company, the Investment manager, the Depositary and the Central Administration Agent is detailed in Part B of the Prospectus.

## FEES OF THE DISTRIBUTOR

The Distributor is entitled to receive the subscription fee levied pursuant to the above section “Issue and Sale of Shares”.

Additionally, the Distributor may receive fees to compensate it for rendering shareholder services to its respective clients. If applicable, these fees are detailed in Part B of the Prospectus.

## TAXATION

### GENERAL

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

It is expected that shareholders will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with a shareholder's personal circumstances. Investors should be aware that the residence concept used under the respective headings applies for Luxembourg tax assessment purposes only. Any reference in this Section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Investors should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*). Shareholders may further be subject to net wealth tax (*impôt sur la fortune*), a temporary crisis contribution (*contribution de crise*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply in addition.

### THE SICAV

Under current law and practice, the SICAV is not liable to any Luxembourg income or net wealth tax, nor are dividends paid by the SICAV liable to any Luxembourg withholding tax. However, in relation to all Classes of Shares (except Share Classes reserved to Institutional Investors), the SICAV is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the net asset value of the respective Class at the end of the relevant quarter. A reduced tax rate of 0.01% per annum of the net assets will be applicable to Classes of Shares which are only sold to and held by Institutional Investors as well as to certain Sub-Funds investing exclusively in money market

instruments. Such tax is payable quarterly and calculated on the net assets of such Class/Sub-Fund at the end of the relevant quarter.

The aforementioned tax is not applicable for the portion of the assets of the SICAV invested in other Luxembourg collective investment undertakings. No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares for cash by the SICAV except a one-off tax of EUR 1.250,- which was paid upon incorporation. Any amendments to the Articles of Incorporation are as a rule subject to a fixed registration duty of EUR 75,-.

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

## **SHAREHOLDERS**

### *Luxembourg Tax Residency*

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

### *Income Tax - Luxembourg Residents*

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

### *Luxembourg Resident Individuals*

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

Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption takes place more than six months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as a substantial shareholding in limited cases, in particular if (i) the shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realisation of the gain, more than 10% of the share capital of the SICAV or (ii) the shareholder acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period). Capital gains realised on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method (i.e. the average rate applicable to the total income is

calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

#### *Luxembourg Resident Corporations*

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

#### *Luxembourg Residents Benefiting from a Special Tax Regime*

Luxembourg resident shareholders which benefit from a special tax regime, such as (i) UCI governed by the UCI Law, (ii) specialised investment funds governed by the law of 13 February 2007, and (iii) family wealth management companies governed by the law of 11 May 2007, are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

#### *Income Tax - Luxembourg Non-residents*

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

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

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

### **UK TAX CONSIDERATIONS**

The attention of potential UK investors is drawn to the summary of the anticipated tax treatment as set out below.

#### **THE SICAV**

The Board of Directors intends that the affairs of the SICAV should be managed and conducted so that it does not become resident in the UK for UK taxation purposes.

Accordingly, and provided that the SICAV does not carry on a trade in the UK through a fixed place of business or agency situated therein that constitutes an assessable permanent establishment for UK taxation purposes and that the SICAV's trading transactions (if any) in the UK are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the SICAV will not be subject to UK corporation tax or income tax on its income and capital gains. The Board of Directors intend to conduct the affairs of the SICAV and of each Sub-Fund, and the Investment Manager intends to carry on its investment management business so that these requirements are met insofar as this is within their respective control, but it cannot be guaranteed that the necessary conditions will at all times be satisfied.

## **SHAREHOLDERS**

The following summary is based on the law as enacted in the UK on the date of this Prospectus, is subject to changes therein and is not exhaustive. It does not constitute legal or tax advice and applies only to persons holding Shares as an investment.

Each Class of Shares in a Sub-Fund is a separate offshore fund for the purposes of the UK's offshore funds legislation. The SICAV has received certification as a reporting fund of certain Classes of Shares that are available to UK investors in the Sub-Funds and intends to conduct their affairs so as to comply with the reporting fund requirements in future. Details of which Classes of Shares have UK reporting fund status can be found on HM Revenue & Customs' website at <http://www.hmrc.gov.uk/collective/cis-centre.htm#of>.

UK taxpaying individuals will be liable to capital gains tax on gains realised on disposals of holdings in the Classes of Shares certified as reporting funds, depending on their personal circumstances. Shareholders who are not domiciled in the UK may, however, only be subject to UK tax on any such gain on a remittance basis, depending on the personal circumstances of the investor. UK corporation tax-paying companies will similarly be liable to corporation tax on the chargeable gains they realise (unless the loan relationships provisions described below apply).

If the SICAV does not apply for certification of a Class of Shares as a reporting fund, or certification is not granted, any gain arising to a person who falls to be taxed under the income tax rules is termed an "offshore income gain". Offshore income gains are taxed as income for individuals at either the basic rate of UK income tax or at the higher rate of income tax or the additional rate. The precise consequences of such treatment will depend upon the particular tax position of each shareholder, but UK residents or ordinarily resident individual shareholders should be aware that in particular, they will not be able to benefit from a lower rates of capital gains tax, or use the capital gains tax annual exemption to reduce their liability to UK tax on any such gain or other capital gains tax exemptions or relief.

Subject to their personal circumstances, shareholders resident in the UK for taxation purposes will be liable to UK income tax or corporation tax in respect of dividends or other distributions of an income nature made by the SICAV, whether or not such distributions are reinvested.

Any dividends paid (or deemed paid) to individuals by the Sub-Funds are deemed for UK income tax purposes to be dividends paid with dividend tax credits, except where over 60% of a Sub-Fund's investments are invested throughout a distribution period in interest-paying and related investments. In this case the distribution will be deemed for UK income tax purposes to be interest when received by UK individual taxpayers.

UK taxpaying corporate shareholders are exempt from tax, unless the income is received by a "small" company (as defined in the legislation) or falls within anti-avoidance legislation.

If at any time in an accounting period a person within the charge to UK corporation tax invests in an offshore fund (which includes each Sub-Fund), and there is a time in that period when that fund fails to satisfy the "non-qualifying investments test", the material interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the regime for the taxation of corporate debt (the "loan relationships regime"). The Shares in each Sub-Fund will constitute relevant interests in an offshore fund and on the basis of the investment policies of certain Sub-Funds, such a Sub-Fund could invest more than 60% of its assets by market value in government and corporate debt securities or as cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "non-qualifying investments test" and could, therefore, fail to satisfy the "non-qualifying investments test". In that eventuality, the Shares in that Sub-Fund will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in that Sub-Fund in respect of such a person's accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a person who acquires Shares in the SICAV may, in that eventuality and depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

The attention of individuals ordinarily resident in the UK for taxation purposes is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007, which contains anti-avoidance provisions dealing with the transfer of assets to overseas persons in circumstances which may render them liable to income tax in respect of the undistributed income of the SICAV.

The attention of companies resident in the UK for taxation purposes is drawn to the fact that the "controlled foreign companies" legislation contained in Chapter IV of Part XVII of the Taxes Act could apply to any UK resident company which is, either alone or together with persons associated with it for taxation purposes, deemed to be interested in 25% or more of any chargeable profits of the SICAV arising in an accounting period, if at the same time the SICAV is controlled (as control is defined in section 755D of the Taxes Act) by persons (whether companies, individuals or others) who are resident in the UK for taxation purposes or is controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40% of the interests, rights and powers by which those persons control the SICAV, and the other of whom has at least 40% and not more than 55% of such interests, rights and powers. In this context the "chargeable profits" of the SICAV do not include any of its capital gains. The effect of these provisions could be to render such companies liable to UK corporation tax in respect of the undistributed profit of the SICAV.

The attention of persons resident or ordinarily resident in the UK for taxation purposes is drawn to the provisions of section 13 Taxation of Chargeable Gains Act 1992 ("section 13"). Section 13 could be material to any such person who has an interest in the SICAV as a "participator" for UK taxation purposes (which term includes a shareholder) at a time when any gain accrues to the SICAV (such as on a disposal of any of its investments) which constitutes a chargeable gain or offshore income gain if, at the same time, the SICAV is itself controlled in such a manner and by a sufficiently small number of persons as to render the SICAV a body corporate that would, were it

to have been resident in the UK for taxation purposes, be a "close" company for those purposes. The provisions of section 13 would result in any such person who is a Shareholder being treated for the purposes of UK taxation as if a part of any chargeable gain or offshore income gain accruing to the SICAV had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the SICAV. No liability under section 13 could be incurred by such a person, however, in respect of a chargeable gain or offshore income gain accruing to the SICAV if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for UK taxation purposes does not exceed one-tenth of the gain. Finance Act 2008 extends section 13 with effect from 06 April 2008 to shareholders who are individuals domiciled outside the UK, subject to the remittance basis in particular circumstances.

Transfers of Shares will not be liable to UK stamp duty unless the instrument of transfer is executed within the UK when the transfer will be liable to UK *ad valorem* stamp duty at the rate of 0.5% of the consideration paid rounded up to the nearest £5. No UK stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

### **NET WEALTH TAX**

Luxembourg resident shareholders, and non-resident shareholders having a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the UCI Law, (iii) a securitisation company governed by the law of 22 March 2004 on securitisation, (iv) a company governed by the law of 15 June 2004 on venture capital vehicles, (v) a specialised investment fund governed by the law of 13 February 2007, or (vi) a family wealth management company governed by the law of 11 May 2007.

### **VALUE ADDED TAX**

The SICAV is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the SICAV could potentially trigger VAT and require the VAT registration of the SICAV in Luxembourg so as to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the SICAV to its shareholders, to the extent that such payments are linked to their subscription for Shares and do not constitute the consideration received for any taxable services supplied.

### **OTHER TAXES**

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

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

## **AUTOMATIC EXCHANGE OF INFORMATION**

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States (“DAC Directive”). The adoption of the aforementioned directive implements the OECD’s CRS and generalizes the automatic exchange of information within the European Union as of 1 January 2016.

In addition, Luxembourg signed the OECD’s multilateral competent authority agreement (“Multilateral Agreement”) to automatically exchange information between financial authorities. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The CRS-Law implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS in Luxembourg law.

Under the terms of the CRS-Law, the Company may be required to annually report to the Luxembourg tax authority the name, address, state(s) of residence, TIN(s), as well as the date and place of birth of i) each Reportable Person that is an account holder, ii) and, in the case of a Passive NFE within the meaning of the CRS-Law, of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the Luxembourg tax authority to foreign tax authorities.

The Company’s ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the Information, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder shall agree to provide the Company such information.

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

Any Shareholder that fails to comply with the Company’s documentation requests may be charged with any taxes and penalties imposed on the Company attributable to such Shareholder’s failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

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

## **FATCA (FOR A RESTRICTED FUND)**

### **FATCA DEFINITIONS**

**Controlling Persons** means the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

**Entity** means a legal person or a legal arrangement such as a trust.

**FATCA** means the provisions of the Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA).

**Financial Institution** means a custodial institution, a depository institution, an investment entity or a specified insurance company, as defined by the IGA.

**IGA** means the intergovernmental agreement concluded between the Grand-Duchy of Luxembourg and the United States of America in relation to FATCA on 28 March 2014.

**IRS** means the United States Internal Revenue Service.

**Luxembourg Financial Institution** means (i) any Financial Institution resident in Luxembourg, but excluding any branch of such Financial Institution that is located outside Luxembourg and (ii) any branch of a Financial Institution not resident in Luxembourg, if such branch is located in Luxembourg.

**Nonparticipating Financial Institutions** means a nonparticipating Financial Institution as defined in the IGA.

**Non-US Entity** means an Entity that is not a US Person.

**Specified US Person** means a US Person, other than: (i) a corporation the stock of which is regularly traded on one or more established securities market; (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the US Internal Revenue Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any States of the United States, any US Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organization exempt from taxation under section 501(a) of the US Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the US Internal Revenue Code; (vi) any bank as defined in section 581 of the US Internal Revenue Code; (vii) any real estate investment trust as defined in section 856 of the US Internal Revenue Code; (viii) any regulated investment company as defined in section 851 of the US Internal Revenue Code or any entity registered with the US Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (ix) any common trust fund as defined in section 584(a) of the US Internal Revenue Code; (x) any trust that is exempt from tax under section 664(c) of the US Internal Revenue Code or that is described in section 4947(a)(1) of the US Internal Revenue Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; (xii) a broker as defined in section 6045(c) of the US Internal Revenue Code; or (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the US Internal Revenue Code.

**US Person** means a US citizen or resident individual, a partnership or a corporation organized in the United States or under the laws of the United States or any States thereof, a trust if (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that

is a citizen or resident of the United States. This definition shall be interpreted in accordance with the US Internal Revenue Code.

## **FATCA IMPACT**

The United States HIRE Act was adopted in March 2010. It includes provisions generally known as “FATCA”.

The intention of these is that details of Specified US Persons holding assets outside the US will be reported by financial institutions to the IRS as a safeguard against US tax evasion. As a result of the HIRE Act, and to discourage non-US Financial Institutions from staying outside this regime, all US securities held by a Financial Institution that does not enter and comply with the regime will in principle be subject to a US tax withholding of 30 per cent on gross sales proceeds as well as income.

On 28 March 2014, Luxembourg has signed an IGA with the United States, in order to facilitate compliance of Luxembourg Financial Institutions, such as the SICAV, with FATCA and avoid the above-described US withholding tax. Under the IGA, Luxembourg Financial Institutions will provide the Luxembourg tax authorities with information on the identity and the investments of and the income received by their investors that are Specified US Persons or, in case of a Non-US Entity being a Holder, on the status of any Controlling Person as a Specified US Person. The Luxembourg tax authorities will then automatically pass the information on to the IRS. Such reporting is, however, not required in case the Luxembourg Financial Institution can rely on a specific exemption or a deemed-compliant category contained in the IGA.

The SICAV therefore requires all Holders to provide mandatory documentary evidence on their status as a Specified US Person or, in case of a Non-US Entity being a Holder, on the status of any Controlling Person as a Specified US Person. Under the IGA, the SICAV will be required to, *inter alia*, disclose the name, address and taxpayer identification number of these Specified US persons that own, directly or indirectly, an Interest in the SICAV, as well as information on the balance or value of the direct or indirect Interest owned in the SICAV by such Specified US Persons, as well as on any amounts directly or indirectly paid by the SICAV to such Specified US Persons.

The SICAV's ability to satisfy its obligations under the IGA will depend on each Holder in the SICAV providing the SICAV with any information, including information concerning the direct or indirect owners of such Holder, that the SICAV determines is necessary to satisfy such obligations. Each Holder agrees to provide such information upon request by the SICAV.

A Holder that fails to comply with such documentation requests may be charged with any taxes or penalties imposed on the SICAV attributable to such Holder's non-compliance under the IGA and FATCA, and the SICAV may, in its sole discretion, redeem such Shares.

While the SICAV will make all reasonable efforts to seek documentation from Holders to comply with these rules and to allocate any taxes or penalties imposed or required to be deducted under the IGA and/or FATCA to Holders whose non-compliance caused the imposition or deduction of the tax or penalty, it cannot be excluded that other complying Holders in the SICAV may be affected by the presence of such non-complying Holders.

All prospective investors and Holders are advised to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the SICAV.

## **SELLING RESTRICTIONS**

The SICAV may not issue any Interests to Specified US persons, Nonparticipating Financial Institutions, or passive non-financial foreign entities with one or more substantial US owners, as each defined by FATCA.

Furthermore, Holders are explicitly prohibited to sell or otherwise transfer any Shares in the SICAV to Specified US persons, Nonparticipating Financial Institutions, or passive non-financial foreign entities with one or more substantial US owners, as each defined by FATCA.

