Epsilon Fund

A Fonds Commun de Placement
(Umbrella Fund)
governed by the Laws of Luxembourg

PROSPECTUS 31 MAY 2019

Contents

Notice . . . 4
Organisation . . . 6
1. The FCP . . . 7
1.1. Description of the FCP . . . 7
1.1.1. General . . . 7
1.1.2. Sub-Funds and Classes of Units . . . 7
1.2. Investment Objective and Risk Factors . . . 7
1.2.1. General . . . 8
1.2.2. Specific Risks . . . 8
1.2.3. Specific Risks of investing in the People's Republic of China ("PRC") . . . 14
1.3. Pooling . . . 17
2. Investments and Investment Restrictions . . . 18
2.1. Determination of and Restrictions on Investment Policy . . . 18
2.2. Specific investment rules for money market funds . . . 20
2.3. Techniques and Instruments . . . 25
2.3.1. Transactions dealing with futures and option contracts on transferable securities and money market instruments . . . 26
2.3.2. Transactions dealing with futures and option contracts relating to financial instruments . . . 26
2.3.3. Swap and Credit Default Swap (CDS) transactions . . . 26
2.3.4. Total Return Swaps . . . 26
2.3.5. Contracts For Difference (CFD) . . . 27
2.3.6. Currency derivatives . . . 27
2.3.7. Efficient Portfolio Management Techniques . . . 27
2.3.8. Collateral Management . . . 28
3. Net Asset Value . . . 30
3.1. General . . . 30
3.1.1. Determination of the Net Asset Value . . . 30
3.1.2. Valuation of the Net Assets . . . 30
3.2. Suspension of the Net Asset Value Calculation and Suspension of the Issue, Conversion and Redemption of Units . . . 32
4. FCP Units . . . 33
4.1. Description, Form and Unitholders' Rights . . . 33
4.1.1. Dividend Policy . . . 34
4.2. Issue of Units, Subscription and Payment Procedures . . . 34
4.3. Redemption of Units . . . 35
4.4. Conversion of Units . . . 36
4.5. Preventing Money Laundering and the Financing of Terrorism . . . 37
5. Operation of the FCP . . . 38
5.1. Management Regulations and Legal Framework . . . 38
5.2. Income Distribution Policy . . . 38
5.3. Financial Year and Management Report . . . 38
5.4. Costs and Expenses . . . 38
5.5. Information for Unitholders . . . 39
5.6. Liquidation of the FCP, its Sub-Funds, and the Classes of Units . . . 39
5.7. Closing of Sub-Funds or Units Classes via Merger with another Sub-Fund or Unit Class of the FCP or via Merger with another Luxembourg or Foreign UCI . . . 39
5.8. Sub-Funds or Unit Classes Splits . . . 40
5.9. Taxation . . . 40
5.10. Conflicts of Interest . . . 41
6. The Management Company . . . 43
7. Depositary Bank and Paying Agent . . . 45
8. Administrative Agent, Registrar and Transfer Agent . . . 47
9. Investment Manager . . . 48
10. Distributors and Nominees . . . 49
11. Available Information and Documents . . . 50
12. List of Sub-Funds . . . 51
Appendix A . . . 64
Appendix B . . . 65

Notice

The *Fonds Commun de Placement* **Epsilon Fund** (umbrella fund, hereinafter referred to as "FCP") is an investment vehicle registered pursuant to Part I of the Law of 17 December 2010 on collective investment undertakings. The filing of this document may not be construed as a positive judgment on the part of the supervisory authority responsible for controlling the content of this Prospectus or the quality of the securities offered and/or held by the FCP. Any statement to the contrary would be deemed unauthorized and illegal.

A Key Investor Information Document ("KIID") is available for all the sub-funds of the FCP and replaces the simplified prospectus of the FCP. The KIID is a pre-contractual document which in addition to summarizing important information applicable to one or several unit class(es) foreseen in this Prospectus also includes, but not limited to, information on risk guidance and warnings, a synthetic risk and reward indicator in the form of a numerical scale from one to seven and historical performance. The KIID shall be available on the Management Company's website www.eurizoncapital.lu and can also be obtained from the registered office of the Management Company.

Subscriptions are accepted on the basis of the current prospectus of the FCP (the "Prospectus"), the relevant KIID and the latest audited annual or unaudited semi-annual accounts of the FCP. These documents may be obtained free of charge at the registered office of the Management Company.

No reference may be made to information other than the information appearing in this Prospectus and in those documents mentioned herein which may be consulted by the public.

The Management Company is responsible for the accuracy of the information contained in this Prospectus.

Any information from or assertion made by a broker, seller or any natural person whatsoever that is not contained in this Prospectus or in the reports forming an integral part thereof must be considered as unauthorized and hence as unreliable.

Neither delivery of this Prospectus nor offer, issue or sale of FCP Units constitute an assertion that the information appearing in this Prospectus will be accurate at all times following the date the Prospectus is published. This Prospectus will be updated following any significant modification.

The information provided herein does not constitute an offer to purchase securities or a public call for financial saving in any jurisdiction in which such offers or solicitation are unauthorized.

In particular, the information provided is not intended for distribution in the United States and does not constitute an offer to sell or a solicitation to purchase any securities whatsoever in the United States or for the benefit of persons residing there (residents of the United States or associations or corporations organized under the laws of the United States of America or of any state, territory or possession thereof).

US investors:

No steps have been taken to have the FCP or its Units registered with the US Securities and Exchange Commission, as provided for under the Law of 1940 on American investment companies (Investment Company Act), and its amendments, or any other rules and regulations relative to securities. Hence this Prospectus may not be introduced into, transmitted to or distributed in the United States of America or its territories or possessions, and may not be delivered to American citizens or residents or to companies, associations or other entities created under or governed by the Laws of the United States (all of the foregoing constituting a "US person"). Moreover the FCP Units may not be offered or sold to US persons. Any violation of these restrictions may constitute a violation of American securities laws. The Management Company shall be entitled to demand immediate redemption of the Units purchased or held by US persons, including investors who become US persons after acquiring Units.

Subscribers to and potential purchasers of the FCP's Units are advised to inform themselves of the tax consequences, the legal requirements and any restrictions or exchange controls resulting from the laws of their country of origin, residence or domicile that may have an effect on the subscription to, or the holding or selling of Units.

