Alceda

Key Investor Information

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

Adaptive Diversification 7, unit class EUR A (ISIN: LU0326194015)

A Sub-Fund of AC

The Management Company of this Fund is Alceda Fund Management S.A., an independent subsidiary of the Aquila Group.

Objectives and investment policy

The subfund's investment strategy is based on global diversification. The fund managers implement this strategy by initially defining investment classes such as equities, bonds and commodities, then weighting these investment classes so that each of them makes a similar contribution to overall portfolio risk (risk parity). The subfund can invest in all permitted investment instruments throughout the world.

The subfund can enter into interest-rate swaps under which it undertakes to pay a fixed interest rate in return for receiving a variable interest rate (known as Payer Swaps) or to pay a variable interest rate in return for receiving a fixed interest rate (known as Receiver Swaps). The subfund's assets can also be invested in structured products (such as certificates) that are deemed to constitute securities.

In the various investment classes, the subfund may invest in all permitted financial instruments either directly or through derivatives. These investment instruments may be listed on an exchange or traded over the counter (OTC).

The objective of the subfund's investment policy is to generate long-term capital growth in the currency of the relevant unit class. The subfund aims to achieve volatility of approximately 7% on an annualised basis.

The subfund can invest up to 10% of its net assets in units or shares in UCITS or other UCIs, including open Exchange Traded Funds (ETFs).

The subfund does not follow a reference index.

The investment horizon should be at least five years.

Completed applications for redemption received by the Registrar and Transfer Agent no later than 16:00 CET (Central European Time) on a bank working day (the “order acceptance deadline”) are settled at the redemption price valid on the following valuation day.

This unit class does not distribute any returns to investors but instead reinvests them.

Risk and reward profile

← Lower risk — Higher risk →

← Typically lower rewards — Typically higher rewards →

1	2	3	**4**	5	6	7

This risk indicator is based on historical data; it is therefore not possible to predict future developments. The rating of the Fund may change in the future and does not constitute a guarantee. Even a Fund rated in category 1 does not represent a completely risk-free investment.

This fund was classified in **category 4** because its share price is subject to moderate fluctuations and the potential for profit, as well as the risk of loss, can therefore be moderate.

The Fund does not offer the investor any capital guarantee.

When a Fund is assigned to a risk class, it may be the case that not all risks have been taken into account, owing to the calculation model. A detailed presentation can be found in the Risks section of the sales prospectus. The following risks have no direct impact on this classification, but may be of importance to the Fund:

Liquidity risks: The Fund may invest some of its assets in securities that are not traded on a stock exchange or a similar market. It may be difficult to find a buyer for these securities in the short term. This can increase the risk of suspension of share redemptions.

Credit risks: The Fund can invest a significant portion of its assets in government and corporate bonds. The issuers of these bonds may become insolvent, which will mean that the bonds will lose all or some of their value.

Risks from the use of derivatives: The Fund may use derivative transactions for the purposes stated above under 'Objectives and Investment Policy'. This increases opportunities, but also involves increased risk. Hedging against losses through the use of derivatives may reduce the Fund's opportunities for profit.

Custodial risks: The custody of assets - particularly abroad - can be associated with a risk of loss, which can result from insolvency, breaches of the duty of care or the misconduct of the custodian or a sub-custodian.

Operational risks: The Fund may fall victim to fraud or criminal acts. It may suffer losses as a result of misunderstandings or mistakes by employees of the Management Company or by external third parties or may be damaged by external events, such as natural disasters.

Charges

The costs borne by the investor enable the Fund to function and are used to manage, market and distribute it. The cost burden reduces the potential earnings at the level of the Fund.

One-off charges taken before or after you invest	
Entry charge	5.00%
Exit charge	0.00%
This is the maximum that might be taken out of your money before it is invested / before the proceeds of your investment are paid out.	
Charges taken from the fund over a year	
Ongoing charges	2.55%
Charges taken from the fund under certain specific conditions	
Performance fee	Performance Fee: 10.00%. In the previous financial year of the Fund, the performance fee was 0.00% of the Fund assets.