In case a Holder appears to be Specified US persons, Nonparticipating Financial Institutions, or passive non-financial foreign entities with one or more substantial US owners, as each defined by FATCA the SICAV may charge such Holder with any taxes or penalties imposed on the SICAV attributable to such Holder's non-compliance under the IGA and FATCA, and the SICAV may, in its sole discretion, redeem such Interests.

## **DISTRIBUTION**

The Principal Distributor is required to notify the SICAV of a change in the distributor's FATCA status within 90 days of such change.

## **GENERAL INFORMATION**

### **1. CORPORATE INFORMATION**

The SICAV was incorporated on 12 October 2007 and launched on 15 October 2007. It is governed by the law of 10 August 1915 on commercial companies as amended (the "**1915 Law**") and is governed by Part I of the UCI Law.

The Articles were published in the *Mémorial* of 12 November 2007 and were filed with the Register of Commerce and Companies of Luxembourg. The Articles were amended for the last time on 29 December 2011. Any interested person may inspect these documents at the Register of Commerce and Companies of Luxembourg; copies are available on request at the Registered Office of the SICAV. The SICAV is registered at the Register of Commerce and Companies of Luxembourg under the number B 132741.

The SICAV has its Registered Office at 6c, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

The minimum capital of the SICAV, as provided by law, is set at (the equivalent in any currency of) Euro 1,250,000. The capital of the SICAV is represented by fully paid-up Shares of no par value.

The SICAV is open-ended, which means that it may at any time on the request of the shareholders, redeem its Shares at prices based on the applicable NAV per Share.

In accordance with the Articles, the Board of Directors may issue Shares in each Class within each Sub-Fund. A separate pool of assets is maintained for each Class within each Sub-Fund and is invested in accordance with the investment objectives applicable to the relevant Sub-Fund. As a result, the SICAV is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Classes within such Sub-Funds.

The Board of Directors may from time to time decide to create further Classes or Sub-Funds or issue new Classes to participate in new or existing Sub-Funds; in that event, the Prospectus will be updated and amended so as to include detailed information on the new Sub-Funds or Classes.

## **2. SHAREHOLDER MEETINGS AND REPORTS TO SHAREHOLDERS**

Notice of any general meeting of shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the SICAV or of any Sub-Fund) shall be mailed to each shareholder at least eight days prior to the meeting and/or shall be published to the extent and in the manner required by Luxembourg law as shall be determined by the Board of Directors.

If the Articles are amended, such amendments shall be filed with the Chancery of the District Court of Luxembourg and published in the *Mémorial*.

Detailed audited reports of the SICAV on its activities and on the management of its assets are published annually; such reports shall include, *inter alia*, the combined accounts relating to all the Sub-Funds, a detailed description of the assets of each Sub-Fund and a report from the Auditor.

The semi-annual unaudited reports of the SICAV on its activities are also published including, *inter alia*, a description of the investments underlying the portfolio of each Sub-Fund and the number of Shares issued and redeemed since the last publication.

The aforementioned documents will be at the disposal of the shareholders within four months for the annual reports and two months for the semi-annual reports of the date thereof at the Registered Office of the SICAV. Upon request, these reports will be sent free of charge to any shareholder and copies may be obtained free of charge by any person at the Registered Office.

The accounting year of the SICAV commences on the 1 January of each year and terminates on the 31 December of the same year. The first accounting year of the SICAV started on the 12 October 2007 and terminated on the 31 December 2008. The SICAV will publish an annual report as per December 31 and a semi-annual report drawn up as per June 30. The first unaudited annual report has been published as of 31 December 2007. The first audited report was published as of 31 December 2008.

The annual general meeting takes place in Luxembourg City at a place specified in the notice of meeting each year on the third Wednesday of the month of April at 11.30 a.m. and for the first time in 2009. If such day is a legal or a bank holiday in Luxembourg, the annual general meeting shall be held on the next following Business Day.

The shareholders of any Class or Sub-Fund may hold, at any time, general meetings to decide on any matters that relate exclusively to such Class or Sub-Fund.

The combined accounts of the SICAV are maintained in USD being the currency of the share capital. The financial statements relating to the separate Sub-Funds shall also be expressed in the Reference Currency of the relevant Sub-Fund.

## **3. DISSOLUTION AND LIQUIDATION OF THE SICAV**

The SICAV may be dissolved at any time by a resolution of the general meeting of shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in Article 6.1 of the Articles, the question of the dissolution of the SICAV shall be referred to a general meeting of shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares represented at the meeting.

The question of the dissolution of the SICAV shall also be referred to a general meeting of shareholders whenever the share capital falls below one-fourth of the minimum capital set by Article 6.1 of the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by shareholders holding one-fourth of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty days from the date that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the Regulatory Authority and appointed by the general meeting of shareholders that shall determine their powers and their compensation.

The net proceeds of liquidation of each Sub-Fund shall be distributed by the liquidators to the holders of Shares of the relevant Sub-Fund in proportion to their holding.

Should the SICAV be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the UCI Law, which specifies the steps to be taken to enable shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the "*Caisse de Consignation*" at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

#### **4. CLOSURE OF SUB-FUNDS AND/OR CLASSES**

In the event that for any reason the value of the assets in any Sub-Fund or Class has decreased to an amount determined by the Board of Directors to be the minimum level for such Sub-Fund or Class to be operated in an economically efficient manner, or if a change in the economical, political or monetary situation relating to the Sub-Fund or Class concerned would have material adverse consequences on the investments of that Sub-Fund or if the range of products offered to investors is rationalised, the Board of Directors may decide to compulsorily redeem all the Shares of the relevant Class or Classes issued in such Sub-Fund or the relevant Class at the NAV per Share (taking into account actual realisation prices of investments and realisation expenses), determined as of the Valuation Day at which such decision shall take effect and therefore close the relevant Sub-Fund or Class. The SICAV shall serve a notice to the shareholders of the relevant Class or Classes of Shares prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between, the shareholders, the shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the effective date of the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of shareholders of any Sub-Fund or Class within any

Sub-Fund may, upon a proposal from the Board of Directors, redeem all the Shares of the relevant Class within the relevant Sub-Fund and refund to the shareholders the NAV of their Shares (taking into account actual realization prices of investments and realization expenses) determined as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

Assets which may not be distributed to the relevant beneficiaries upon the implementation of the redemption will be deposited with the Depositary for the period required by Luxembourg law; after such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares may be cancelled.

The liquidation of the last remaining Sub-Fund of the SICAV will result in the liquidation of the SICAV under the conditions of the UCI Law.

## **5. MERGERS**

### **5.1 Merger decided by the Board of Directors**

The Board of Directors may decide to proceed with a merger (within the meaning of the UCI Law) of the SICAV or of one of the Sub-Funds, either as receiving or absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the UCI Law, in particular concerning the merger project and the information to be provided to the shareholders, as follows:

#### **a) Merger of the SICAV**

The Board of Directors may decide to proceed with a merger of the SICAV, either as receiving or absorbed UCITS, with:

- another Luxembourg or foreign UCITS (the “**New UCITS**”); or
- a sub-fund thereof,

and, as appropriate, to redesignate the Shares of the SICAV as Shares of this New UCITS, or of the relevant sub-fund thereof as applicable.

In case the SICAV is the receiving UCITS (within the meaning of the UCI Law), solely the Board of Directors will decide on the merger and effective date thereof.

In case the SICAV is the absorbed UCITS (within the meaning of the UCI Law), and hence ceases to exist, the general meeting of the shareholders has to approve, and decide on the effective date of such merger by a resolution adopted with (a) a presence quorum requirement of at least 75% of the share capital of the Company; and (b) a majority requirement of at least 75% of the shareholders present or represented.

#### **b) Merger of the Sub-Funds**

The Board of Directors may decide to proceed with a merger of any Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- another existing Sub-Fund within the SICAV or another sub-fund within a New UCITS (the “**New Sub-Fund**”); or
- a New UCITS,

and, as appropriate, to redesignate the Shares of the Sub-Fund concerned as Shares of the New UCITS, or of the New Sub-Fund as applicable.

## 5.2 Merger decided by the shareholders

Notwithstanding the provisions under section 5.1 “Merger decided by the Board of Directors”, the general meeting of shareholders may decide to proceed with a merger (within the meaning of the UCI Law) of the SICAV or of one of the Sub-Funds, either as receiving or absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the UCI Law, in particular concerning the merger project and the information to be provided to the shareholders, as follows:

### a) Merger of the SICAV

The general meeting of the shareholders may decide to proceed with a merger of the SICAV, either as receiving or absorbed UCITS, with:

- a New UCITS; or
- a new sub-fund thereof.

The merger decision shall be adopted by the general meeting of shareholders with (a) a presence quorum requirement of at least 75% of the share capital of the SICAV; and (b) a majority requirement of at least 75% of the shareholders present or represented.

### b) Merger of the Sub-Funds

The general meeting of the shareholders of a Sub-Fund may also decide to proceed with a merger of the relevant Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- any New UCITS; or
- a New Sub-Fund,

by a resolution adopted with (a) a presence quorum requirement of at least 75% of the share capital of the SICAV; and (b) a majority requirement of at least 75% of the shareholders present or represented.

## 5.3 Rights of the shareholders and Costs to be borne by them

In all the merger cases under 5.1 and 5.2 above, the shareholders will in any case be entitled to request, without any charge other than those retained by the SICAV or the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their Shares, or, where possible, to convert them into units or shares of another UCITS pursuing a similar investment policy and managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by substantial direct or indirect holding, in accordance with the provisions of the UCI Law.

Any cost associated with the preparation and the completion of the merger shall neither be charged to the SICAV nor to its shareholders.

## 5.4 Remuneration Policy

The Management Company has established and applies a remuneration policy in accordance with principles laid out under UCITS V directive and any related legal and regulatory provisions applicable in Luxembourg.

The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in such UCITS, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), the Management Company ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that the Management Company's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the UCITS under management.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on [https://www.fundrock.com/pdf/Fundrock\\_Remuneration\\_policy.pdf](https://www.fundrock.com/pdf/Fundrock_Remuneration_policy.pdf). A paper version of this remuneration policy is made available, free of charge upon request, at the registered office of the Management Company.

The Management Company's remuneration policy, in a multi-year framework, ensures a balanced regime where remuneration both drives and rewards the performance of its employees in a measured, fair and well-thought-out fashion, which relies on the following principles\* :

- Identification of the persons responsible for awarding remuneration and benefits (under the supervision of the remuneration committee and subject to the control of an independent internal audit committee);
- Identification of the functions performed within the Management Company which may impact the performance of the entities under management;
- Calculation of remuneration and benefits based on the combination of individual and company's performance assessment;
- Determination of a balanced remuneration (fixed and variable);
- Implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration;
- Deferral of variable remuneration over 3-year periods;
- Implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

\*It should be noted that, upon issuance of final guidelines, this remuneration policy may be subject to certain amendments and/or adjustments.

## 6. DATA PROTECTION

In accordance with the provisions of the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended, the Company, as data controller, collects, stores and processes, by electronic or other means, the data supplied by Shareholders for the purpose of fulfilling the services

required by the Shareholders and complying with its legal obligations. The data processed includes in particular the name, contact details (including postal or email address), banking details, invested amount and holdings in the Company and its Subfunds (“Personal Data”). Each Shareholder may at his/her discretion refuse to communicate Personal Data to the Company. In this case, however, the Company may reject a request to subscribe for Shares. Each Shareholder has a right to access his/her Personal Data and may ask for Personal Data to be rectified where it is inaccurate or incomplete by writing to the Company at the following address: 6c, route de Trèves, L-2633 Sennigerberg, Grand Duchy of Luxembourg. By subscribing Shares, each investor consents to such processing of his/her/its personal data. This consent is formalised in writing in the application form used by the Central Administration.

Personal Data supplied by Shareholders is processed for the purposes of processing subscriptions, redemptions and conversions of Shares and payments of dividends to Shareholders, performing controls on market timing and late trading, and complying with applicable anti-money laundering rules as well as other applicable regulation like the FATCA and the CRS-Law. Personal Data supplied by Shareholders is also processed for the purpose of maintaining the register of Shareholders. Personal Data may be transferred to the Company’s data processors (“Processors”) which include, in particular, the Management Company, the Investment Managers and any Distributor. Personal Data may also be transferred to Processors where the transfer is necessary for the above mentioned purposes, being understood that those affiliates and third parties intervene in the process of the business relationship and which may be located within or outside of the European Union. Shareholders must also be aware that telephone conversations with the Management Company, the Depositary and the Central Administration may be recorded. Recordings will be conducted in compliance with applicable laws and regulations. Recordings may be produced in court or other legal proceedings with the same value in evidence as a written document. The Company will not transfer Personal Data to any third-party other than Processors except if required by law or with the prior consent of the Shareholder. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose it to foreign tax authorities.

## **DOCUMENTS AVAILABLE**

Copies of the following documents may be obtained free of charge during usual business hours on any Business Day in Luxembourg at the Registered Office:

1. the Articles of the SICAV and any amendments thereto;
2. the following agreements:
  - the Agreement between the SICAV and the Management Company;
  - the Depositary Agreement between the SICAV and the Depositary;
  - the Investment Management Agreement between the SICAV, the Management Company and the Investment Manager;
  - the Distribution Agreement between the SICAV, the Management Company and the Distributor; and
  - the Administrative Agreement between the SICAV, the Management Company and the Central Administration Agent.

The agreements referred to above may be amended by mutual consent between the parties thereto.

3. the latest reports and accounts referred to under the heading “Shareholder Meetings and Reports to Shareholders”.

## **PART B: SPECIFIC INFORMATION RELATING TO THE SUB-FUNDS**

### **A. FULCRUM UCITS SICAV - FULCRUM ALTERNATIVE BETA PLUS DAILY FUND (HEREINAFTER REFERRED TO AS “FULCRUM ALTERNATIVE BETA PLUS DAILY” OR “SUB-FUND”)**

#### ***1. Investment Objective and Strategies***

##### *1.1 Investment Objective*

Fulcrum Alternative Beta Plus Daily seeks to deliver returns from diversified liquid risk premia and trading strategies which have a low correlation to the traditional asset classes of equities, bonds and commodities indices.

##### *1.2 Investment Strategies*

The Sub-Fund's investment decisions will be based predominantly on price and signals, but also consider economic environment, investor sentiment and speculative positioning, serial price correlation, flows and volumes.

The Sub-Fund will invest in currency, equity, commodity indices, fixed income and credit markets. Investments will be made through cash settled securities (including equities, bonds and exchange traded funds) and derivatives traded over the counter and listed on an exchange (including futures, forwards, swaps and options).

The Sub-Fund is constructed from three main strategies. These strategies are:

- **Diversified Risk Premia:**  
The risk premia strategy allocates to liquid risk streams across asset classes, with a low correlation to traditional long equity and bond holdings. Typical examples of risk premia are carry and volatility.

**Carry:** Forward-looking measures of expected returns are used to evaluate the attractiveness of assets on a risk-return basis. For the most part, positions are entered on a relative-value basis, and so are insensitive to broad market moves. Diversification is achieved by investing in a broad range of assets across commodities indices, bonds and currencies.

**Volatility:** Demand for option-based protection results in the long-run positive spread of implied volatility over realised volatility. This spread is captured by systematically selling options and hedging out the exposure to the underlying market (“delta hedging”). Diversification is achieved by implementing across equities, currencies and bonds.

- **Trading:**  
The trading strategy aims to exploit behavioural biases that lead to predictable price patterns over time. A typical price pattern would be a trend, where either rising prices continue to rise or falling prices continue to fall. The strategy captures the benefits diversification by investing in a broad range of liquid securities across asset classes, and through careful in-built risk management techniques.