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 FCP, if the investor is registered himself and in his own name in the unitholders' register of the FCP. In cases where an investor invests in the FCP through an intermediary investing into the FCP in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain unitholder rights directly against the FCP. Investors are advised to take advice on their rights.

Data Protection:

The Management Company, its services providers and delegates can hold, store and process, by electronic or other means, any information received in connection with an investment in the FCP in accordance with the Luxembourg Law of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data, as amended (the "Data Protection Law"). Such Personal Data may include, but not be limited to, the name, contact details (including postal or e-mail address), banking details, invested amount and holdings in the FCP of each investor ("Personal Data"). The investors have the right to access their Personal Data and the right to make changes thereto, provided that they prove their identity, in accordance with the Data Protection Law. Original documents may only be refuted by a document with the same legal value.

The Management Company, its services providers and delegates may share the acquired Personal Data with third parties for the purposes of eliciting a necessary service from these third party organisations and not for commercial gain. All Personal Data collected in the course of the business relationship with the FCP and/or the Management Company may be, subject to applicable local laws and regulations, collected, recorded, stored, disclosed, transferred or otherwise processed by the Management Company, other companies of the Intesa Sanpaolo Group, the Depositary Bank, Administrative Agent, Registrar and Transfer Agent, governmental or regulatory bodies including tax authorities, auditors and accountants and any other third parties which provide services to the FCP and/or the Management Company (the "Processors").

The Management Company, its service providers and third parties (including, but not limited to, the Depositary Bank, Administrative Agent, Registrar and Transfer Agent) may also share Personal Data to Processors that may be located in jurisdictions outside of Luxembourg and may or may not afford an adequate level of data protection and/or statutory confidentiality ("Third Countries"). Such countries may include, but not limited to, India, United States of America or Hong Kong.

The Personal Data may be processed, *inter alia*, for the purposes of account administration, development of business relationships, transfer agency, paying agency or any ancillary or related services requested by the FCP and/or the Management Company. Personal Data may be processed also for fight against money laundering and terrorist financing purposes, for Foreign Account Tax and Compliance Act ("FATCA") purposes (in accordance with the Luxembourg law of 24 July 2015 implementing the Foreign Account Tax Compliance Act), for Common Reporting Standard ("CRS") purposes (in accordance with the Luxembourg law of 18 December 2015 implementing the Directive of Administrative Cooperation) as well as for compliance with regulatory requirements, including foreign laws, any orders issued by a court, regulatory or governmental authority in any jurisdiction where the Personal Data may be stored or processed, or internal and Group policies. To this end, Personal Data may be transferred to third parties appointed by the FCP, the Management Company and/or Depositary Bank, Administrative Agent, Registrar and Transfer Agent and/or to third parties such as governmental or regulatory bodies including tax authorities, auditors and accountants in Luxembourg as well as in other jurisdictions.

The Management Company, its service providers and delegated are allowed to make recordings of telephone conversations. The purpose of making such recordings is to provide proof, in the event of a dispute, of a transaction or any commercial communication. Such recordings shall be retained in compliance with the applicable legislation.

The Personal Data included in money transfers is processed by service providers and other specialised companies, such as SWIFT (Society for Worldwide Interbank Financial Telecommunication). Such processing may be operated through centers located in other European countries or in Third Countries including, but not limited to the United States of America, in accordance with their local legislation. As a result, the US authorities can request access to personal data held in such operation centers for the purposes of fighting terrorism. Investors in the FCP, by instructing a payment order or any other operation, are giving implicit consent that all data elements necessary for the correct completion of the transaction may be processed outside of Luxembourg. In the interests of efficient management, Personal Data relating to investors shall be recorded on a machine readable medium.

By subscribing and/or holding Units of the FCP, investors are deemed to be providing their consent to the processing of their Personal Data and in particular, the disclosure of such Personal Data to, and the processing thereof, by the parties referred to above, including parties situated in countries outside of the European Union (such as but not limited to India, United States of America or Hong Kong) which may not offer a similar level of protection as the one deriving from Data Protection Law.

Organisation

Epsilon Fund

A *Fonds Commun de Placement* (umbrella fund) governed by the Laws of Luxembourg 8, avenue de la Liberté – L- 1930 Luxembourg

Management Company and Promoter

Eurizon Capital S.A.
8, avenue de la Liberté
L-1930 Luxembourg

Management Company's Board of Directors

Chairman of the Board of Directors:

Mr Tommaso CORCOS
Managing Director of Eurizon Capital SGR S.p.A., Milan
Resident in Milan, Italy

Vice Chairman of the Board of Directors:

Mr Daniel GROS
Independent Director
Resident in Brussels, Belgium

Managing Director:

Mr Bruno ALFIERI
General Manager of Eurizon Capital S.A., Luxembourg
Resident in Luxembourg

Director:

Mr Marco BUS
Co-General Manager of Eurizon Capital S.A., Luxembourg
Resident in Luxembourg

Director:

Mr Massimo MAZZINI
Head of Marketing and Business Development of Eurizon Capital SGR S.p.A., Milan
Resident in Milan, Italy

Director:

Mr Paul HELMINGER
Independent Director
Resident in Luxembourg

Director:

Mr Claudio SOZZINI
Independent Director
Resident in Milan, Italy

Management Company's Conducting Officers

Mr Bruno ALFIERI
General Manager
Resident in Luxembourg

Mr Marco BUS
Co-General Manager
Resident in Luxembourg

Mr Jérôme DEBERTOLIS
Resident in Luxembourg

Depositary Bank and Paying Agent

State Street Bank Luxembourg S.C.A.
49, Avenue J.F. Kennedy
L-1855 Luxembourg

Local Paying Agents

Austria:

Erste Bank der oesterreichischen Sparkassen AG
Am Belvedere 1
1100 Vienna

Belgium:

CACEIS Belgium S.A.
86, Avenue du Port
B - 1000 Brussels

Italy:

State Street Bank International GmbH (acting through its Italian Branch),
10, via Ferrante Aporti
20125, Milan