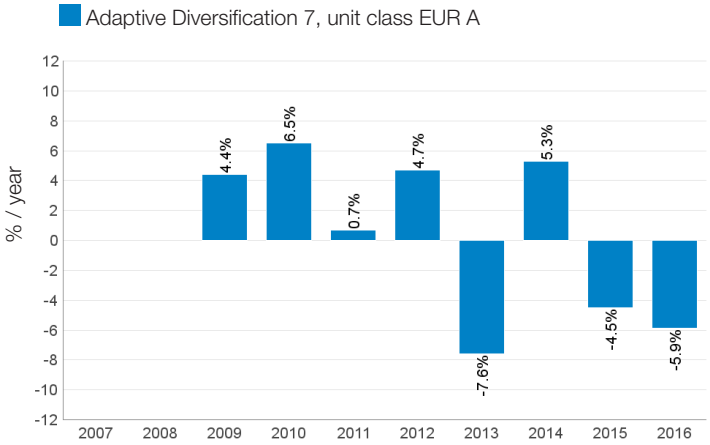
The entry and exit charge is the maximum amount. It may, under certain circumstances, be lower. Your financial adviser can inform you of current values.

The running costs stated here were incurred in the previous financial year, which ended in December 2016. They can fluctuate from year to year.

The following are not included:
- Fees that depend on the performance
- Transaction costs, except when the Fund has to pay issue premiums or redemption discounts for the purchase of shares in other organisations for joint investments.

Detailed information to the Fund's costs are provided in the sales prospectus of the Fund, which can be accessed at www.alceda.lu.

Past performance



Launch date: 05 February 2008

Past performance is no guarantee of future performance.

All costs and fees were deducted in the calculation, with the exception of the issue premium.

The presentation of performance is based on EUR.

Practical information

The fund's depositary is M.M.Warburg & CO Luxembourg S.A.

The Fund is subject to Luxembourg tax regulations. This can influence how you are taxed on your income of the Fund. For further details please contact a tax adviser.

Information, particularly notices to investors, will, where required by law, be published in the Grand Duchy of Luxembourg in Recueil Electronique des Sociétés et Associations (RESA), on www.alceda.lu and/or in a Luxembourg newspaper, as well as in the relevant media in the countries in which shares are sold outside the Grand Duchy of Luxembourg. The sales prospectus, including the contract terms, key investor information and the annual and semi-annual reports of the Fund (in German) can be obtained at any time free of charge from the management company Alceda Fund Management S.A., 5, Heienhaff, L-1736 Senningerberg, the custodian bank, the paying agents and any distribution agency (if any) and from www.alceda.lu.

The Adaptive Diversification 7 is a Sub-Fund of AC and part of an umbrella structure. The assets of this Fund are independent of the assets of other Funds in the umbrella structure.

Other unit classes are available for the Fund. You can find information about other unit classes in the sales prospectus. Assets between various unit classes are not independent of each other.

Shares of the Sub-Fund or of the unit class may be converted into shares of another Sub-Fund or unit class. For more information about the terms and conditions (e.g. fees) for a conversion please refer to the prospectus.

Current Fund prices are published on our website: www.alceda.lu

Alceda Fund Management S.A. can be held liable only on the basis of a statement contained in this document that is misleading or inaccurate or that does not correspond to the relevant parts of the sales prospectus.

A summary of the Management Company's remuneration policy can be obtained from http://alceda.lu/en/about-us/corporate-governance. The policy includes a description of how remuneration and benefits are calculated and also the details of persons responsible for awarding remuneration and benefits. A paper copy is available free of charge upon request.

This Fund is registered in Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier. Alceda Fund Management S.A. is authorised as a management company in Luxemburg and regulated by the Commission de Surveillance du Secteur Financier.
This key investor information is accurate as at 23/11/2017.