- Hedging:  
The strategy aims to secure the long-term benefits of compounding by preventing significant daily, monthly and annual losses. The exact composition of the hedging strategy relies on a combination of systematic model output and discretionary judgement.

The Sub-Fund will employ several complementary risk management techniques in an attempt to limit the potential for significant drawdowns. These techniques will include: diversification across asset classes; diversification across return sources; trade exit and re-entry strategies; and dynamic value at risk models.

In order to efficiently implement the Sub-Fund's set of strategies, the Sub-Fund will rely intensively on financial derivative instruments and underlying that may generate a high level of leverage as further described in the below section 18. "Risk management".

The Sub-Fund will be managed in compliance with the UCITS Directive.

### *1.3 Commodity Indices*

To the extent the Sub-Fund can, pursuant to its investment objective and strategies as set out under item 1.1 and 1.2, invest in commodity indices, investors' attention is drawn to the fact that under applicable laws and regulations, commodity indices (as any financial indices) may make use of increased diversification limits. Each component of such an index (i.e. each commodity) may represent up to 20% of the index, except that one single component may represent up to 35% of the index if this is necessary for the index to constitute a benchmark of the relevant market. In this respect, sub-categories of the same commodity are to be considered as being the same commodity (and thus as constituting a single index component) for the calculation of the diversification limits if they are highly correlated, i.e. if 75% of the correlation observations are above 0.8. In summary, four groups within the Sub-Fund's universe should be regarded as correlated: 1) WTI Crude Oil, Brent Crude Oil, Gasoline or Heating Oil, 2) Wheat and Kansas Wheat, 3) Soybean, Soybean Oil and Soybean Meal and 4) Live Cattle, Feeder Cattle.

Financial derivative instruments related to commodities indices are used to manage risk as well as to seek return. As such, the expected level of leverage calculated further to the sum of notionals method might overestimate the actual risk exposure of the Sub-Fund. This is due to the fact that the gross sum of notional exposure simply aggregates the absolute sum of all long and short financial derivative instruments, even if they are for hedging or offsetting purposes, and further uses notional values rather than measures that calculate the overall contributions to risk. This explains why the leverage levels under this method appear high, while levels of leverage are relatively lower when calculating leverage using the commitment approach.

### *1.4 Risk Profile*

The investment strategy of the Sub-Fund is growth oriented, looking to achieve attractive growth, average risk being mirrored by average opportunities for growth.

### *1.5 Profile of Investors*

The Sub-Fund is particularly suited to investors seeking returns with a low correlation to traditional asset classes. The investor must have experience with volatile products. Past performance is not a guide to future performance. Investors must accept the fact that the NAV of the Sub-Fund may fall as well as rise and that investors may not get

back the full amount invested. Depending on market conditions, investors could suffer an erosion of capital.

## **2. Share Classes / Minimum Investment and Holding**

Currently, the Sub-Fund offers Classes A, B, C, D, E, P, Y and Z of Shares.

### **a) Class A Shares**

Class A Shares will be issued to all types of investors.

Class A Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class A (EUR)</i>	EUR 10,000.-.	N/A
<i>Class A (USD)</i>	USD 10,000.-.	N/A
<i>Class A (GBP)</i>	GBP 10,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial and/or subsequent subscriptions at their sole discretion.

### **b) Class B Shares**

Class B Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class B Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class B (EUR)</i>	EUR 10,000.-.	N/A
<i>Class B (USD)</i>	USD 10,000.-.	N/A
<i>Class B (GBP)</i>	GBP 10,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

### **c) Class C Shares**

Class C Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class C Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class C (EUR)</i>	EUR 100,000.-.	N/A
<i>Class C (USD)</i>	USD 100,000.-.	N/A
<i>Class C (GBP)</i>	GBP 100,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **d) Class D Shares**

Class D Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class D Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class D (EUR)</i>	EUR 100,000.-.	N/A
<i>Class D (USD)</i>	USD 100,000.-.	N/A
<i>Class D (GBP)</i>	GBP 100,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **e) Class E Shares**

Class E Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class E Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class E (EUR)</i>	EUR 1,000,000.-.	N/A
<i>Class E (USD)</i>	USD 1,000,000.-.	N/A
<i>Class E (GBP)</i>	GBP 1,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **f) Class P Shares**

Class P Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class P Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class P (EUR)</i>	EUR 100,000.-.	N/A
<i>Class P (USD)</i>	USD 100,000.-.	N/A
<i>Class P (GBP)</i>	GBP 100,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **g) Class Y Shares**

Class Y Shares may only be purchased by clients of Fulcrum Asset Management LLP with an agreement covering the charging structure relevant to the clients' investments in such shares or to associated parties of Fulcrum Asset Management LLP. In accordance with the foregoing the Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class Y Shares.

Class Y Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class Y (EUR)</i>	EUR 10,000.-.	N/A
<i>Class Y (USD)</i>	USD 10,000.-.	N/A
<i>Class Y (GBP)</i>	GBP 10,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial and/or subsequent subscriptions at their sole discretion.

#### **h) Class Z Shares**

Class Z Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law who, at the time the relevant subscription order is received, are clients of Fulcrum Asset Management LLP with an agreement covering the charging structure relevant to the clients' investments in such shares. In accordance with the foregoing the Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class Z Shares.

Class Z Shares will be issued in four different Reference Currencies, i.e. EUR, GBP USD and AUD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class Z (EUR)</i>	EUR 1,000,000.-	N/A
<i>Class Z (USD)</i>	USD 1,000,000.-	N/A
<i>Class Z (GBP)</i>	GBP 1,000,000.-	N/A
<i>Class Z (AUD)</i>	AUD 1,000,000.-	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such

shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

### **3. Offer Price, Subscription Fee, Redemption Fee and Swing Pricing**

After the initial offer period, the Offer Price will be equal to the NAV per Share of the relevant Class plus the subscription fee as mentioned hereinafter.

The subscription fee levied is a maximum of 5% of the NAV per Share of the relevant Class, which shall revert to the agents involved in the placing of the Shares.

A redemption fee of up to 2% may be charged at the discretion of the Board of Directors. Any such redemption fee will be retained by the Sub-Fund for the benefit of all remaining investors.

At the date of the Prospectus, no swing pricing is applied. In case it is applied in the future, based on the expected level of transactions in the Sub-Fund the estimated rate of the price adjustment due to any swing pricing will not exceed 1,5%.

### **4. Subscriptions**

Applications for subscriptions received at the Registered Office of the SICAV no later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in item 8, will be executed on the basis of the NAV determined as of that Valuation Day. Only completed orders received in this timeframe will be executed.

The payment of the subscription monies must be made in the Reference Currency of the relevant Class no later than four business days after the relevant Valuation Day.

Fractional Shares will be issued to the nearest two decimal places.

### **5. Redemptions**

Applications for redemptions received at the Registered Office of the SICAV no later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in item 8, will be executed on the basis of the NAV determined as of that Valuation Day. Only completed orders received in this timeframe will be executed.

The Redemption Price shall be equal to the NAV per Share of the Sub-Fund as of the relevant Valuation Day, less any redemption fee if applicable and after the performance fee adjustments (if any) are applied.

Payment for redemptions will be made in the Reference Currency of the relevant Class within four Business Days from the relevant Valuation Day.

### **6. Conversions**

The shareholders of this Sub-Fund are entitled to convert their Shares in one Class of this Sub-Fund into Shares of another Class of this Sub-Fund, if any.

Applications for conversions received at the Registered Office of the SICAV no later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in item 8, will be executed on the basis of the NAV determined as of that Valuation Day. Only completed orders received in this timeframe will be executed. The settlement date applied to the conversion will be as soon as the pricing is complete.

In converting Shares of a Class for Shares of another Class, a shareholder must meet applicable minimum investment requirements as well as any other conditions imposed by the acquired Class.

Upon conversion, Shares will be issued to two decimal places.

### **7. Reference Currency of the Sub-Fund/ Reference Currency of the Available Share Classes/ Currency Hedging**

The Reference Currency of the Sub-Fund is the USD.

The NAV per Share of Class A (EUR), Class B (EUR), Class C (EUR), Class D (EUR), Class E (EUR), Class P (EUR), Class Y (EUR) and Class Z (EUR) will be calculated in EUR, being the Reference Currency of these Classes.

The NAV per Share of Class A (USD), Class B (USD), Class C (USD), Class D (USD), Class E (USD), Class P (USD), Class Y (USD) and Class Z (USD) will be calculated in USD, being the Reference Currency of these Classes.

The NAV per Share of Class A (GBP), Class B (GBP), Class C (GBP) Class D (GBP), Class E (GBP), Class P (GBP), Class Y (GBP) and Class Z (GBP) will be calculated in GBP, being the Reference Currency of these Classes.

The NAV per Share of Class Z (AUD) will be calculated in AUD, being the Reference Currency of this Class.

The investments of the Sub-Fund will generally be hedged into the Reference Currency of the Sub-Fund. Currency hedging will be made through the use of various techniques including the entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a shareholder's exposure to the respective currencies in which the Sub-Fund's investments are denominated. In this regard, it is anticipated that currency risks will be hedged to a large extent although there is no guarantee that such hedging will be effective. Where the currency exposure of the Sub-Fund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the shareholders. Any costs incurred relating to the above mentioned hedging will be borne by the Sub-Fund.

In addition, the foreign exchange exposure of the assets of the Sub-Fund attributable to any Class of Shares denominated in any currency other than USD shall be, unless otherwise indicated under point 2 "**Share Classes / Minimum Investment and Holding**" above, hedged in order to minimise, so far as reasonably practicable, the impact of fluctuations in the exchange rates between USD (being the Reference Currency of the Sub-Fund) and such other currency. Again, there can be no guarantee that any such hedges that are put in place will be effective. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to any Class of Shares with a Reference Currency other than USD from USD into the relevant currency will be allocated solely to the relevant Share Class.

## **8. Frequency of the Net Asset Value calculation and Valuation Day**

The NAV per Share of the Sub-Fund is determined as of each Business Day (the "**Valuation Day**").

## **9. Investment Management Fee**

The Investment Manager will receive from the Sub-Fund, payable out of the assets attributable to the relevant Class of Shares, the following investment management fees calculated as of each Valuation Day on the basis of the NAV of the assets attributable to the relevant Class of Shares and paid out monthly on the first Business Day immediately following the relevant Valuation Day:

Class A Shares:	1.50% per annum
Class B Shares:	2.00% per annum
Class C Shares:	1.65% per annum
Class D Shares:	2.45% per annum
Class E Shares:	1.00% per annum
Class P Shares:	1.50% per annum
Class Y Shares:	no investment management fees due
Class Z Shares:	no investment management fees due

As Class Y Shares and Class Z Shares are, inter alia, designed to accommodate an alternative charging structure whereby the investor is a client of Fulcrum Asset Management LLP and is charged additional investment management fees directly by Fulcrum Asset Management LLP, no investment management fees will be payable in respect of Class Y Shares and Class Z Shares out of the net assets of the Sub-Fund. Class Y Shares and Class Z Shares will bear their pro-rata share of the fees payable to the Depository and the Central Administration Agent, as well as of other charges and expenses.

## **10. Fixed Operating Charge**

A fixed operating charge will be charged in relation to Class A, Class B, Class C, Class E, Class P, Class Y Shares and Class Z Shares and will amount to 0.25% p.a. This charge will cover the fees of the Management Company, Depository, Paying and Domiciliary Agent and Central Administration Agent, fees and out-of-pocket expenses of the Directors, legal and auditing fees, publishing and printing expenses, Regulatory Authority fee, the cost of preparing the explanatory memoranda, financial reports and other documents for the shareholders, postage, telephone and facsimile, costs of preparing the explanatory memoranda, advertising expenses, as well as any additional registration fees. The Investment Manager will bear the excess of any such fees above the rate specified for the aforementioned Classes of Shares. Conversely, the Investment Manager will be entitled to retain any amount by which the rate of these fees to be borne by the Share Classes, exceeds the actual expenses incurred by the relevant Class of the Sub-Fund.

## **11. Total expense ratio cap**

The total expense ratio in relation to Class D Shares shall not exceed a cap of 2.45% p.a.

## **12. Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund will not be listed.

## **13. Availability of the Net Asset Value**

The NAV per Share of each Class in the Sub-Fund will be available at the Registered Office of the SICAV.

## **14. Local Tax ("Taxe d'abonnement")**

Class A Shares: 0,05%

Class B Shares: 0,01%

Class C Shares: 0,01%

Class D Shares: 0,01%

Class E Shares: 0,01%

Class P Shares: 0,01%

Class Y Shares: 0,05%

Class Z Shares: 0,01%

## **15. Initial Offer Period**

Shares of Class D could be subscribed from 27 February 2009 up to and including 4 March 2009, no later than 3 p.m. Luxembourg time (the "**Initial Offer Period**") at a subscription price of EUR 100, USD 100, GBP 100 per Share, plus the subscription fee as set forth above (the "**Initial Subscription Price**"). Payment of the Initial Subscription Price had to be effected with value date 5 March 2009.

Shares of Class A, Class B, Class C, Class E, Class P, Class Y and Class Z will be launched upon first subscription (the "**Initial Offer Day**") at any moment upon decision of the Board of Directors. Shares of Class A, Class B, Class C, Class E, Class P, Class Y Shares and Class Z will be launched at a subscription price of EUR 100, USD 100, GBP 100 per Share (as the case may be), plus the subscription fee as set forth above (the "**Initial Subscription Price**"), if applicable. Payment of the Initial Subscription Price must be effected with value date the day after the Initial Offer Day.

Shares of Class Z (AUD) will be launched upon first subscription (the "**Initial Offer Day**") at any moment upon decision of the Board of Directors. Shares of Class Z (AUD) will be launched at a subscription price of AUD 100, plus the subscription fee as set forth above (the "**Initial Subscription Price**"), if applicable. Payment of the Initial Subscription Price must be effected with value date the day after the Initial Offer Day.

## **16. Risk warnings**

Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section "General Risk Considerations" in Part A of this Prospectus.

## **17. Risk management**

### Global exposure

In accordance with the UCI Law and the applicable regulations, in particular the CSSF Circular 11/512, the Sub-Fund uses a risk-management process which enables it to

assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of this risk-management process, the global exposure of the Sub-Fund is measured by the absolute Value at Risk (“**VaR**”) approach. In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the portfolio over the given time horizon exceeds this value (assuming normal markets and no trading in the portfolio) is the given probability level. This Sub-Fund is subject to an absolute VaR restriction of 20% of the Net Asset Value of the Sub Fund.

Further details in respect to the VaR calculation used in measuring the risk of this Sub-Fund can be obtained from the Management Company.

### Leverage

In order to implement an efficiently diversified set of strategies (such as country, categories of commodities, credit and currency strategies) and to achieve the risk target that is consistent with the Sub-Fund’s risk profile, the Sub-Fund will rely intensively on financial derivative instruments and underlying that may generate a high level of leverage and the Sub-Fund may experience higher volatility than a fixed income fund that does not use leverage.

While leverage presents opportunities for increasing the Sub-Fund’s return to shareholders, it also has the effect of potentially increasing losses should the return on the underlying be negative.

The Sub-Fund’s level of risk can be increased by using financial derivatives for investment purposes, the Sub-Fund also uses derivatives within a portfolio construction process that is focused on diversifying strategies and managing risk correlation which can contribute to reducing the Sub-Fund’s level of risk.

Some of the strategies will rely on instruments that require a substantial level of gross leverage to generate a limited amount of risk, such as bond futures and commodity swaps. Also derivatives used within the long and short strategies may generate a high level of gross leverage but reduced level of net leverage.