ALLFUNDS Bank S.A., (acting through its Italian Branch)
7, via Santa Margherita
20121, Milan

BNP PARIBAS Securities Services (acting through its Milan Branch)
Piazza Lina Bo Bardi, 3
I-20124, Milan

SOCIETE GENERALE Securities Services S.p.A.,
19A – MAC2, Via Benigno Crespi
20159, Milan
Italy

CACEIS Bank S.A.– Italian Branch
2, Piazza Cavour
I-20121, Milan

Banca Sella Holding S.p.A.
1, Piazza Gaudenzio Sella
I-13900 BIELLA

France:

State Street Banque S.A.
Défense Plaza, 23-25 rue Delarivière-Lefoullon
F-92064 Paris La Défense Cedex

Sweden:

Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8,
106 40 Stockholm

Administrative Agent, Registrar and Transfer Agent

State Street Bank Luxembourg S.C.A.
49, Avenue J.F. Kennedy
L-1855 Luxembourg

Investment Managers

Eurizon Capital S.A.
8, avenue de le Liberté
L-1930 Luxembourg

Eurizon Capital SGR S.p.A.
Piazzetta Giordano dell'Amore, 3
20121 Milan

Epsilon SGR S.p.A.
Piazzetta Giordano dell'Amore, 3
20121 Milan

FCP and Management Company Auditor

KPMG Luxembourg Société Coopérative
39, Avenue J.F. Kennedy
L-1855 Luxembourg

1. The FCP

1.1. Description of the FCP

1.1.1. General

Epsilon Fund (formerly Eurizon Stars Fund) (hereinafter referred to as the "FCP"), was created in the Grand Duchy of Luxembourg on 21 April 2008 in the form of a mutual investment fund in transferable securities governed by the Laws of Luxembourg, and is currently subject to by Part I of the Law of 17 December 2010 on collective investment undertakings ("UCI"), as amended. The FCP is also subject to the provisions of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, where applicable. The management regulations (the "Management Regulations"), after having been approved by the Board of Directors of the management company Eurizon Capital S.A. (the "Management Company"), have been signed by State Street Bank Luxembourg S.C.A., the Depositary Bank, on 21 April 2008 and the notification of the filing with the *Registre du Commerce et des Sociétés* in Luxembourg has been published in the *Mémorial, Recueil Spécial des Sociétés et Associations* on 8 May 2008. The notices informing of the deposit with the *Registre du Commerce et des Sociétés* in Luxembourg of an amended version of the Management Regulations were published in the *Mémorial, Recueil Spécial des Sociétés et Associations* until 31 May 2016 and on the official electronic platform *Recueil Electronique des Sociétés et Associations* as from 1 June 2016.

The FCP is registered with the *Registre du Commerce et des Sociétés* in Luxembourg under number K349.

The Management Regulations in force have been filed with the Luxembourg Commercial Register, where they may be consulted, and copies can be obtained.

The Management Company has decided to modify the FCP's name from "Eurizon Stars Fund" to "Epsilon Fund" with effective date on 29 June 2012.

The FCP has been established for an indefinite period.

The FCP has no legal personality. It is a joint ownership of securities and other assets as authorized by law, managed by the Management Company on the basis of the risk spreading principle, on behalf of and in the sole interest of the co-owners (hereinafter referred to as the "Unitholders"), who are committed only to the extent of their investment.

Its assets are owned jointly and indivisibly by the Unitholders and constitute a holding separate from the Management Company's holdings. All of the jointly owned Units have equal rights. The FCP's net assets shall, within a period of six months following authorization, be at least equal to 1,250,000.00 EUR. There is no limitation on the amount of holdings or on the number of jointly owned Units representing the FCP's assets.

The respective rights and obligations of the Unitholders, the Management Company and the Depositary Bank are defined in the Management Regulations.

By agreement with the Depositary Bank and pursuant to the Laws of Luxembourg, the Management Company may make any amendments in the Management Regulations it considers useful in the interest of Unitholders. Notices informing of these amendments are published on the official electronic platform *Recueil Electronique des Sociétés et Associations* and, in principle, become effective as of the time of their signature.

The Management Regulations do not provide for the Unitholders' meetings to take the form of Unitholders' general meetings, except in the event of the Management Company's proposal to merge the assets of the FCP or of one or several of the FCP's Sub-Funds with another UCI governed by non-Luxembourg laws.

1.1.2. Sub-Funds and Classes of Units

The FCP is structured in the form of an umbrella fund, including separate amounts of assets and liabilities (each referred to as a "Sub-Fund"), and each characterized by a particular investment objective. The assets of each Sub-Fund are separated in the FCP's accounts from the FCP's other assets.

Within each Sub-Fund, the Management Company may issue one or several Classes of Units (the "Classes of Units", or "Unit Classes"), each Unit Class having one or several characteristics distinct from the characteristic(s) of the others, such as, for instance, a particular structure for sale and redemption expenses, a particular structure for advisory or management expenses, a policy related to the hedging or lack of hedging with respect to exchange risks, or a particular distribution policy.

The characteristics and the investment policy of the Sub-Funds that are created and/or opened to subscription are described on their respective sheets attached to this Prospectus and constituting an integral part thereof (hereinafter, depending on the context, the "Sub-Fund Sheet" or "Sub-Fund Sheets").

The Management Company reserves the right to create new Sub-Funds or new Classes of Units, as the case may be, at any time, on the basis of a simple decision. Any creation of a new Sub-Fund will result in a Prospectus update.

The FCP and its Sub-Funds constitute a single legal entity. However in the relationships between the Unitholders each Sub-Fund is treated as a separate entity having its own assets, capital gains, capital losses etc. Vis-à-vis third parties, in particular creditors, the assets of a given Sub-Fund only stand surety for the debts, commitments and obligations linked to that Sub-Fund.

In the absence of indications to the contrary in this Prospectus, the Units of the various Sub-Funds may normally be issued, redeemed and converted on each valuation day at a price calculated on the basis of the Net Asset Value per Unit of the Class in question in the Sub-Fund in question, adding all applicable expenses and charges as provided for in this Prospectus.

The FCP's consolidated financial report is denominated in Euros. The Net Asset Value per Unit of each Sub-Fund/Class of Unit is denominated in the Currency of Reference of the corresponding Sub-Fund, as indicated in this Prospectus.