Due to the utilisation of leverage within the underlying, shareholders should be aware of the increased risk of losing part or all its investment, however shortfall risk is managed in accordance with the risk management policies of the SICAV, and therefore notwithstanding such leverage, the Sub-Fund cannot lose more than its Net Asset Value.

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund’s assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notionals of financial derivative instruments approach, the Sub-Fund’s expected level of leverage will be up to 1500% of the Sub-Fund’s NAV.

The investor should be aware that financial derivative instruments might partially be used for hedging risks to which the Sub-Fund would otherwise be exposed to. Therefore increasing gross exposure (i.e. increasing notional amounts during the lifetime of the Sub-Fund) might in some cases be the consequence of an increased level of hedging.

Based on the commitment approach, the Sub-Fund's expected level of leverage will be up to 500% of the Sub-Fund's Net Asset Value.

### ***18. Duration***

The Sub-Fund is established for an unlimited duration.

**B. FULCRUM UCITS SICAV - FULCRUM COMMODITY FUND (HEREINAFTER REFERRED TO AS “FULCRUM COMMODITY” OR “SUB-FUND”)**

**1. Investment Objective and Strategies**

*1.1 Investment Objective*

The Sub-Fund seeks to achieve positive absolute returns from investment in commodity indices and options thereon through the utilisation of techniques based on historically robust factors.

*1.2 Investment Strategies*

The Sub-Fund is quantitatively driven, with investment decisions based on prices, volatility, contango/backwardation and inventory data. Investments will be made in a range of commodity indices sectors including energy, industrial metals, precious metals, agriculture and livestock.

The Sub-Fund is constructed from four main strategies. These strategies are:

**Trend Following:**

The Sub-Fund exploits behavioural inefficiencies by optimising timing, entry and direction of both falling and rising commodity prices so the Sub-Fund can outperform passive indices. The strategy seeks to maximise exposure at the trough of the trend and reduce position at extremes.

**Fundamental and Quantitative Macro:**

Energy inventory data is utilised to assess the supply and demand dynamics of energy commodities to generate fundamentally driven trading signals.

**Carry:**

The Carry strategy in the Sub-Fund seeks to capture the premium embedded in the commodity curves by being long commodities that are either in backwardation and short commodities that are strongly in contango. The Sub-Fund seeks to profit from these structural carry premia, which are normally viewed as a drawback to passive commodity exposure.

**Short Term Trading:**

These strategies benefit from the mean reversion of short term deviations from robust relationships between pairs of commodities. Certain pairs of commodities exhibit observable mean-reversion tendencies which may be profited from in a market-neutral manner.

The Sub-Fund's risk management process has been carefully designed to achieve attractive Sharpe ratios with low drawdowns.

The Sub-Fund may initiate short positions through the use of derivatives, both for hedging as well as for investment purposes.

On an ancillary basis, the Sub-Fund may also invest in financial derivative instruments outside of the commodity asset class for hedging purposes.

The Sub-Fund will not invest directly into commodities, commodity futures nor physically hold any commodities in its portfolio.

In order to efficiently implement the Sub-Fund's set of strategies, the Sub-Fund will rely intensively on financial derivative instruments and underlying that may generate a high level of leverage as further described in the below section 17. "Risk management".

The Sub-Fund will be managed in compliance with the UCITS Directive.

### *1.3 Commodity Indices*

To the extent the Sub-Fund can pursuant to its investment objective and strategies as set out under item 1.1 and 1.2, invest in commodity indices, investors' attention is drawn to the fact that under applicable laws and regulations, commodity indices (as any financial indices) may make use of increased diversification limits. Each component of such an index (i.e. each commodity) may represent up to 20% of the index, except that one single component may represent up to 35% of the index if this is necessary for the index to constitute a benchmark of the relevant market. In this respect, sub-categories of the same commodity are to be considered as being the same commodity (and thus as constituting a single index component) for the calculation of the diversification limits if they are highly correlated, i.e. if 75% of the correlation observations are above 0.8. In summary, four groups within the Sub-Fund's universe should be regarded as correlated: 1) WTI Crude Oil, Brent Crude Oil, Gasoline or Heating Oil, 2) Wheat and Kansas Wheat, 3) Soybean, Soybean Oil and Soybean Meal and 4) Live Cattle, Feeder Cattle.

As a result of such commodity index investments, the Sub Fund may, on a 'look through' basis (i.e. by determining the Sub-Fund's indirect exposure to individual index components), have an exposure to individual commodities of up to 20% of its net assets and such exposure may be increased to up to 35% of its net assets for one single commodity.

Financial derivative instruments related to commodities indices are used to manage risk as well as to seek return. As such, the expected level of leverage calculated further to the sum of notionals method might overestimate the actual risk exposure of the Sub-Fund. This is due to the fact that the gross sum of notional exposure simply aggregates the absolute sum of all long and short financial derivative instruments, even if they are for hedging or offsetting purposes, and further uses notional values rather than measures that calculate the overall contributions to risk. This explains why the leverage levels under this method appear high, while levels of leverage are relatively lower when calculating leverage using the commitment approach.

### *1.4 Risk Profile*

The investment strategy of the Sub-Fund is growth oriented, looking to achieve attractive growth, average risk being mirrored by average opportunities for growth.

The investment aim of the Sub-Fund is to target annualized returns of 15%-25% through the utilization of systematic investment techniques in the commodity asset class. The average volatility of the Sub-Fund will be close to the volatility of the CRB commodity index, with a maximum monthly 99% VAR limit of 20%.

### *1.5 Profile of Investors*

The Sub-Fund is particularly suited to investors seeking to capture the secular trend in commodities while preserving capital in periods of sharp sell offs in the asset class. The Sub-Fund will be managed as an absolute return commodities fund, seeking to profit from directional and long / short positions in commodities. Investors must accept

the fact that the NAV of the Sub-Fund may fall as well as rise and that investors may not get back the full amount invested.

## **2. Share Classes / Minimum Investment and Holding**

Currently, the Sub-Fund offers Classes A, B, I, Y and Z of Shares.

### **a) Class A Shares**

Class A Shares will be issued to all types of investors, in certain limited circumstances at the discretion of the Board of Directors.

Class A Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class A (EUR)</i>	EUR 10,000.-.	N/A
<i>Class A (USD)</i>	USD 10,000.-.	N/A
<i>Class A (GBP)</i>	GBP 10,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

### **b) Class B Shares**

Class B Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class B Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class B (EUR)</i>	EUR 1,000,000.-.	N/A
<i>Class B (USD)</i>	USD 1,000,000.-.	N/A
<i>Class B (GBP)</i>	GBP 1,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

### **c) Class I Shares**

Class I Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class I Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class I (EUR)</i>	EUR 1,000,000.-.	N/A
<i>Class I (USD)</i>	USD 1,000,000.-.	N/A
<i>Class I (GBP)</i>	GBP 1,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **d) Class Y Shares**

Class Y Shares may only be purchased by clients of Fulcrum Asset Management LLP with an agreement covering the charging structure relevant to the clients' investments in such shares or by associated parties of Fulcrum Asset Management LLP. In accordance with the foregoing the Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class Y Shares.

Class Y Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class Y (EUR)</i>	EUR 10,000.-.	N/A
<i>Class Y (USD)</i>	USD 10,000.-.	N/A
<i>Class Y (GBP)</i>	GBP 10,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **e) Class Z Shares**

Class Z Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law who, at the time the relevant subscription order is received, are clients of Fulcrum Asset Management LLP with an agreement covering the charging structure relevant to the clients' investments in such share. In accordance with the foregoing the Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class Z Shares.

Class Z Shares will be issued in four different Reference Currencies, i.e. EUR, GBP USD and AUD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class Z (EUR)</i>	EUR 1,000,000.-.	N/A
<i>Class Z (USD)</i>	USD 1,000,000.-.	N/A
<i>Class Z (GBP)</i>	GBP 1,000,000.-.	N/A
<i>Class Z (AUD)</i>	AUD 1,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

### **3. Subscription Fee, Redemption Fee and Swing Pricing**

After the initial offer period, the Offer Price will be equal to the NAV per Share of the relevant Class plus the subscription fee as mentioned hereinafter.

The subscription fee levied is a maximum of 5% of the NAV per Share of the relevant Class, which shall revert to the agents involved in the placing of the Shares.

A redemption fee of up to 2% may be charged at the discretion of the Board of Directors. Any such redemption fee will be retained by the Sub-Fund for the benefit of all remaining investors.

At the date of the Prospectus, no swing pricing is applied. In case it is applied in the future, based on the expected level of transactions in the Sub-Fund the estimated rate of the price adjustment due to any swing pricing will not exceed 1,5%.

### **4. Subscriptions**

Applications for subscriptions received at the Registered Office of the SICAV no later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in the item 8 will be executed on the basis of the NAV determined as of that Valuation Day. Only complete orders received in this timeframe will be executed.

The payment of the subscription monies must be made in the Reference Currency of the relevant Class no later than four business days after the relevant Valuation Day.

Fractional Shares will be issued to the nearest two decimal places.

### **5. Redemptions**

Applications for redemptions received at the Registered Office of the SICAV no later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in the item 8 will be executed on the basis of the NAV determined as of that Valuation Day. Only complete orders received in this timeframe will be executed.

The Redemption Price shall be equal to the NAV per Share of the Sub-Fund as of the relevant Valuation Day, less any redemption fee if applicable and after the performance fee adjustments (if any) are applied.

Payment for redemptions will be made in the Reference Currency of the relevant Class within four Business Days from the relevant Valuation Day.

### **6. Conversions**

The shareholders of this Sub-Fund are entitled to convert their Shares in one Class of this Sub-Fund into Shares of another Class of this Sub-Fund, if any.

Applications for conversions received at the Registered Office of the SICAV not later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in item 8, will be executed on the basis of the NAV determined as of that Valuation Day. Only complete orders received in this timeframe will be executed. The settlement date applied to the conversion will be as soon as the pricing is complete.

In converting Shares of a Class for Shares of another Class, a shareholder must meet applicable minimum investment requirements as well as any other conditions imposed by the acquired Class.

Upon conversion, Shares will be issued to two decimal places.

### **7. Reference Currency of the Sub-Fund/ Reference Currency of the available Share Classes/ Currency Hedging**

The Reference Currency of the Sub-Fund is the USD.

The NAV per Share of Class A (EUR), Class B (EUR), Class I (EUR), Class Y (EUR) and Class Z (EUR) will be calculated in EUR, being the Reference Currency of these Classes.

The NAV per Share of Class A (USD), Class B (USD), Class I (USD), Class Y (USD) and Class Z (USD) will be calculated in USD, being the Reference Currency of these Classes.

The NAV per Share of Class A (GBP), Class B (GBP), Class I (GBP), Class Y (GBP) and Class Z (GBP) will be calculated in GBP, being the Reference Currency of these Classes.

The NAV per Share of Class Z (AUD) will be calculated in AUD, being the Reference Currency of this Class

The investments of the Sub-Fund will generally be hedged into the Reference Currency of the Sub-Fund. Currency hedging will be made through the use of various techniques including the entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a shareholder's exposure to the respective currencies in which the Sub-Fund's investments are denominated. In this regard, it is anticipated that currency risks will be hedged to a large extent although there is no guarantee that such hedging will be effective. Where the currency exposure of the Sub-Fund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the shareholders. Any costs incurred relating to the above mentioned hedging will be borne by the Sub-Fund.

In addition, the foreign exchange exposure of the assets of the Sub-Fund attributable to any Class of Shares denominated in any currency other than USD shall be, unless otherwise indicated under point 2 "**Share Classes / Minimum Investment and Holding**" above, hedged in order to minimise, so far as reasonably practicable, the impact of fluctuations in the exchange rates between USD (being the Reference Currency of the Sub-Fund) and such other currency. Again, there can be no guarantee that any such hedges that are put in place will be effective. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to any Class of Shares with a Reference Currency other than USD from USD into the relevant currency will be allocated solely to the relevant Share Class.

### **8. Frequency of the Net Asset Value calculation and Valuation Day**

The NAV per Share of the Sub-Fund is determined as of each Business Day (the "**Valuation Day**").

## **9. Investment Management Fee**

The Investment Manager will receive from the Sub-Fund, payable out of the assets attributable to the relevant Class of Shares, the following investment management fees calculated as of each Valuation Day on the basis of the NAV of the assets attributable to the relevant Class of Shares and paid out monthly on the first Business Day immediately following the relevant Valuation Day:

Class A Shares:	1.75% per annum
Class B Shares:	2.00% per annum
Class I Shares:	1.25% per annum
Class Y Shares:	no investment management fees due
Class Z Shares:	no investment management fees due

As Class Y Shares and Class Z Shares are, inter alia, designed to accommodate an alternative charging structure whereby the investor is a client of Fulcrum Asset Management LLP and is charged additional investment management fees directly by Fulcrum Asset Management LLP, no investment management fees will be payable in respect of Class Y Shares and Class Z Shares out of the net assets of the Sub-Fund. Class Y Shares and Class Z Shares will bear their pro-rata share of the fees payable to the Depository and the Central Administration Agent, as well as of other charges and expenses.

## **10. Performance Fee**

*NAV per share - HWM*

The Investment Manager will receive a semi-annual performance fee (the “**Performance Fee**”) in relation to Class A, Class B and Class I, paid semi-annually, based on the NAV, equivalent to 10% of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The Performance Fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and investment management fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions.

The Performance Fee is equal to the out performance of the NAV per share 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.

The high water mark is defined as the greater of the following two figures:

- The last highest NAV per Share on which a Performance Fee has been paid; and
- The initial NAV per share.

Provision will be made for this Performance Fee as of each 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.

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.

In case of subscription, the Performance Fee calculation is adjusted to avoid that this subscription impacts 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.

The first Performance Fee calculation period (the “**Performance Fee Calculation Period**”) began at the end of the initial subscription period and terminated on 31 December 2010. Thereafter, the Performance Fee Calculation Periods will be semi-annual ending on 30 June and on 31 December of each year.

Performance Fees are payable within 15 business days following each end of the Performance Fee Calculation Period.

No Performance Fee will be payable in respect of Class Y and Class Z Shares out of the net assets of the Sub-Fund.

#### **11. Fixed Operating Charge**

A fixed operating charge will be charged in relation to all Classes of Shares and will amount to 0.25% p.a. This charge will cover the fees of the Management Company, Depositary, Paying and Domiciliary Agent and Central Administration Agent, fees and out-of-pocket expenses of the Directors, legal and auditing fees, publishing and printing expenses, Regulatory Authority fee, the cost of preparing the explanatory memoranda, financial reports and other documents for the shareholders, postage, telephone and facsimile, costs of preparing the explanatory memoranda, advertising expenses, as well as any additional registration fees. The Investment Manager will bear the excess of any such fees above the rate specified for the aforementioned Classes of Shares. Conversely, the Investment Manager will be entitled to retain any amount by which the rate of these fees to be borne by the Share Classes, exceeds the actual expenses incurred by the relevant Class of the Sub-Fund.

#### **12. Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund will not be listed.

#### **13. Availability of the Net Asset Value**

The NAV per Share of each Class in the Sub-Fund will be available at the Registered Office of the SICAV.

#### **14. Local Tax (“Taxe d’abonnement”)**

Class A Shares: 0,05%  
Class B Shares: 0,01%  
Class I Shares: 0,01%

Class Y Shares: 0,05%  
Class Z Shares: 0,01%

### **15. Initial Offer Period / Initial Offering Day**

Shares of Classes A(EUR), A(USD), A(GBP), I(EUR), I(USD), I(GBP), Z(EUR), Z(USD), and Z(GBP) could be subscribed from 25 October 2010 up to and including 28 October 2010, no later than 1 pm Luxembourg time (the "**Initial Offer Period**") at a subscription price of EUR 100, USD 100, GBP 100 per Share, plus the subscription fee as set forth above (the "**Initial Subscription Price**"). Payment of the Initial Subscription Price had to be effected with value date 29 October 2010.

Class B Shares will be launched upon first subscription (the "**Initial Offer Day**") at any moment upon the decision of the Board of Directors. Class B Shares will be launched at a subscription price of EUR/USD/GBP 100 per Share, plus the subscription fee as set forth above (the "**Initial Subscription Price**"), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

Class Y Shares will be launched upon first subscription (the "**Initial Offer Day**") at any moment upon the decision of the Board of Directors. Class Y Shares will be launched at a subscription price of EUR/USD/GBP 100 per Share, plus the subscription fee as set forth above (the "**Initial Subscription Price**"), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

Class Z (AUD) Shares will be launched upon first subscription (the "**Initial Offer Day**") at any moment upon the decision of the Board of Directors. Class Z (AUD) Shares will be launched at a subscription price of AUD 100 per Share, plus the subscription fee as set forth above (the "**Initial Subscription Price**"), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

### **16. Risk warnings**

Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section "General Risk Considerations" in Part A of this Prospectus.

### **17. Risk management**

#### Global exposure

In accordance with the UCI Law and the applicable regulations, in particular the CSSF Circular 11/512, the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of this risk-management process, the global exposure of the Sub-Fund is measured by the absolute Value at Risk ("**VaR**") approach. In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the portfolio over the given time horizon exceeds this value (assuming normal markets and no trading in the portfolio) is the given probability level.

This Sub-Fund is subject to an absolute VaR restriction of 20% of the Net Asset Value of the Sub Fund.

Further details in respect to the VaR calculation used in measuring the risk of this Sub-Fund can be obtained from the Management Company.

### Leverage

In order to implement an efficiently diversified set of strategies (such as country, categories of commodities, credit and currency strategies) and to achieve the risk target that is consistent with the Sub-Fund's risk profile, the Sub-Fund will rely intensively on financial derivative instruments and underlying that may generate a high level of leverage and the Sub-Fund may experience higher volatility than a fixed income fund that does not use leverage.

While leverage presents opportunities for increasing the Sub-Fund's return to shareholders, it also has the effect of potentially increasing losses should the return on the underlying be negative.

Although the Sub-Fund's level of risk can be increased by using financial derivatives for investment purposes, the Sub-Fund also uses derivatives within a portfolio construction process that is focused on diversifying strategies and managing risk correlation which can contribute to reducing the Sub-Fund's level of risk.

Some of the strategies will rely on instruments that require a substantial level of gross leverage to generate a limited amount of risk, such as Commodity index swaps. Also derivatives used within the long and short strategies may generate a high level of gross leverage but reduced level of net leverage.

Due to the utilisation of leverage within the underlying, shareholders should be aware of the increased risk of losing part or all its investment, however shortfall risk is managed in accordance with the risk management policies of the SICAV, and therefore notwithstanding such leverage, the Sub-Fund cannot lose more than its Net Asset Value.

There are two methods of calculating the leverage of the Sub-Fund: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notionals of financial derivative instruments approach, the Sub-Fund's expected level of leverage will be up to 1500% of the Sub-Fund's Net Asset Value. The investor should be aware that financial derivative instruments might partially be used for hedging risks to which the Sub-Fund would otherwise be exposed to. Therefore increasing gross exposure (i.e. increasing notional amounts during the lifetime of the Sub-Fund) might in some cases be the consequence of an increased level of hedging.

Based on the commitment approach, the Sub-Fund's expected level of leverage will be up to 300% of the Sub-Fund's Net Asset Value.

**18. Duration**

The Sub-Fund is established for an unlimited duration.

**C. FULCRUM UCITS SICAV - FULCRUM DIVERSIFIED ABSOLUTE RETURN FUND (HEREINAFTER REFERRED TO AS “FULCRUM DIVERSIFIED ABSOLUTE RETURN FUND” OR “SUB-FUND”)**

**1. Investment Objective and Strategies**

*1.1 Investment Objective*

The Sub-Fund seeks to achieve long-term absolute returns equal to the rate of inflation increased by 3% to 5% in all market conditions over rolling five year annualised periods, with lower volatility than equity markets. In doing so the Sub-Fund aims to achieve a positive return on a rolling three year basis. However, a positive return is not guaranteed and a capital loss may occur.

**Investors should be aware that the investors' capital is, in fact at risk, and there is no guarantee that these returns will be achieved, whether over rolling five year periods, or any time period.**

*1.2 Investment Strategies*

In seeking to achieve its investment objective, the Sub-Fund will hold a diversified portfolio, typically consisting of equities, commodity related instruments, fixed income and cash either directly or indirectly through the use of financial derivative instruments. Investments may be made through collective investment schemes (including index funds such as exchange traded funds (ETFs) and actively managed funds managed by the Investment Manager).

Indirect exposure to commodities may be sought through investment in transferable securities, eligible index derivatives and collective investment schemes. The Sub-Fund can have an exposure in derivatives on commodity indices, subject to the conditions set out by applicable regulations. The Sub-Fund will not invest directly into commodities, commodity futures nor physically hold any commodities in its portfolio.

In order to efficiently implement the Sub-Fund's set of strategies, the Sub-Fund will rely on financial derivative instruments that may generate a high level of leverage as further described in the below section 17. "Risk management", largely including but not limited to futures, listed and over-the-counter options, forwards, credit default swaps, interest rate swaps and commodity index swaps. The Sub-Fund may use total return swaps and derivatives with similar characteristics for risk diversification purposes. The Sub-Fund may use these types of instrument to gain access to the returns of (including but not limited to) indexes, bonds, equities and other eligible assets. The counterparties will be reputable financial institutions specialised in this type of transactions.

The Sub-Fund will use derivatives for investment purposes and for efficient portfolio management. Such use of derivatives may therefore, at times, increase the volatility of the Sub-Fund's NAV and change the risk profile of the Sub-Fund. The Sub-Fund will use hedging strategies to reduce risk over the short time without materially altering its risk profile.

The Sub-Fund will be managed without reference to a benchmark and with a forward looking volatility cap of 12%.

\* Forward looking volatility refers to the estimated volatility that a portfolio is taking based on short term volatility forecasts, such as those implied from option prices.

When assessing a portfolio's risk, it is more insightful to examine the volatility that was taken at each point in time to achieve a return rather than the volatility that was realised, thus eliminating the role of luck. The Investment Manager uses forward-looking volatility as one of the parameters to control the risk of the fund. The ex-ante volatility forecasts are based on the current positions of the fund, their simulated returns over a short history, as well as the implied volatilities for major equity markets. By limiting forward looking volatility to 12%, exposure to equities, commodities and credit, for example, are automatically limited at times of market stress when volatility typically spikes and the probability of losses is especially high.

The Sub-Fund will be managed in compliance with the UCITS V Directive.

### *1.3 Investment Restrictions*

In seeking to achieve its investment objective, the Sub-Fund will not:

- gain indirect exposure to agricultural commodities through investments in commodity indices or through investments in collective investment schemes.
- invest in: (i) unrated debt securities; (ii) debt securities that are rated B- and below by Standard & Poor's Corporation and/or Fitch Ratings Limited, or B3 and below by Moody's Investors Service, Inc and/or (iii) asset backed securities and similar securitised debt without investment grade rating. If at any time assets of the Sub-Fund are no longer compliant with the aforementioned rating requirements due to downgrade, such assets shall be sold, at the best interest of the investors, within six months' time.
- invest in collective investment schemes for more than 10% of the Sub-Fund's net assets in aggregate.

### *1.4 Commodity Indices*

To the extent the Sub-Fund can pursuant to its investment objective and strategies as set out under item 1.1 and 1.2, invest in commodity indices, investors' attention is drawn to the fact that under applicable laws and regulations, commodity indices (as any financial indices) may make use of increased diversification limits. Each component of such an index (i.e. each commodity) may represent up to 20% of the index, except that one single component may represent up to 35% of the index if this is necessary for the index to constitute a benchmark of the relevant market. In this respect, sub-categories of the same commodity are to be considered as being the same commodity (and thus as constituting a single index component) for the calculation of the diversification limits if they are highly correlated, i.e. if 75% of the correlation observations are above 0.8.

Financial derivative instruments related to commodities indices are used to manage risk as well as to seek return. As such, the expected level of leverage calculated further to the sum of notionals method might overestimate the actual risk exposure of the Sub-Fund. This is due to the fact that the gross sum of notional exposure simply aggregates the absolute sum of all long and short financial derivative instruments, even if they are for hedging or offsetting purposes, and further uses notional values rather than measures that calculate the overall contributions to risk. This explains why the leverage levels under this method appear high, while levels of leverage are relatively lower when calculating leverage using the commitment approach.

### 1.5 Risk Profile

The investment strategy of the Sub-Fund is growth oriented, looking to achieve attractive growth, average risk being mirrored by average opportunities for growth.

### 1.6 Profile of Investors

The Sub-Fund invests in a diversified pool of assets and for this reason the Sub-Fund is particularly suitable for investment either for a large or small percentage of an investor's assets. It is a long term investment and should be viewed over a five year time frame.

## 2. Share Classes / Minimum Investment and Holding

Currently, the Sub-Fund offers Classes A, F, I, R, Y and Z Shares. Classes A, F, I, R, Y and Z Shares may be issued as capitalisation and/or distribution Shares.

### a) Class A Shares

Class A Shares will be issued to all types of investors.

Class A Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	Minimum initial investment	Minimum subsequent investment
Class A (cap) (EUR)	EUR 10,000.-.	N/A
Class A (dis) (EUR)	EUR 10,000.-.	N/A
Class A (cap) (USD)	USD 10,000.-.	N/A
Class A (dis) (USD)	USD 10,000.-.	N/A
Class A (cap) (GBP)	GBP 10,000.-.	N/A
Class A (dis) (GBP)	GBP 10,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial and/or subsequent subscriptions at their sole discretion.

### b) Class C Shares

Class C Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class C Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	Minimum initial investment	Minimum subsequent investment
Class C (cap) (EUR)	EUR 1,000,000.-.	N/A
Class C (dis) (EUR)	EUR 1,000,000.-.	N/A
Class C (cap) (USD)	USD 1,000,000.-.	N/A
Class C (dis) (USD)	USD 1,000,000.-.	N/A
Class C (cap) (GBP)	GBP 1,000,000.-.	N/A
Class C (dis) (GBP)	GBP 1,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

### c) Class F Shares

Class F Shares may only be purchased by one or several Institutional Investors within the meaning of Article 174 of the UCI Law who make their initial subscription in the Sub-Fund during a limited period of time as determined by the Directors. In accordance with the foregoing the Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class F Shares.

Class F Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	Minimum initial investment	Minimum subsequent investment
Class F (cap) (EUR)	EUR 50,000,000.-.	N/A
Class F (dis) (EUR)	EUR 50,000,000.-.	N/A
Class F (cap) (USD)	USD 50,000,000.-.	N/A
Class F (dis) (USD)	USD 50,000,000.-.	N/A
Class F (cap) (GBP)	GBP 50,000,000.-.	N/A
Class F (dis) (GBP)	GBP 50,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion. The Directors may further decide to cease issuing new Class F Shares at any moment and at their sole discretion.

#### **d) Class I Shares**

Class I Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class I Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	Minimum initial investment	Minimum subsequent investment
Class I (cap) (EUR)	EUR 10,000,000.-.	N/A
Class I (dis) (EUR)	EUR 10,000,000.-.	N/A
Class I (cap) (USD)	USD 10,000,000.-.	N/A
Class I (dis) (USD)	USD 10,000,000.-.	N/A
Class I (cap) (GBP)	GBP 10,000,000.-.	N/A
Class I (dis) (GBP)	GBP 10,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **e) Class R Shares**

Class R Shares will be issued to all types of investors.

Class R Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	Minimum initial investment	Minimum subsequent investment
Class R (cap) (EUR)	EUR 1,000.-.	N/A
Class R (dis) (EUR)	EUR 1,000.-.	N/A
Class R (cap) (USD)	USD 1,000.-.	N/A
Class R (dis) (USD)	USD 1,000.-.	N/A
Class R (cap) (GBP)	GBP 1,000.-.	N/A
Class R (dis) (GBP)	GBP 1,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **f) Class Y Shares**

Class Y Shares may only be purchased by clients of Fulcrum Asset Management LLP with an agreement covering the charging structure relevant to the clients' investments in such shares or to associated parties of Fulcrum Asset Management LLP. In accordance with the foregoing the Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class Y Shares.

Class Y Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	Minimum initial investment	Minimum subsequent investment
Class Y (cap) (EUR)	EUR 10,000.-.	N/A
Class Y (dis) (EUR)	EUR 10,000.-.	N/A
Class Y (cap) (USD)	USD 10,000.-.	N/A
Class Y (dis) (USD)	USD 10,000.-.	N/A
Class Y (cap) (GBP)	GBP 10,000.-.	N/A
Class Y (dis) (GBP)	GBP 10,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial and/or subsequent subscriptions at their sole discretion.

#### **g) Class Z Shares**

Class Z Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law who, at the time the relevant subscription order is received, are clients of Fulcrum Asset Management LLP with an agreement covering the charging structure relevant to the clients' investments in such shares. In accordance with the foregoing the Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class Z Shares.

Class Z Shares will be issued in three different Reference Currencies, i.e. EUR, GBP USD and AUD.

	Minimum initial investment	Minimum subsequent investment
Class Z (cap) (EUR)	EUR 1,000,000.-.	N/A
Class Z (dis) (EUR)	EUR 1,000,000.-.	N/A
Class Z (cap) (USD)	USD 1,000,000.-.	N/A
Class Z (dis) (USD)	USD 1,000,000.-.	N/A
Class Z (cap) (GBP)	GBP 1,000,000.-.	N/A
Class Z (dis) (GBP)	GBP 1,000,000.-.	N/A

### **3. Offer Price, Subscription Fee, Redemption Fee and Swing Pricing**

After the initial offer period, the Offer Price will be equal to the NAV per Share of the relevant Class plus the subscription fee as mentioned hereinafter.

The subscription fee levied is a maximum of 5% of the NAV per Share of the relevant Class, which shall revert to the agents involved in the placing of the Shares.

A redemption fee of up to 2% may be charged at the discretion of the Board of Directors. Any such redemption fee will be retained by the Sub-Fund for the benefit of all remaining investors.

At the date of the Prospectus, no swing pricing is applied. In case it is applied in the future, based on the expected level of transactions in the Sub-Fund the estimated rate of the price adjustment due to any swing pricing will not exceed 1,5%.

### **4. Subscriptions**

Applications for subscriptions received at the Registered Office of the SICAV no later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in item 8, will be executed on the basis of the NAV determined as of that Valuation Day. Only completed orders received in this timeframe will be executed.

The payment of the subscription monies must be made in the Reference Currency of the relevant Class no later than four business days after the relevant Valuation Day.

Fractional Shares will be issued to the nearest two decimal places.

### **5. Redemptions**

Applications for redemptions received at the Registered Office of the SICAV no later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in item 8, will be executed on the basis of the NAV determined as of that Valuation Day. Only completed orders received in this timeframe will be executed.

The Redemption Price shall be equal to the NAV per Share of the Sub-Fund on the relevant Valuation Day, less any redemption fee if applicable and after the performance fee adjustments (if any) are applied.

Payment for redemptions will be made in the Reference Currency of the relevant Class within four Business Days from the relevant Valuation Day.

## **6. Conversions**

The shareholders of this Sub-Fund are entitled to convert their Shares in one Class of this Sub-Fund into Shares of another Class of this Sub-Fund, if any.

Applications for conversions received at the Registered Office of the SICAV not later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in item 8, will be executed on the basis of the NAV determined as of that Valuation Day. Only completed orders received in this timeframe will be executed. The settlement date applied to the conversion will be as soon as the pricing is complete.