Subject to the provisions set forth below, investors may convert all or part of their Units in a given Sub-Fund into Units of another Sub-Fund or, if there are several Classes of Units, from one Class of Units to another Class of Units except for some of those Classes, accessible only to certain types of investors as defined in this Prospectus.

1.2. Investment Objective and Risk Factors

The sections below are intended to describe various risk factors and sources of uncertainty associated with an investment in the Units to which the attention of the Unitholders is drawn. However, the considerations which follow are not intended to be exhaustive and there may be other issues that should be taken into account before considering an investment in the Units.

1.2.1. General

The FCP offers the public the possibility of investing in a portfolio of financial instruments as authorized by the law, with a view to obtaining capital gain and/or income combined with substantial investment liquidity, in particular when compared to financial products having similar risk and return profiles.

To this end, portfolio diversification is ensured from different perspectives according to the indications specified in the investment policy section of each of the FCP's Sub-Funds appearing in the Sub-Fund Sheets.

In any event, the FCP's assets are subject to market fluctuations as well as to other risks inherent in any financial investment and therefore the FCP cannot guarantee that it will meet its objectives.

The Unitholder has the option of choosing, in light of its own needs or expectations regarding the market dynamics, the investments he wishes to make in any of the FCP's Sub-Funds.

The Management Company carries out its activities with the objective of providing both investment protection and capital appreciation. However it is not guaranteed that this objective can be surely met due to the uncertainty of market evolution.

Hence, the Unitholders should be aware that the Net Asset Value per Unit can vary upward as well as downward and that past performance is not necessarily a guide to future performance.

1.2.2. Specific Risks

Regulatory Risk

The Fund is domiciled in Luxembourg and investors should note that all the regulatory protections provided by local regulatory authorities may not apply. Investors should consult their financial advisors for further information on this matter.

Investment Objective

Each Sub-Fund's investment objectives and policies, as determined by the Management Company pursuant to the Management Regulations and to the law, comply with the provisions defined in a general way in the "Investments and Investment Restrictions" chapter of this Prospectus and, whenever applicable, in more detail in the Sub-Fund Sheets. However, there is no guarantee that the investment objectives of any of the Sub-Funds will be achieved.

Market and Currency Risk

Each of the Sub-Funds' investments is generally subject to market fluctuations. Some Sub-Funds may be invested in instruments denominated or dependent upon currencies other than the currency in which the Sub-Fund's Net Asset Value is denominated. Changes in the exchange rates between the Sub-Fund's Reference Currency and the currencies of the instruments in which the Sub-Fund invests may affect the value of the Units held in such Sub-Funds.

Risks associated with all Classes of Units

Although there is an accounting attribution of assets and liabilities to each Class of Units, there is no legal segregation with respect to Classes of Units of the same Sub-Fund. Therefore, in case the liability of one Class of Units would exceed its assets, creditors of such Class of Units could seek to have recourse to the assets attributable to the other Classes of Units of the same Sub-Fund. Transactions relating to one particular Class of Units could therefore affect the other Classes of Units of that same Sub-Fund.

Risks associated with currency hedged Classes of Units

While the Management Company may attempt to reduce the effect of exchange rate fluctuations between the Sub-Fund's Reference Currency and denominative currency of the currency hedged Class of Units there can be no guarantee that it will be successful in doing so. Also, while the hedging strategy may protect investors in the relevant currency hedged Classes of Units against a decrease in the value of the currency exposure of the underlying portfolio holdings relative to the denominative currency of the currency hedged Class of Units, it may as well preclude investors from benefiting from an increase in the currency value of the underlying portfolio holdings. Investors in the currency hedged Classes of Units may have exposure to currencies other than the denominative currency of their currency hedged Class of Units. When a Sub-Fund holds assets that are denominated in multiple currencies, there is a greater risk that currency fluctuations will in practice not be fully hedged. In general, the Sub-Fund enters into derivative contracts in order to hedge the currency risk which may generate payment/delivery obligations at the level of the Sub-Fund that it should be able to meet (e.g. in case of cash settlement of currency forward contracts, collateral arrangements). Due to the lack of asset segregation between Classes of Units, the derivatives used in the hedging of a given Class of Unit become part of the common pool of assets. The application of a derivative overlay in a currency hedged Class of Units therefore introduces potential counterparty and operational risk for all investors in the Sub-Fund. This could lead to a risk of contagion (also known as spill-over) to other Classes of Units, some of which might not have any hedging in place. Spill-over risk could disadvantage investors in those Classes of Units with no hedging, as well as those participating in the Class of Units that benefits from the hedging. All gains/losses or expenses arising from the currency hedge transactions will be borne by the Unitholders in the currency hedged Class of Units. Given that there is no segregation of liabilities between Classes of Units, there is a risk that, under certain circumstances, currency hedging transactions in relation to one Class of Units could result in liabilities which might affect the Net Asset Value of the other Classes of Units of the same Sub-Fund. Although this contagion risk may be mitigated, it cannot be fully eliminated, as the possibility of an adverse tail event materialising will persist, e.g. through the default of a derivative counterparty or through the losses relating to Class of Unit specific assets exceeding the value of the respective Class of Units. Investors should refer to the Management Company's website (www.eurizoncapital.lu) for current details of which currency hedged Class of Units are in issue.

Dividend distribution risk

Distribution of dividends, if any, is not guaranteed. Only Unitholders whose names are entered on the relevant record date shall be entitled to the distribution declared in respect of the corresponding interim or annual accounting period, as the case may be. A Sub-Fund's dividend policy may allow for payment of dividends out of capital. Where this is done, it amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. The Net Asset Value of the relevant Sub-Fund and the Net Asset Value of the relevant Unit Class will be reduced by the amount of dividend paid. Unitholders shall refer to the Sub-Fund's dividend policy specified in the section entitled "Description, Form and Unitholders' Rights" to check whether payment of dividends out of capital is allowed.

Credit Risk

Unitholders should be aware that investments in the Sub-Funds may involve credit risks. Investments in bonds or other debt instruments, for example, involve credit risk. In the event that any issuer experiences difficulties related to the general condition of credit markets or more specific situations, the market price of the relevant securities subject to credit risk as well as the intermediate payments associated to such securities may significantly affected, and even be reduced to zero.