In converting Shares of a Class for Shares of another Class, a shareholder must meet applicable minimum investment requirements as well as any other conditions imposed by the acquired Class.

Upon conversion, Shares will be issued to two decimal places.

## **7. Reference Currency of the Sub-Fund/Reference Currency of the available Share Classes/ Currency Hedging**

The Reference Currency of the Sub-Fund is the USD.

The NAV per Share of Class A (EUR), Class C (EUR), Class F (EUR), Class I (EUR), Class R (EUR), Class Y (EUR) and Class Z (EUR) will be calculated in EUR, being the Reference Currency of these Classes.

The NAV per Share of Class A (USD), Class C (USD), Class F (USD), Class I (USD), Class R (USD), Class Y (USD) and Class Z (USD) will be calculated in USD, being the Reference Currency of these Classes.

The NAV per Share of Class A (GBP), Class C (GBP), Class F (GBP), Class I (GBP), Class R (GBP), Class Y (GBP) and Class Z (GBP) will be calculated in GBP, being the Reference Currency of these Classes.

The investments of the Sub-Fund will generally be hedged into the Reference Currency of the Sub-Fund. Currency hedging will be made through the use of various techniques including the entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a shareholder's exposure to the respective currencies in which the Sub-Fund's investments are denominated. In this regard, it is anticipated that currency risks will be hedged to a large extent although there is no guarantee that such hedging will be effective. Where the currency exposure of the Sub-Fund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the shareholders. Any costs incurred relating to the above mentioned hedging will be borne by the Sub-Fund.

In addition, the foreign exchange exposure of the assets of the Sub-Fund attributable to any Class of Shares denominated in any currency other than USD shall be, unless otherwise indicated under point 2 "*Share Classes / Minimum Investment and Holding*" above, hedged in order to minimise, so far as reasonably practicable, the impact of

fluctuations in the exchange rates between USD (being the Reference Currency of the Sub-Fund) and such other currency. Again, there can be no guarantee that any such hedges that are put in place will be effective. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to any Class of Shares with a Reference Currency other than USD from USD into the relevant currency will be allocated solely to the relevant Share Class.

#### **8. Frequency of the Net Asset Value calculation and Valuation Day**

The NAV per Share of the Sub-Fund is determined as of each Business Day (the "**Valuation Day**").

#### **9. Investment Management Fee**

The Investment Manager will receive from the Sub-Fund, payable out of the assets attributable to the relevant Class of Shares, the following investment management fees calculated as of each Valuation Day on the basis of the NAV of the assets attributable to the relevant Class of Shares and paid out monthly on the first Business Day immediately following the relevant Valuation Day:

Class A Shares:	1.5% per annum
Class C Shares	1,0 % per annum
Class F Shares	0.65% per annum
Class I Shares:	0.8% per annum
Class R Shares	1,8 % per annum
Class Y Shares:	no investment management fees due
Class Z Shares:	no investment management fees due

As Class Y Shares and Class Z Shares are, inter alia, designed to accommodate an alternative charging structure whereby the investor is a client of Fulcrum Asset Management LLP and is charged additional investment management fees directly by Fulcrum Asset Management LLP, no investment management fees will be payable in respect of Class Y Shares and Class Z Shares out of the net assets of the Sub-Fund. Class Y Shares and Class Z Shares will bear their pro-rata share of the fees payable to the Depository and the Central Administration Agent, as well as of other charges and expenses.

#### **10. Performance Fee**

No Performance Fee will be payable in respect of Class A, Class C, Class F, Class I Shares, Class R Shares, Class Y and Class Z Shares out of the net assets of the Sub-Fund.

#### **11. Fixed Operating Charge**

A fixed operating charge will be charged in relation to all Classes of Shares and will amount to 0.20% p.a., except for Class F Shares where the fixed operating charge will amount to 0.10%. This charge will cover the fees of the Management Company, Depository, Paying and Domiciliary Agent and Central Administration Agent, fees and out-of-pocket expenses of the Directors, legal and auditing fees, publishing and printing expenses, Regulatory Authority fee, the cost of preparing the explanatory memoranda, financial reports and other documents for the shareholders, postage, telephone and facsimile, costs of preparing the explanatory memoranda, advertising expenses, as well as any additional registration fees. The Investment Manager will bear the excess of any such fees above the rate specified for the aforementioned

Classes of Shares. Conversely, the Investment Manager will be entitled to retain any amount by which the rate of these fees to be borne by the Share Classes, exceeds the actual expenses incurred by the relevant Class of the Sub-Fund.

## **12. Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund will not be listed.

## **13. Availability of the Net Asset Value**

The NAV per Share of each Class in the Sub-Fund will be available at the Registered Office of the SICAV.

## **14. Local Tax (“Taxe d’abonnement”)**

Class A Shares:	0,05%
Class C Shares:	0,01%
Class F Shares:	0,01%
Class I Shares:	0,01%
Class R Shares:	0,05%
Class Y Shares:	0,05%
Class Z Shares:	0,01%

## **15. Initial Offer Period / Initial Offer Day / Initial Subscription Price**

Class A Shares will be launched upon first subscription (the “**Initial Offer Day**”) at any moment upon the decision of the Board of Directors. Class A Shares will be launched at a subscription price of EUR/USD/GBP 100 per Share, plus the subscription fee as set forth above (the “**Initial Subscription Price**”), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

Class C Shares will be launched upon first subscription (the “**Initial Offer Day**”) at any moment upon the decision of the Board of Directors. Class C Shares will be launched at a subscription price of EUR/USD/GBP 100 per Share, plus the subscription fee as set forth above (the “**Initial Subscription Price**”), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

Class F Shares will be launched upon first subscription (the “**Initial Offer Day**”) at any moment upon the decision of the Board of Directors. Class F Shares will be launched at a subscription price of EUR/USD/GBP 100 per Shares, plus the subscription fee as set forth above (the “**Initial Subscription Price**”), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

Class I Shares will be launched upon first subscription (the “**Initial Offer Day**”) at any moment upon the decision of the Board of Directors. Class I Shares will be launched at a subscription price of EUR/USD/GBP 100 per Share, plus the subscription fee as set forth above (the “**Initial Subscription Price**”), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

Class R Shares will be launched upon first subscription (the “**Initial Offer Day**”) at any moment upon the decision of the Board of Directors. Class R Shares will be launched

at a subscription price of EUR/USD/GBP 100 per Share, plus the subscription fee as set forth above (the "**Initial Subscription Price**"), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

Class Y Shares will be launched upon first subscription (the "**Initial Offer Day**") at any moment upon the decision of the Board of Directors. Class Y Shares will be launched at a subscription price of EUR/USD/GBP 100 per Share, plus the subscription fee as set forth above (the "**Initial Subscription Price**"), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

Class Z Shares will be launched upon first subscription (the "**Initial Offer Day**") at any moment upon the decision of the Board of Directors. Class Z Shares will be launched at a subscription price of EUR/USD/GBP 100 per Share, plus the subscription fee as set forth above (the "**Initial Subscription Price**"), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

## **16. Risk warnings**

Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section "General Risk Considerations" in Part A of this Prospectus.

## **17. Risk management**

### Global exposure

In accordance with the UCI Law and the applicable regulations, in particular the CSSF Circular 11/512, the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of this risk-management process, the global exposure of the Sub-Fund is measured by the absolute Value at Risk ("**VaR**") approach. In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the portfolio over the given time horizon exceeds this value (assuming normal markets and no trading in the portfolio) is the given probability level.

This Sub-Fund is subject to an absolute VaR restriction of 20% of the Net Asset Value of the Sub-Fund.

Further details in respect to the VaR calculation used in measuring the risk of this Sub-Fund can be obtained from the Management Company.

### Leverage

In order to implement an efficiently diversified set of strategies (such as country, categories of equities, bonds, commodities, credit and currency strategies) and to achieve the risk target that is consistent with the Sub-Fund's risk profile, the Sub-Fund will rely on financial derivative instruments and underlying that may generate a high

level of leverage and the Sub-Fund may experience higher volatility than a fixed income fund that does not use leverage.

While leverage presents opportunities for increasing the Sub-Fund's return to shareholders, it also has the effect of potentially increasing losses should the return on the underlying be negative.

Although the Sub-Fund's level of risk can be increased by using financial derivatives for investment purposes, the Sub-Fund also uses derivatives within a portfolio construction process that is focused on diversifying strategies and managing risk correlation which can contribute to reducing the Sub-Fund's level of risk.

Some of the strategies will rely on instruments that require a substantial level of gross leverage to generate a limited amount of risk, such as bond futures, commodity swaps and short rates. Also derivatives used within the long and short strategies may generate a high level of gross leverage but reduced level of net leverage.

Due to the utilisation of leverage within the underlying, shareholders should be aware of the increased risk of losing part or all its investment, however shortfall risk is managed in accordance with the risk management policies of the SICAV, and therefore notwithstanding such leverage, the Sub-Fund cannot lose more than its Net Asset Value.

Based on the sum of the notionals of financial derivative instruments approach, the Sub-Fund's expected level of leverage is not expected to exceed 500% of the Sub-Fund's Net Asset Value. The investor should be aware that financial derivative instruments might partially be used for hedging risks to which the Sub-Fund would otherwise be exposed to. Therefore increasing gross exposure (i.e. increasing notional amounts during the lifetime of the Sub-Fund) might in some cases be the consequence of an increased level of hedging.

From time to time, the Sub-Fund uses short term interest rate derivatives in order to achieve its investment objective. Short term interest rate derivatives have extremely low duration and therefore low volatility. In order to ensure that the Sub-Fund achieves its target risk/return when investing in short term interest rate derivatives, the Sub-Fund may invest in large notional of these products. Despite the larger exposures in financial derivative instruments, the risks relating to this are controlled and the Investment Manager ensures that the allocation to each product type is optimised for its risk-adjusted returns.

The Sub-Fund's level of leverage may possibly be higher in a low market volatility environment.

### **18. Duration**

The Sub-Fund is established for an unlimited duration.

**D. FULCRUM UCITS SICAV - FULCRUM FIXED INCOME ABSOLUTE RETURN FUND (HEREINAFTER REFERRED TO AS “FULCRUM FIXED INCOME ABSOLUTE RETURN” OR “SUB-FUND”)**

**1. Investment Objective and Strategies**

*1.1 Investment Objective*

The investment objective of the Sub-Fund is to achieve positive returns over the medium to long term, by investing in a broad range of global debt and currency instruments.

*1.2 Investment Strategies*

The Sub-Fund will gain exposure to global government bond markets in both developed and developing markets. The management of the Sub-Fund is discretionary but may include systematic elements, using a comprehensive range of statistical and economic research inputs and models.

The Sub-Fund will invest in a broad range of debt investments which may be fixed or floating rate. This may include both investment grade and high yield credit assets.

Derivative instruments including futures, swaps, options and currency forwards may be used for hedging and investment purposes. The underlying of such derivative instruments can be securities, interest rates, financial indices or currencies. The Sub-Fund may also invest in derivative instruments outside of the fixed income asset class for hedging purposes. Short positions will be held synthetically through the use of derivative instruments.

The Sub-Fund will be managed in compliance with the UCITS Directive.

*1.3 Risk Profile*

The objective of the Sub-Fund is to produce positive returns with moderate levels of volatility. The risk will be managed within a rigorous systematic framework.

*1.4 Profile of Investors*

The Sub-Fund is particularly suited to investors seeking positive returns through globally diversified fixed income exposure over a medium term investment horizon. Past performance is not a guide to future performance. Investors must accept the fact that the NAV of the Sub-Fund may fall as well as rise and that investors may not get back the full amount invested.

**2. Share Classes / Minimum Investment and Holding**

Currently, the Sub-Fund offers Classes A, B, I, Y and Z of Shares.

**a) Class A Shares**

Class A Shares will be issued to all types of investors.

Class A Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class A (EUR)</i>	EUR 10,000.-.	N/A
<i>Class A (USD)</i>	USD 10,000.-.	N/A
<i>Class A (GBP)</i>	GBP 10,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **b) Class B Shares**

Class B Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class B Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class B (EUR)</i>	EUR 1,000,000.-.	N/A
<i>Class B (USD)</i>	USD 1,000,000.-.	N/A
<i>Class B (GBP)</i>	GBP 1,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **c) Class I Shares**

Class I Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class I Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class I (EUR)</i>	EUR 1,000,000.-.	N/A
<i>Class I (USD)</i>	USD 1,000,000.-.	N/A
<i>Class I (GBP)</i>	GBP 1,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **d) Class Y Shares**

Class Y Shares may only be purchased by clients of Fulcrum Asset Management LLP with an agreement covering the charging structure relevant to the clients' investments in such shares or by associated parties of Fulcrum Asset Management LLP. In

accordance with the foregoing the Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class Y Shares.

Class Y Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class Y (EUR)</i>	EUR 10,000.-.	N/A
<i>Class Y (USD)</i>	USD 10,000.-.	N/A
<i>Class Y (GBP)</i>	GBP 10,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

#### **e) Class Z Shares**

Class Z Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law who, at the time the relevant subscription order is received, are clients of Fulcrum Asset Management LLP with an agreement covering the charging structure relevant to the clients' investments in such share. In accordance with the foregoing the Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class Z Shares.

Class Z Shares will be issued in four different Reference Currencies, i.e. EUR, GBP USD and AUD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class Z (EUR)</i>	EUR 1,000,000.-.	N/A
<i>Class Z (USD)</i>	USD 1,000,000.-.	N/A
<i>Class Z (GBP)</i>	GBP 1,000,000.-.	N/A
<i>Class Z (AUD)</i>	AUD 1,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

### **3. Offer Price, Subscription Fee, Redemption Fee and Swing Pricing**

After the initial offer period, the Offer Price will be equal to the NAV per Share of the relevant Class plus the subscription fee as mentioned hereinafter.

The subscription fee levied is a maximum of 5% of the NAV per Share of the relevant Class, which shall revert to the agents involved in the placing of the Shares.

A redemption fee of up to 2% may be charged at the discretion of the Board of Directors. Any such redemption fee will be retained by the Sub-Fund for the benefit of all remaining investors.

At the date of the Prospectus, no swing pricing is applied. In case it is applied in the future, based on the expected level of transactions in the Sub-Fund the estimated rate of the price adjustment due to any swing pricing will not exceed 1,5%.

#### **4. Subscriptions**

Applications for subscriptions received at the Registered Office of the SICAV no later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in the item 8 will be executed on the basis of the NAV determined as of that Valuation Day. Only complete orders received in this timeframe will be executed.

The payment of the subscription monies must be made in the Reference Currency of the relevant Class no later than four business days after the relevant Valuation Day.

Fractional Shares will be issued to the nearest two decimal places.

#### **5. Redemptions**

Applications for redemptions received at the Registered Office of the SICAV no later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in the item 8 will be executed on the basis of the NAV determined as of that Valuation Day. Only complete orders received in this timeframe will be executed.

The Redemption Price shall be equal to the NAV per Share of the Sub-Fund as of the relevant Valuation Day, less any redemption fee if applicable and after the performance fee adjustments (if any) are applied.

Payment for redemptions will be made in the Reference Currency of the relevant Class within four Business Days from the relevant Valuation Day.

#### **6. Conversions**

The shareholders of this Sub-Fund are entitled to convert their Shares in one Class of this Sub-Fund into Shares of another Class of this Sub-Fund, if any.

Applications for conversions received at the Registered Office of the SICAV not later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in item 8, will be executed on the basis of the NAV determined as of that Valuation Day. Only complete orders received in this timeframe will be executed. The settlement date applied to the conversion will be as soon as the pricing is complete.