When assessing the creditworthiness of an issuer or a financial instrument, the Management Company does not solely or mechanically rely on the credit ratings granted by credit rating agencies as the Management Company uses its own process aimed at monitoring and managing the credit ratings of issuers that contribute significantly to the credit risk of the Sub-Funds.

In particular, in relation to the issuers which represent significant positions and/or an important portion of the Sub-Funds' portfolios, financial instruments are deemed "Investment Grade" provided they received an adequate credit quality based on the Management Company's assessment process. This process may take into consideration, among quantitative and qualitative criteria, the credit ratings granted by credit rating agencies established in the European Union and registered in accordance with the Regulation N° 462/2013 of the European Parliament and of the Council of 21 May 2013 amending Regulation N° 1060/2009 on credit rating agencies. For those issuers that do not represent significant positions and/or an important portion of the Sub-Funds' portfolios, financial instruments are deemed "Investment Grade" when such credit rating is granted by at least one of the above-mentioned credit rating agencies.

Among Investment Grade financial instruments, "High Grade" financial instruments are those that report, at issue or issuer level, the highest creditworthiness levels according to the credit rating agencies used by the Management Company or to the Management Company's own assessment process, as the case may be. Non-Investment Grade financial instruments are considered "Speculative", "Highly Speculative" or "Extremely Speculative" according the credit ratings awarded by the credit rating agencies used by the Management Company or by the Management Company, as the case may be.

As regards the money market funds as defined and regulated by Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, the Management Company has established, implemented and consistently applies a prudent, systematic and continuous internal credit quality assessment procedure for systematically determining the credit quality of money market instruments, securitisations and asset-backed commercial papers in which a money market fund may invest in accordance with the provisions of the Regulation and relevant delegated acts supplementing the Regulation, taking into account the issuer of the instrument and the characteristics of the instrument itself. In applying its internal credit quality assessment procedure, the Management Company uses information of sufficient quality, up-to-date and from reliable sources. This information is regularly reviewed and kept up-to-date. The internal assessment procedure of the Management Company is based on prudent, systematic and continuous assessment methodologies. The methodologies used have been validated by the Management Company on the basis of historical experience and empirical evidence, including back testing. The internal credit quality assessment procedure of the Management Company complies with all of the general principles provided for in Article 19 4. of Regulation (EU) 2017/1131 and takes into account the factors and general principles provided for in Article 20 2. of Regulation (EU) 2017/1131. Where a credit rating agency registered and certified in accordance with Regulation (EC) No 1060/2009 has provided a rating of that money market instrument, the Management Company may have regard to such rating and supplementary information and analysis in its internal credit quality assessment, while not solely or mechanistically relying on such rating in accordance with Article 5a of Regulation (EC) No 1060/2009. In accordance to Article 21 of Regulation (EU) 2017/1131, the Management Company documents its internal credit quality assessment procedure and credit quality assessments.

The internal assessment procedure of the Management Company is administered by a dedicated team of credit research analysts under the responsibility of the Management Company.

The internal assessment procedure is approved by the Management Company's Conducting Officers and subsequently by the Management Company's Board of Directors.

The internal assessment procedure of the Management Company is monitored on an ongoing basis by the Management Company, in particular to ensure that the procedure is appropriate and continue to provide an accurate representation of the credit quality of the instruments in which each money market fund may invest. The internal credit procedure is designed with the flexibility to adapt to changes to the relative importance of the assessment criteria, as they may change from time to time.

The internal assessment procedure includes criteria to analyse financial data, identify trends, and track key determinants of credit risk in relation to the relevant issuer.

A) Quantitative Criteria

The internal assessment procedure relies on and include quantitative indicators such as, but not limited to:

a) pricing of money market instruments relevant to the issuer, the instrument or industry sector or region;

b) credit default swap pricing information;

c) financial indices relevant to the geographic location, industry sectors or asset class of the issuer or Instrument;

d) financial information and default statistics relating to the issuer which is industry specific; and

e) any other indicators deemed as relevant by the dedicated team and/or identified in the Commission Delegated Regulation (EU) 2018/990 of 10 April 2018 amending and supplementing the Regulation (the "**Delegated Regulation**").

B) Qualitative Criteria

The internal assessment procedure relies on and include qualitative indicators in relation to the issuer such as, but not limited to:

a) financial situation of the issuer;

b) sources of liquidity of the issuer;

c) ability of the issuer to react to future market-wide or issuer-specific events;

d) strength of the issuer's industry within the economy relative to economic trends and the issuer's competitive positon in its industry;

e) analyses regarding any underlying assets;

f) any structural aspects of the relevant instruments;

g) the relevant market(s); and

h) governance risk relating to the issuer and any other indicators deemed as relevant by the dedicated team and/or identified in the Delegated Regulation,

i) the short term characteristic of the money market instruments;

j) the class of activity of the instrument;

k) the type of issuer;

l) the potential operational risk and counterparty risk inherent to the structured financial instruments;

m) the liquidity profile of the instrument.

External ratings may be used to supplement the assessment while not solely or mechanistically relying on such rating.

In case of a favourable assessment, the issuer/instrument will be added to an approval list and an internal rating will be given to instruments/issuers based on the results of the credit quality assessment.

In accordance with the internal assessment procedure, the internal rating assigned to each issuer and instrument must be reviewed at least annually (or more frequently if market factors so dictate). If an issuer's credit quality becomes uncertain or "newsworthy" (for example, through a significant negative financial event or a meaningful credit rating agency downgrade), the issuer's credit standing will immediately be reassessed and appropriate actions for any specific instrument of the relevant issuer within the Sub-Funds may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the unitholders.

<u>Equivalency table for the long-term credit ratings provided by the main credit agencies:</u>

		Moody's	**Standard & Poor's**	**Fitch**	**Creditworthiness**
Investment Grade	High Grade	From Aaa to A2	From AAA to A	From AAA to A	Strong/very strong capacity for an issuer to meet its financial commitments (high quality debt instruments)
	Medium Grade	From A3 to Baa3	From A- to BBB-	From A- to BBB-	Adequate/strong capacity for an issuer to meet its financial commitment (medium quality debt instruments)
Non-Investment Grade	Speculative Grade	From Ba1 to Ba3	From BB+ to BB-	From BB+ to BB-	Some adverse circumstances (like business, financial or economic conditions) could lead to an inadequate capacity for the issuer to meet its financial commitment (lower quality debt instruments)
	Highly Speculative	From B1 to B3	From B+ to B-	From B+ to B-	Some adverse circumstances (like business, financial or economic conditions) will likely lead to an inadequate capacity for the issuer to meet its financial commitment (lower quality debt instruments)
	Extremely Speculative	< B3	< B-	< B-	The issuer is either vulnerable and dependent upon favourable business, financial or economic conditions to meet its financial commitment or has failed to meet one or more of its financial commitments

Interest Rate Risk

The financial instruments held by the Sub-Funds can be subject to interest rate risk. The prices of fixed income securities, for instance, will generally be inversely proportional to changes in the level of interest rates and such variation may affect Units' prices accordingly.

Investments in illiquid financial instruments

Within the limits set forth in the "Investments and Investment Restrictions" chapter of this Prospectus, the FCP may invest a part of its net assets in securities which may lack liquidity. The securities' lack of liquidity should not significantly affect the liquidity of the Units; however investors are reminded that difficulties in assessing the value of these securities could potentially result in over-valuation or under-valuation of the Net Asset Value.

In addition, some of the markets in which a Sub-Fund invests may prove at times to be illiquid, insufficiently liquid or highly volatile, particularly in the case of adverse market conditions. This may affect the price at which a Sub-Fund may be forced to liquidate positions to meet redemption requests or other funding requirements.

Political and economic Risks

Investments in emerging markets or less developed economies involve risks of expropriation of assets, of a confiscation tax, of political or social instability, or of diplomatic developments that could affect the investments made in such economies. Moreover, information concerning certain financial instruments may be less accessible to the public, and the public authorities in these countries may not be subject to standard requirements related to auditing, accounting or registration comparable with the ones to which certain investors are accustomed. Even though certain financial markets have recently experienced a notable increase in terms of traded volume, significant difficulties are still to be expected as far as general market depth is concerned. In fact, the securities of many companies in emerging or less developed countries are not as liquid and their prices are more volatile than securities of similar companies traded in larger markets. In many such countries there may also be peculiar systems of supervision and regulation of financial markets, financial institutions and issuers. Furthermore the requirements and limitations imposed on investments made by foreigners in certain countries may affect some of the Sub-Funds' transactions. Changes to legislation or exchange control measures occurring after an investment is made may create problems with respect to the repatriation of the funds. There may also be risks of loss due to the absence of adequate systems for linked to transfer, price calculation, accounting and securities custody. The risks of fraud associated with corruption and organized crime are also non-negligible.

Use of a benchmark

Where the applicable Sub-Fund sheet indicates that the Sub-Fund's investment objective is to outperform the benchmark (as defined in the applicable Sub-Fund Sheet), no assurances are given as to the performance of the Sub-Fund relative to the benchmark. The performance may result in the Sub-Fund:

– underperforming relative to the benchmark; or

– having a strong correlation to the performance of the benchmark even during periods of outperformance or underperformance of the benchmark.

The past performance of a benchmark is not a guide to future performance.

When calculating the performance commission payable to the Management Company or for the purpose of defining their asset allocation, certain Sub-Funds are using benchmarks within the meaning of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time ("Benchmarks Regulation").

The Management Company is working with the applicable benchmark administrators for the benchmark indices of such Sub-Funds to confirm that the benchmark administrators are, or intend to get themselves, included in the register maintained by ESMA under the Benchmarks Regulation. A benchmark calculation and publication could be discontinued (e.g. in case of withdrawal or suspension of the administrator's authorisation or registration) or its calculation methodology could be materially amended. The Management Company will make available, once finalised, a written plan setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided, on request and free of charges at the registered office of the Management Company in Luxembourg.

<u>Benchmarks used by the FCP within the meaning of the Benchmarks Regulation</u>

Benchmark	Administrator*
Bloomberg Barclays Euro Treasury Bills® Index	Bloomberg Index Services Limited
JP Morgan EMU Government Bond Index®	J.P. Morgan Securities LLC
Euro Stoxx Net Return	STOXX Ltd.

* As at the date of this Prospectus, none of the benchmark administrators are featured in the ESMA register referred to in article 36 of the Benchmarks Regulation. Once featured, this Prospectus will be updated accordingly at the next available opportunity.

Investment in Less Developed Markets

The systems for settlement of transactions in less developed markets, in particular in emerging countries and in Russia, may be not as well organized as in developed countries. Hence, there is a risk that settlement of transactions could be delayed and that the liquidity of the securities of the Sub-Funds could be threatened due to such settlement systems breaking down or failing. In particular, in these countries, market practice may require payment to be made before receipt of the purchased securities, or a security might have to be delivered before the price is received. In such cases, failure by a financial institution through which the transaction was to be made would result in a loss for the Sub-Funds investing in the emerging countries' securities. Whenever possible, the FCP will try to employ counterparties whose financial status is such as to limit the aforementioned risk to a minimum. However, there can be no certainty that the FCP will successfully eliminate this type of risk for the Sub-Funds, since the counterparties operating in the emerging markets frequently lack a level of solidity comparable to the counterparties operating in the developed markets.

Investments in specific sectors

Certain Sub-Funds may direct their investments to financial instruments related to companies belonging to specific sectors of the economy and will therefore be subject to concentration risk. Investment sensitive to the dynamics of specific sectors such as energy and materials, consumer staples, technology, financial services or telecommunications may be significantly affected, in particular when these sectors experience negative market conditions.

Investment in financial instruments related to smaller companies

Sub-Funds which invest in instruments related to smaller companies may experience larger fluctuations in value than other Sub-Funds. In particular, investments in securities of smaller companies may, especially during periods when markets are falling, become less liquid and more volatile. As a consequence, investments in financial products related to smaller companies may involve more risks than similar investments related to larger companies.