In converting Shares of a Class for Shares of another Class, a shareholder must meet applicable minimum investment requirements as well as any other conditions imposed by the acquired Class.

Upon conversion, Shares will be issued to two decimal places.

#### **7. Reference Currency of the Sub-Fund/ Reference Currency of the available Share Classes/ Currency Hedging**

The Reference Currency of the Sub-Fund is the USD.

The NAV per Share of Class A (EUR), Class B (EUR), Class I (EUR), Class Y (EUR) and Class Z (EUR) will be calculated in EUR, being the Reference Currency of these Classes.

The NAV per Share of Class A (USD), Class B (USD), Class I (USD), Class Y (USD) and Class Z (USD) will be calculated in USD, being the Reference Currency of these Classes.

The NAV per Share of Class A (GBP), Class B (GBP), Class I (GBP), Class Y (GBP) and Class Z (GBP) will be calculated in GBP, being the Reference Currency of these Classes.

The NAV per Share of Class Z (AUD) will be calculated in AUD, being the Reference Currency of this Class.

The investments of the Sub-Fund will generally be hedged into the Reference Currency of the Sub-Fund. Currency hedging will be made through the use of various techniques including the entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a shareholder's exposure to the respective currencies in which the Sub-Fund's investments are denominated. In this regard, it is anticipated that currency risks will be hedged to a large extent although there is no guarantee that such hedging will be effective. Where the currency exposure of the Sub-Fund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the shareholders. Any costs incurred relating to the above mentioned hedging will be borne by the Sub-Fund.

In addition, the foreign exchange exposure of the assets of the Sub-Fund attributable to any Class of Shares denominated in any currency other than USD shall be, unless otherwise indicated under point 2 "**Share Classes / Minimum Investment and Holding**" above, hedged in order to minimise, so far as reasonably practicable, the impact of fluctuations in the exchange rates between USD (being the Reference Currency of the Sub-Fund) and such other currency. Again, there can be no guarantee that any such hedges that are put in place will be effective. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to any Class of Shares with a Reference Currency other than USD from USD into the relevant currency will be allocated solely to the relevant Share Class.

#### **8. Frequency of the Net Asset Value calculation and Valuation Day**

The NAV per Share of the Sub-Fund is determined as of each Business Day (the "**Valuation Day**").

#### **9. Investment Management Fee**

The Investment Manager will receive from the Sub-Fund, payable out of the assets attributable to the relevant Class of Shares, the following investment management fees calculated as of each Valuation Day on the basis of the NAV of the assets attributable to the relevant Class of Shares and paid out monthly on the first Business Day immediately following the relevant Valuation Day:

Class A Shares:	1.20% per annum
Class B Shares:	0.60% per annum
Class I Shares:	0.50% per annum
Class Y Shares:	no investment management fees due
Class Z Shares:	no investment management fees due

As Class Y and Class Z Shares are, inter alia, designed to accommodate an alternative charging structure whereby the investor is a client of Fulcrum Asset Management LLP and is charged additional investment management fees directly by Fulcrum Asset Management LLP, no investment management fees will be payable in

respect of Class Y and Class Z Shares out of the net assets of the Sub-Fund. Class Y and Class Z Shares will bear their pro-rata share of the fees payable to the Depositary and the Central Administration Agent, as well as of other charges and expenses.

### **10. Performance Fee**

Furthermore, the Investment Manager is entitled to receive from the Sub-Fund a performance fee in relation to Class I Shares (the "**Performance Fee**") of 10% of the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a Performance Fee may be paid on unrealised gains which may subsequently never be realised. The Performance Fee may create an incentive for the Investment Manager to make investments for the Sub-Fund which are riskier than would be the case in the absence of a fee based on the performance of such Sub-Fund.

The Performance Fee will be calculated with reference to the Hurdle Adjusted HWM as defined below. The "**Hurdle**" for each Calculation Period (as defined below) for each relevant Class will be the percentage rate achieved by taking the Benchmark (as defined below) for each Share Class plus 2%. For Class I Shares issued in different Reference Currencies, the benchmark reference rate for performance (the "**Benchmark**") will be the respective Overnight Rate:

For Class I (USD), the Benchmark will be the Effective Federal Funds Rate (EFFR), calculated as a volume-weighted median of overnight federal funds transactions. The New York Fed publishes the EFFR for the prior business day on the New York Fed's website.

For Class I (GBP), the Benchmark will be the Sterling Overnight Index Average ("SONIA"). SONIA is a regulated benchmark as governed by the Bank of England. The index is a weighted average overnight deposit rate for each business day.

For Class I (EUR), the Benchmark will be EONIA (Euro OverNight Index Average), computed as a weighted average of all overnight unsecured lending transactions in the interbank market in euros. Eonia reference rates are calculated by the European Central Bank and published through GRSS (Global Rate Set Systems) every day.

The Benchmark applied during a Calculation Period, will be taken as at the close of business on the last Business Day of the previous calculation period on which it is published, and applied for the entire Calculation Period. For Shares issued during a Calculation Period, the Hurdle Period for those Shares for that Calculation Period will commence on the day of issue of the relevant Shares. The Directors reserve the right to substitute a Benchmark in the event that such Benchmark ceases to be a widely-recognised reference rate.

The Performance Fee will be calculated in respect of each semi-annual period to 30<sup>th</sup> June and 31<sup>st</sup> December (each a "**Calculation Period**").

The Performance Fee will be calculated for each Calculation Period on the basis of the change in Net Asset Value (before the deduction for any accrued Performance Fees) of Class I of Shares in the Sub-Fund when compared to the High Water Mark (as defined below) for the relevant Class of Shares. If the difference between the Net Asset Value (before the deduction for any accrued Performance Fees) and the Hurdle Adjusted HWM per Share during such Calculation Period is positive, it is multiplied by

the Performance Fee Rate, and such amount shall constitute the Performance Fee for that Calculation Period.

The "**High Water Mark**" of a Class is the greater of (i) the NAV at which a Share was first issued and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after the end of a previous Calculation Period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged, in each case as increased by an aggregate of the Hurdles applying to all prior Calculation Periods and, as appropriate, the current Calculation Period relating to that Class.

No Performance Fee will be payable in respect of Class A, Class B, Class Y and Class Z Shares out of the net assets of the Sub-Fund.

### **11. Fixed Operating Charge**

A fixed operating charge will be charged in relation to all Classes of Shares and will amount to 0.25% p.a. This charge will cover the fees of the Management Company, Depositary, Paying and Domiciliary Agent and Central Administration Agent, fees and out-of-pocket expenses of the Directors, legal and auditing fees, publishing and printing expenses, Regulatory Authority fee, the cost of preparing the explanatory memoranda, financial reports and other documents for the shareholders, postage, telephone and facsimile, costs of preparing the explanatory memoranda, advertising expenses, as well as any additional registration fees. The Investment Manager will bear the excess of any such fees above the rate specified for the aforementioned Classes of Shares. Conversely, the Investment Manager will be entitled to retain any amount by which the rate of these fees to be borne by the Share Classe, exceeds the actual expenses incurred by the relevant Class of the Sub-Fund.

### **12. Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund will not be listed.

### **13. Availability of the Net Asset Value**

The NAV per Share of each Class in the Sub-Fund will be available at the Registered Office of the SICAV.

### **14. Local Tax ("Taxe d'abonnement")**

Class A Shares: 0,05%  
Class B Shares: 0,01%  
Class I Shares: 0,01%  
Class Y Shares: 0,05%  
Class Z Shares: 0,01%

### **15. Initial Offer Period / Initial Offer Day**

Shares of Classes A(EUR), A(USD), A(GBP), I(EUR), I(USD), I(GBP), Z(EUR), Z(USD), and Z(GBP) could be subscribed from 25 October 2010 up to and including 28 October 2010, no later than 1 pm Luxembourg time (the "**Initial Offer Period**") at a subscription price of EUR 100, USD 100, GBP 100 per Share, plus the subscription fee as set forth above (the "**Initial Subscription Price**"). Payment of the Initial Subscription Price had to be effected with value date 29 October 2010.

Class B Shares will be launched upon first subscription (the “**Initial Offer Day**”) at any moment upon the decision of the Board of Directors. Class B Shares will be launched at a subscription price of EUR/USD/GBP 100 per Share, plus the subscription fee as set forth above (the “**Initial Subscription Price**”), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

Class Y Shares will be launched upon first subscription (the “**Initial Offer Day**”) at any moment upon the decision of the Board of Directors. Class Y Shares will be launched at a subscription price of EUR/USD/GBP 100 per Share, plus the subscription fee as set forth above (the “**Initial Subscription Price**”), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

Class Z (AUD) Shares will be launched upon first subscription (the “**Initial Offer Day**”) at any moment upon the decision of the Board of Directors. Class Z (AUD) Shares will be launched at a subscription price of AUD 100 per Share, plus the subscription fee as set forth above (the “**Initial Subscription Price**”), if applicable. Payment of the Initial Subscription Price must be effected with value date the Business Day after the Initial Offer Day.

## **16. Risk warnings**

Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section “General Risk Considerations” in Part A of this Prospectus.

## **17. Risk management**

### Global exposure

In accordance with the UCI Law and the applicable regulations, in particular the CSSF Circular 11/512, the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of this risk-management process, the global exposure of the Sub-Fund is measured by the absolute Value at Risk (“**VaR**”) approach. In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the portfolio over the given time horizon exceeds this value (assuming normal markets and no trading in the portfolio) is the given probability level.

This Sub-Fund is subject to an absolute VaR restriction of 20% of the Net Asset Value of the Sub Fund.

Further details in respect to the VaR calculation used in measuring the risk of this Sub-Fund can be obtained from the Management Company.

### Leverage

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in

excess of the Sub-Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notionals of financial derivative instruments approach, the Sub-Fund's expected level of leverage will be up to 700% of the Sub-Fund's NAV. The investor should be aware that financial derivative instruments might partially be used for hedging risks to which the Sub-Fund would otherwise be exposed to. Therefore increasing gross exposure (i.e. increasing notional amounts during the lifetime of the Sub-Fund) might in some cases be the consequence of an increased level of hedging.

Based on the commitment approach, the Sub-Fund's expected level of leverage will be up to 500% of the Sub-Fund's Net Asset Value.

### **18. Duration**

The Sub-Fund is established for an unlimited duration.

**E. FULCRUM UCITS SICAV - FULCRUM MULTI ASSET TREND FUND (HEREINAFTER REFERRED TO AS “FULCRUM MULTI ASSET TREND” OR “SUB-FUND”)**

**1. Investment Objective and Strategies**

*1.1 Investment Objective*

The Sub-Fund seeks to generate long term capital appreciation in the value of its assets by gaining exposure to certain trends through the use of systematic trading strategies that seek to primarily invest in liquid assets.

*1.2 Investment Strategies*

The Sub-Fund is a quantitative fund with investment decisions being based on price trends across markets. The Sub-Fund employs a number of quantitative models to analyse the momentum and volatility of assets in order to extract price forecasts and to determine positioning. The strategy seeks to establish a diversified portfolio of long and short positions exploiting trends in the currency, equity, commodity indices, and fixed income markets. Investments in the relevant currency, equity, commodity indices, fixed income will be made through cash settled securities (including equities, bonds and exchange traded funds) and derivatives traded over the counter and listed on an exchange (including futures, forwards, swaps and options).

The Sub-Fund can have an exposure in derivatives on commodity indices, subject to the conditions set out by applicable regulations. The Sub-Fund will not invest directly into commodities, commodity futures nor physically hold any commodities in its portfolio.

The Sub Fund will ordinarily not employ hedging strategies as it is designed to provide cost effective, direct trend following exposure. However, in exceptional circumstances and where practicable, hedging may be employed on a discretionary basis.

In order to efficiently implement the Sub-Fund's set of strategies, the Sub-Fund will rely intensively on financial derivative instruments that may generate a high level of leverage as further described in the below section 17. “Risk management”.

The Sub-Fund will be managed in compliance with the UCITS Directive.

*1.3 Commodity Indices*

To the extent the Sub-Fund can pursuant to its investment objective and strategies as set out under item 1.1 and 1.2, invest in commodity indices, investors' attention is drawn to the fact that under applicable laws and regulations, commodity indices (as any financial indices) may make use of increased diversification limits. Each component of such an index (i.e. each commodity) may represent up to 20% of the index, except that one single component may represent up to 35% of the index if this is necessary for the index to constitute a benchmark of the relevant market. In this respect, sub-categories of the same commodity are to be considered as being the same commodity (and thus as constituting a single index component) for the calculation of the diversification limits if they are highly correlated, i.e. if 75% of the correlation observations are above 0.8. In summary, four groups within the Sub-Fund's universe should be regarded as correlated: 1) WTI Crude Oil, Brent Crude Oil, Gasoline or Heating Oil, 2) Wheat and Kansas Wheat, 3) Soybean, Soybean Oil and Soybean Meal and 4) Live Cattle, Feeder Cattle.

Financial derivative instruments related to commodities indices are used to manage risk as well as to seek return. As such, the expected level of leverage calculated further to the sum of notionals method might overestimate the actual risk exposure of the Sub-Fund. This is due to the fact that the gross sum of notional exposure simply aggregates the absolute sum of all long and short financial derivative instruments, even if they are for hedging or offsetting purposes, and further uses notional values rather than measures that calculate the overall contributions to risk. This explains why the leverage levels under this method appear high, while levels of leverage are relatively lower when calculating leverage using the commitment approach.

#### *1.4 Risk Profile*

The investment strategy of the Sub-Fund is growth oriented, looking to achieve attractive growth, average risk being mirrored by average opportunities for growth.

#### *1.5 Profile of Investors*

The Sub-Fund is particularly suited to investors seeking returns with a low correlation to traditional asset classes. The investor must have experience with volatile products. Past performance is not a guide to future performance. Investors must accept the fact that the NAV of the Sub-Fund may fall as well as rise and that investors may not get back the full amount invested. Depending on market conditions, investors could suffer an erosion of capital.

## **2. Share Classes / Minimum Investment and Holding**

Currently, the Sub-Fund offers Classes A, C, I, Y and Z of Shares.

### **a) Class A Shares**

Class A Shares will be issued to all types of investors.

Class A Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	Minimum initial investment	Minimum subsequent investment
Class A (EUR)	EUR 10,000.-.	N/A
Class A (USD)	USD 10,000.-.	N/A
Class A (GBP)	GBP 10,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial and/or subsequent subscriptions at their sole discretion.

### **b) Class C Shares**

Class C Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class C Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class C (EUR)</i>	EUR 1,000,000.-.	N/A
<i>Class C (USD)</i>	USD 1,000,000.-.	N/A
<i>Class C (GBP)</i>	GBP 1,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

### **c) Class I Share**

Class I Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law in certain limited circumstances at the discretion of the Board of Directors.

Class I Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class I (EUR)</i>	EUR 1,000,000.-.	N/A
<i>Class I (USD)</i>	USD 1,000,000.-.	N/A
<i>Class I (GBP)</i>	GBP 1,000,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial subscriptions at their sole discretion.

### **d) Class Y Shares**

Class Y Shares may only be purchased by clients of Fulcrum Asset Management LLP with an agreement covering the charging structure relevant to the clients' investments in such shares or to associated parties of Fulcrum Asset Management LLP. In accordance with the foregoing the Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class Y Shares.

Class Y Shares will be issued in three different Reference Currencies, i.e. EUR, GBP and USD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class Y (EUR)</i>	EUR 10,000.-.	N/A
<i>Class Y (USD)</i>	USD 10,000.-.	N/A
<i>Class Y (GBP)</i>	GBP 10,000.-.	N/A

A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding. The Directors may waive the minimum amounts for the initial and/or subsequent subscriptions at their sole discretion.

### e) Class Z Shares

Class Z Shares may only be purchased by Institutional Investors within the meaning of Article 174 of the UCI Law who, at the time the relevant subscription order is received, are clients of Fulcrum Asset Management LLP with an agreement covering the charging structure relevant to the clients' investments in such shares. In accordance with the foregoing the Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class Z Shares.

Class Z Shares will be issued in four different Reference Currencies, i.e. EUR, GBP USD and AUD.

	<i>Minimum initial investment</i>	<i>Minimum subsequent investment</i>
<i>Class Z (EUR)</i>	EUR 1,000,000.-.	N/A
<i>Class Z (USD)</i>	USD 1,000,000.-.	N/A
<i>Class Z (GBP)</i>	GBP 1,000,000.-.	N/A
<i>Class Z (AUD)</i>	AUD 1,000,000.-.	N/A

### **3. Offer Price, Subscription Fee, Redemption Fee and Swing Pricing**

After the initial offer period, the Offer Price will be equal to the NAV per Share of the relevant Class plus the subscription fee as mentioned hereinafter.

The subscription fee levied is a maximum of 5% of the NAV per Share of the relevant Class, which shall revert to the agents involved in the placing of the Shares.

A redemption fee of up to 2% may be charged at the discretion of the Board of Directors. Any such redemption fee will be retained by the Sub-Fund for the benefit of all remaining investors.

At the date of the Prospectus, no swing pricing is applied. In case it is applied in the future, based on the expected level of transactions in the Sub-Fund the estimated rate of the price adjustment due to any swing pricing will not exceed 1,5%.

### **4. Subscriptions**

Applications for subscriptions received at the Registered Office of the SICAV no later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in item 8, will be executed on the basis of the NAV determined as of that Valuation Day. Only completed orders received in this timeframe will be executed.

The payment of the subscription monies must be made in the Reference Currency of the relevant Class no later than four business days after the relevant Valuation Day.

Fractional Shares will be issued to the nearest two decimal places.

## **5. Redemptions**

Applications for redemptions received at the Registered Office of the SICAV no later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in item 8, will be executed on the basis of the NAV determined as of that Valuation Day. Only completed orders received in this timeframe will be executed.

The Redemption Price shall be equal to the NAV per Share of the Sub-Fund on the relevant Valuation Day, less any redemption fee if applicable and after the performance fee adjustments (if any) are applied.

Payment for redemptions will be made in the Reference Currency of the relevant Class within four Business Days from the relevant Valuation Day.

## **6. Conversions**

The shareholders of this Sub-Fund are entitled to convert their Shares in one Class of this Sub-Fund into Shares of another Class of this Sub-Fund, if any.

Applications for conversions received at the Registered Office of the SICAV not later than 1 pm, Luxembourg time, on the relevant Valuation Day, as described in item 8, will be executed on the basis of the NAV determined as of that Valuation Day. Only completed orders received in this timeframe will be executed. The settlement date applied to the conversion will be as soon as the pricing is complete.

In converting Shares of a Class for Shares of another Class, a shareholder must meet applicable minimum investment requirements as well as any other conditions imposed by the acquired Class.

Upon conversion, Shares will be issued to two decimal places.

## **7. Reference Currency of the Sub-Fund/Reference Currency of the available Share Classes/ Currency Hedging**

The Reference Currency of the Sub-Fund is the USD.

The NAV per Share of Class A (EUR), Class C (EUR), Class I (EUR), Class Y (EUR) and Class Z (EUR) will be calculated in EUR, being the Reference Currency of these Classes.

The NAV per Share of Class A (USD), Class C (USD), Class I (USD), Class Y (USD) and Class Z (USD) will be calculated in USD, being the Reference Currency of these Classes.

The NAV per Share of Class A (GBP), Class C (GBP), Class I (GBP), Class Y (GBP) and Class Z (GBP) will be calculated in GBP, being the Reference Currency of these Classes.

The NAV per Share of Class Z (AUD) will be calculated in AUD, being the Reference Currency of this Class.

The investments of the Sub-Fund will generally be hedged into the Reference Currency of the Sub-Fund. Currency hedging will be made through the use of various techniques including the entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a shareholder's exposure to the respective currencies in which the Sub-Fund's investments are

denominated. In this regard, it is anticipated that currency risks will be hedged to a large extent although there is no guarantee that such hedging will be effective. Where the currency exposure of the Sub-Fund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the shareholders. Any costs incurred relating to the above mentioned hedging will be borne by the Sub-Fund.

In addition, the foreign exchange exposure of the assets of the Sub-Fund attributable to any Class of Shares denominated in any currency other than USD shall be, unless otherwise indicated under point 2 "*Share Classes / Minimum Investment and Holding*" above, hedged in order to minimise, so far as reasonably practicable, the impact of fluctuations in the exchange rates between USD (being the Reference Currency of the Sub-Fund) and such other currency. Again, there can be no guarantee that any such hedges that are put in place will be effective. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to any Class of Shares with a Reference Currency other than USD from USD into the relevant currency will be allocated solely to the relevant Share Class.

#### **8. Frequency of the Net Asset Value calculation and Valuation Day**

The NAV per Share of the Sub-Fund is determined as of each Business Day (the "**Valuation Day**").

#### **9. Investment Management Fee**

The Investment Manager will receive from the Sub-Fund, payable out of the assets attributable to the relevant Class of Shares, the following investment management fees calculated as of each Valuation Day on the basis of the NAV of the assets attributable to the relevant Class of Shares and paid out monthly on the first Business Day immediately following the relevant Valuation Day:

Class A Shares:	1.2% per annum
Class C Shares:	0.8% per annum
Class I Shares:	0,5% per annum
Class Y Shares:	no investment management fees due
Class Z Shares:	no investment management fees due

As Class Y Shares and Class Z Shares are, inter alia, designed to accommodate an alternative charging structure whereby the investor is a client of Fulcrum Asset Management LLP and is charged additional investment management fees directly by Fulcrum Asset Management LLP, no investment management fees will be payable in respect of Class Y Shares and Class Z Shares out of the net assets of the Sub-Fund. Class Y Shares and Class Z Shares will bear their pro-rata share of the fees payable to the Depositary and the Central Administration Agent, as well as of other charges and expenses.

#### **10. Performance Fee**

*NAV per share - HWM*

The Investment Manager will receive a semi-annual performance fee (the "**Performance Fee**") in relation to Class I, paid semi-annually, based on the NAV,

equivalent to 10% for Class I of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The Performance Fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and investment management fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions.

The Performance Fee is equal to the out performance of the NAV per share 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.

The high water mark is defined as the greater of the following two figures:

- The last highest NAV per Share on which a Performance Fee has been paid; and
- The initial NAV per share.

Provision will be made for this Performance Fee as of each 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.

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.

In case of subscription, the Performance Fee calculation is adjusted to avoid that this subscription impacts 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.

The first Performance Fee calculation period (the “**Performance Fee Calculation Period**”) will begin at the end of the initial subscription period and terminate on 31 December 2014. Thereafter, the Performance Fee Calculation Periods will be semi-annual ending on 30 June and on 31 December of each year.

Performance Fees are payable within 15 business days following each end of the Performance Fee Calculation Period.

No Performance Fee will be payable in respect of Class A, Class C, Class Y and Class Z Shares out of the net assets of the Sub-Fund.

### **11. Fixed Operating Charge**

A fixed operating charge will be charged in relation to all Classes of Shares and will amount to 0.25% p.a. This charge will cover the fees of the Management Company, Depositary, Paying and Domiciliary Agent and Central Administration Agent, fees and

out-of-pocket expenses of the Directors, legal and auditing fees, publishing and printing expenses, Regulatory Authority fee, the cost of preparing the explanatory memoranda, financial reports and other documents for the shareholders, postage, telephone and facsimile, costs of preparing the explanatory memoranda, advertising expenses, as well as any additional registration fees. The Investment Manager will bear the excess of any such fees above the rate specified for the aforementioned Classes of Shares. Conversely, the Investment Manager will be entitled to retain any amount by which the rate of these fees to be borne by the Share Classes, exceeds the actual expenses incurred by the relevant Class of the Sub-Fund.

## **12. Listing on the Luxembourg Stock Exchange**

The Shares of the Sub-Fund will not be listed.

## **13. Availability of the Net Asset Value**

The NAV per Share of each Class in the Sub-Fund will be available at the Registered Office of the SICAV.

## **14. Local Tax ("Taxe d'abonnement")**

Class A Shares:	0,05%
Class C Shares:	0,01%
Class I Shares:	0,01%
Class Y Shares:	0,05%
Class Z Shares:	0,01%

## **15. Initial Offer Period / Initial Offer Day / Initial Subscription Price**

Class A, Y and Z (EUR) will be launched upon first subscription (the "**Initial Offer Day**") at any moment upon decision of the Board of Directors. Class A, and Y will be launched at a subscription price of EUR 100, USD 100, GBP 100 per Share (as the case may be) and Class Z (EUR) will be launched at a subscription price of EUR 100, plus the subscription fee as set forth above (the "**Initial Subscription Price**"), if applicable. Payment of the Initial Subscription Price must be effected with value date the day after the Initial Offer Day.

Class C and Class I will be launched upon first subscription (the "**Initial Offer Day**") at any moment upon decision of the Board of Directors. Class C and Class I will be launched at a subscription price of EUR 100, USD 100, GBP 100 per Share (as the case may be), plus the subscription fee as set forth above (the "**Initial Subscription Price**"), if applicable. Payment of the Initial Subscription Price must be effected with value date the day after the Initial Offer Day.

Class Z (AUD) will be launched upon first subscription (the "**Initial Offer Day**") at any moment upon decision of the Board of Directors. Class Z (AUD) will be launched at a subscription price of AUD 100, plus the subscription fee as set forth above (the "**Initial Subscription Price**"), if applicable. Payment of the Initial Subscription Price must be effected with value date the day after the Initial Offer Day.

## **16. Risk warnings**

Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section "General Risk Considerations" in Part A of this Prospectus.

## **17. Risk management**

### Global exposure

In accordance with the UCI Law and the applicable regulations, in particular the CSSF Circular 11/512, the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of this risk-management process, the global exposure of the Sub-Fund is measured by the absolute Value at Risk (“**VaR**”) approach. In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given portfolio, probability and time horizon, VaR is defined as a threshold value such that the probability that the mark-to-market loss on the portfolio over the given time horizon exceeds this value (assuming normal markets and no trading in the portfolio) is the given probability level.

This Sub-Fund is subject to an absolute VaR restriction of 20% of the Net Asset Value of the Sub-Fund.

Further details in respect to the VaR calculation used in measuring the risk of this Sub-Fund can be obtained from the Management Company.

### Leverage

In order to implement an efficiently diversified set of strategies (such as country, categories of equities, bonds, commodities, credit and currency strategies) and to achieve the risk target that is consistent with the Sub-Fund’s risk profile, the Sub-Fund will rely intensively on financial derivative instruments and underlying that may generate a high level of leverage and the Sub-Fund may experience higher volatility than a fixed income fund that does not use leverage.

While leverage presents opportunities for increasing the Sub-Fund’s return to shareholders, it also has the effect of potentially increasing losses should the return on the underlying be negative.

Although the Sub-Fund’s level of risk can be increased by using financial derivatives for investment purposes, the Sub-Fund also uses derivatives within a portfolio construction process that is focused on diversifying strategies and managing risk correlation which can contribute to reducing the Sub-Fund’s level of risk.

Some of the strategies will rely on instruments that require a substantial level of gross leverage to generate a limited amount of risk, such as bond futures, commodity swaps and short rates. Also derivatives used within the long and short strategies may generate a high level of gross leverage but reduced level of net leverage.

Due to the utilisation of leverage within the underlying, shareholders should be aware of the increased risk of losing part or all its investment, however shortfall risk is managed in accordance with the risk management policies of the SICAV, and therefore notwithstanding such leverage, the Sub-Fund cannot lose more than its Net Asset Value.

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in

excess of the Sub-Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notionals of financial derivative instruments approach, the Sub-Fund's expected level of leverage will be up to 1500% of the Sub-Fund's Net Asset Value. The investor should be aware that financial derivative instruments might partially be used for hedging risks to which the Sub-Fund would otherwise be exposed to. Therefore increasing gross exposure (i.e. increasing notional amounts during the lifetime of the Sub-Fund) might in some cases be the consequence of an increased level of hedging.

Based on the commitment approach, the Sub-Fund's expected level of leverage will be up to 500% of the Sub-Fund's Net Asset Value.

From time to time, the Sub-Fund uses short term interest rate derivatives in order to achieve its investment objective. Short term interest rate derivatives have extremely low duration and therefore low volatility. In order to ensure that the Sub-Fund achieves its target risk/return when investing in short term interest rate derivatives, the Sub-Fund may invest in large notional of these products. Despite the larger exposures in financial derivative instruments, the risks relating to this are controlled and the Investment Manager ensures that the allocation to each product type is optimised for its risk-adjusted returns.

The Sub-Fund's level of leverage may possibly be higher in a low market volatility environment.

### **18. Duration**

The Sub-Fund is established for an unlimited duration.

## **APPENDIX: ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND**

### **1. Representative and Paying Agent in Switzerland:**

RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Badenerstrasse 567, P.O. Box 1292, 8048 Zurich (the “**Swiss Representative**”) acts as the Swiss representative and paying agent in Switzerland of the SICAV.

### **2. Place where the relevant documents may be obtained**

Copies of the Articles of the SICAV, the Prospectus, the Key Investor Information Documents and the annual and semi-annual reports of the SICAV may be obtained free of charge from the Swiss Representative.

### **3. Publications**

The Net Asset Value of the Shares of each Sub-Fund, together with an indication “commissions excluded” will be published daily on [www.fundinfo.com](http://www.fundinfo.com).

Publications in Switzerland relating to the SICAV or the Sub-Funds, in particular the publication of amendments to the Articles and the Prospectus shall be made on [www.fundinfo.com](http://www.fundinfo.com).

### **4. Payment of retrocessions and rebates**

#### **4.1 Retrocessions**

The Principal Distributor and its agents may pay retrocessions as remuneration for distribution activity in respect of Shares in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- Setting up processes for subscribing, holding and safe custody of the Shares;
- Keeping a supply of marketing and legal documents, and issuing the said;
- Forwarding or providing access to legally required publications and other publications;
- Performing due diligence in areas such as money laundering, ascertaining client needs and distribution restrictions;
- Mandating an authorized auditor to check compliance with certain duties of the distributor, in particular with the Guidelines on the Distribution of Collective Investment Schemes issued by the Swiss Funds & Asset Management Association SFAMA;
- Operating and maintaining an electronic distribution and/or information platform;
- Clarifying and answering specific questions from investors pertaining to the Sub-Funds or the Investment Manager;
- Drawing up fund research material;
- Central relationship management;
- Subscribing units/shares as a "nominee" for several clients;
- Training client advisors in collective investment schemes;
- Mandating and monitoring additional distributors;
- The services of distribution and other related services.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the Investors.

The recipients of the retrocessions must ensure transparent disclosure and inform Investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the Investors concerned.

#### 4.2 Rebates

In the case of distribution activity in or from Switzerland, the Principal Distributor and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the Investor in question. Rebates are permitted provided that:

- they are paid from fees received by the Principal Distributor and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Principal Distributor and its agents are as follows:

- the volume subscribed by the investor or the total volume the investor holds in the collective investment scheme or, where applicable, in the product range of the Principal Distributor;
- Indicated future volume;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the Principal Distributor must disclose the amounts of such rebates free of charge.

### **5. Place of performance and Place of jurisdiction**

In respect of the Shares distributed in or from Switzerland, the place of performance and the place of jurisdiction is at the registered office of the Representative in Switzerland.