Investment in lower rated, high yield debt instruments

Sub-Funds which invest in lower rated, high yield debt instruments are subject to greater market and credit risk than Sub-Funds which invest in relatively higher rated securities. The lower ratings attached to such instruments reflect the greater possibility that adverse changes in the financial conditions of the issuer or the market in general may impair the ability of the issuer to timely deliver the payments due to the holders. Consequently, such Sub-Funds may incorporate more risk than Sub-Funds investing in higher rated debt instruments.

Investment in Convertible Bonds

Sub-Funds which invest in convertible bonds are subject to the same interest rate and credit risks as Sub-Funds investing in ordinary corporate bonds. However, as convertibles bonds allow investors to benefit directly from a company's success should its share price rise, this exposure to equity movements can lead to more volatility than could be expected from a comparable ordinary corporate bond investment.

Investment in contingent convertible bonds

Contingent Convertible Bonds (CoCos) are debt securities where the principal amount may be cancelled, reduced or converted into equity in certain circumstances relating, for example, to the level of own funds of the issuing institution, and/or the coupon payable modified in a discretionary way by the issuer. Among others, the main potential risks connected to the investment in CoCos are the following:

– Trigger level risk: trigger levels (which are disclosed in the prospectus of each issuance) differ and determine exposure to conversion risk depending on the own funds of the issuing institution distance to the trigger level. The amount of own funds varies depending on the issuer while trigger levels differ depending on the specific terms of issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.

– Coupon cancellation: Coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time, for a certain type of CoCos. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of this type of CoCos and may lead to mispricing of risk.

– Capital structure inversion risk: in certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write down CoCo is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.

– Call extension risk: certain CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual CoCos will be called on call date.

– Unknown risk: in a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, the market may view the issue as a systemic event. In that case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore in an illiquid market, price formation may be increasingly stressed.

– Yield/Valuation risk: Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether investors have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCos tend to compare favourably from a yield standpoint. The concern is whether investors have fully considered the risk of conversion or, for Additional Tier 1 CoCos (AT1 Cocos), coupon cancellation.

Investment in securitized or structured debt instruments

Sub-Funds which invest in securitized or structured debt instruments are usually subject to higher risks than Sub-Funds which invest in government and investment grade corporate bonds. Such instruments provide exposure to underlying assets such as but not limited to residential or commercial mortgages, consumer or corporate loans, credit card receivables or manufactured housing loans. Securitized or structured debt instruments may be more sensitive to interest rate changes and thus may face a higher level of volatility when interest rates rise. When interest rates fall, borrowers tend to pay off their mortgages sooner than expected: the return of Sub-Funds which invest in securities related to the mortgage market may thus decrease as the prepaid amounts will be invested at lower rates. Besides that, investments in securitized or structured debt instruments entail significant liquidity risk: in the absence of a liquid market for such securities, the prevailing market price does not necessarily reflect the value of the underlying assets and the securities could trade at a discount from fair value. This absence of liquidity may affect the price at which a Sub-Fund can liquidate its positions to meet redemption requests or other funding requirements.

Investments in UCITS

Investment by each Sub-Fund in units of undertakings for collective investment in transferable securities ("UCITS") and/or other UCIs may entail that fees borne by an investor would be increased by various fees such as subscription commissions, redemption commissions, Depositary bank commissions, and administration and management commissions.

Indirect investments in commodities

The risks associated with exposure to commodities may be greater than those resulting from investments in other asset classes. The value of commodities may be affected by economic, political, military or natural events, as well as active government interventions, including embargoes or tariffs. The availability of commodities could also be impacted by terrorism and other criminal activities. Commodity prices and therefore the value of commodity-linked instruments can be then more volatile than investments in traditional securities or be negatively impacted by such events.

Investments in Financial Derivative Instruments

Investments in derivatives may involve additional risks for Unitholders. These additional risks may in general arise as a result of leverage factors associated with the transactions, the creditworthiness of the counterparties involved in the over-the-counter ("OTC") transactions and the potential illiquidity of the markets for derivative instruments. When financial derivatives instruments are used for investment purposes, the overall risk of loss may be increased. When financial derivatives instruments are used for hedging purposes, the risk of loss can be reduced, but less than expected under normal market conditions, when correlations are reliable predictors of the relationship between the hedging and the hedged item, or even increased. Derivative instruments include futures, options, contracts for differences, forwards and swaps.

In particular, the Sub-Funds may use OTC derivatives more than exchange traded instruments. Unitholders should then be aware that some of the derivatives included in the Sub-Funds can be highly specialized and tailored to specific investment objectives.

Derivative contracts can be traded in a securities stock exchange, in another regulated market which operates regularly and is recognized and open to the public, or traded on the OTC market. As far as OTC transactions are concerned, the FCP will only be entitled to deal with first-rate financial institutions that participate in the OTC markets and specialize in derivatives transactions. All OTC derivative transactions will be executed on the basis of industry accepted documentation/ standardized documentation, such as the International Swaps and Derivatives Association (ISDA) Master Agreement.

The FCP must use an appropriate risk management process in order to monitor and measure, at any time, the risk of positions in derivative instruments and their contribution to the overall risk profile of the portfolio.

Investments in Forwards, Futures, Options and Warrants

The possibility of investments in derivative financial instruments such as forwards and futures may substantially influence the risk profile of the FCP's Units. In particular, transactions dealing with forward contracts may generate a leverage effect: the relatively limited investment required for such transactions can indeed increase the FCP's actual exposure to the underlying security of the forward contract. As a consequence, even a small fluctuation in the price of the underlying of a forward contract may give rise to significant losses.

The sale options to buy ("call options") and options to sell ("put options") may originate substantial investment risks for Unitholders.

The sale of naked call options, i.e. options not covered by the underlying assets or even by financial instruments positively correlated to the dynamics of the underlying assets, entails the risk of potentially unlimited losses equal to the difference, if positive, between the price of the underlying and the exercise price of the contract, reduced by the premium received. Similarly, the sale of put options gives rise to the risk of losing the difference, if positive, between the strike price and the price of the underlying, reduced by the amount of the premium received.

Warrants may guarantee a significant leverage effect, but are also characterized by a high risk of depreciation.

Transactions on forward and options contracts in the OTC markets may be illiquid, in particular in the case of exotic or tailor-made options. Moreover, it is not always possible to execute a buy or sell order at the strike price or to close out an open position in the short term.

Investments in Swaps and Credit Default Swap

A swap is a financial derivative instrument put in place by the Sub-Fund and a counterparty in order to exchange two streams of payments, for instance, an exchange of floating rate payments for fixed payments at predetermined dates.

When selling a Credit Default Swap (CDS) that has been used to provide protection against default risk in exchange of a stream of premia, the Sub-Fund assumes a position comparable to the purchase of one or more debt securities subject to the same risk of default of the CDS contract, for a nominal value equal to the notional of the CDS. In both cases, in case of default, losses will equal the difference between the face value and the recovery value of the debt instruments. The Unitholders must be particularly aware that swaps and CDS contracts may be illiquid.

Total Return Swaps

Total Return Swaps are agreements in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves counterparty risk. If the Sub-Fund engages in OTC derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the FCP and any of its Sub-Funds enters into Total Return Swaps on a net basis, the two payment streams are netted out, with the FCP or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Total Return Swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to Total Return Swaps is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a Total Return Swaps defaults, in normal circumstances the relevant Sub-Fund's risk of loss consists of the net amount of total return payments that the Sub-Fund is contractually entitled to receive.

Counterparty risk in OTC derivatives transactions

Counterparty risk in OTC derivatives transactions is the risk that the counterparty to a derivative contract will default on its obligation and fail to fulfill the contractual agreement.

The Unitholders must be aware that the counterparty to the OTC derivative transactions is expected to be Banca Imi S.p.A. (the "Counterparty") for structured Sub-Funds, if any.

Efficient measures, such as netting and exchange of collateral under industry accepted protocols, will be put in place in order to significantly mitigate the counterparty risk. Financial institutions involved in OTC transactions including the Counterparty will be carefully selected and the resulting counterparty risk will be subject to appropriate monitoring and control in the context of the FCP's risk management process.

Notwithstanding the above, each Sub-Fund may be to some extent exposed to credit risk on the counterparties with which it trades in relation to OTC derivatives and the default of any of such counterparties may result in losses proportional to the market value of the derivative contracts between the Sub-Fund and the defaulting counterparty.

Efficient Portfolio Management Techniques

Efficient Portfolio Management Techniques refer to certain techniques and instruments relating to transferable securities and money market instruments that may be employed for the purpose of efficient portfolio management. As specified hereinafter in this Prospectus, these techniques include securities lending and repurchase agreements transactions.

Securities lending involves counterparty risk, including the risk that the loaned securities may not be returned or returned in a timely manner and/or a loss of rights in the collateral if the borrower or the lending agent defaults. This risk is increased when a fund's loans are concentrated with a single or limited number of borrowers. In addition, a fund bears the risk of loss in connection with its investments of the cash collateral it receives from the borrower. To the extent that the value or return of the fund's investments of the cash collateral declines below the amount owed to a borrower, a fund may incur losses that exceed the amount it earned on lending the security.

Repurchase agreements may be subject to counterparty risk and/or credit risk. If the counterparty defaults on its obligations, the FCP may incur costs or lose money in exercising its rights under the agreement. The counterparty's credit risk is reduced by the delivery of collateral. The liquidity risk relates to securities used as collateral. The liquidity risk is low with the government bonds traded on the stock exchange or on the interbank market, on the contrary, with the low rating shares and bonds the liquidity risk is higher.

The risks arising from these techniques are adequately captured by the risk management process of the FCP and will not result add significant risks in comparison to the original investment policy of the Sub-Funds.

1.2.3. Specific Risks of investing in the People's Republic of China ("PRC")

Hong Kong Stock Connect programs risks

Under Hong Kong Stock Connect (the "Hong Kong Stock Connect"), the Stock Exchange of Hong Kong (the "SEHK") and the Shanghai Stock Exchange (the "SSE") / Shenzhen Stock Exchange (the "SZSE") have established a mutual trading program to enable investors of their respective market to trade and settle designated securities listed in the other's market. Through the Hong Kong Stock Connect, international investors can trade and settle designated securities listed on the SSE / SZSE through the SEHK and clearing house in Hong Kong (Northbound trading) and PRC's domestic investors can trade and settle designated securities listed on the SEHK through the SSE / SZSE and clearing house in Shanghai / Shenzhen (Southbound trading).

Trading of SSE / SZSE securities through the Hong Kong Stock Connect is open to all Hong Kong and overseas investors like the FCP, including institutional and individual investors.

A) Northbound eligible securities

Through the Shanghai-Hong Kong Stock Connect program, Hong Kong and overseas investors like the FCP are currently able to trade all the constituent stocks of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A-shares (A-shares are shares traded in Chinese Renminbi issued by companies incorporated in the PRC and listed on the Shanghai and Shenzhen stock exchanges) that are not included as constituent stocks of the relevant indices but which have corresponding H-shares listed on SEHK (except SSE-listed shares which are not traded in RMB or under risk alert). Through the Shenzhen-Hong Kong Stock Connect program, Hong Kong and overseas investors like the FCP are currently able to trade selective stocks listed on the SZSE market. These include all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalization of not less than RMB 6 billion, and all the SZSE-listed A shares which have corresponding H shares listed on SEHK (except SZSE-listed shares which are not traded in RMB or under risk alert). Other product types such as B-shares, Exchange Traded Funds (ETFs), bonds, and other securities are currently not included in the scope of the Hong Kong Stock Connect program.

Investors will only be allowed to sell but will be restricted from buying such SSE / SZSE securities if: (a) such securities subsequently cease to be a constituent stock of the relevant indices; and/or (b) they are subsequently placed under risk alert; and/or (c) the corresponding H shares of such securities are subsequently delisted from SEHK, and/or (d) such securities, based on any subsequent periodic review, have a market capitalisation of less than RMB 6 billion (only for SZSE securities), as the case may be. . Therefore, the ability of the Sub-Funds to meet their investment objective may be affected by a change in the scope of Hong Kong Stock Connect program.

B) Beneficial ownership

Through the Hong Kong Stock Connect programs, Hong Kong and overseas investors like the FCP may purchase eligible securities listed on the SSE / SZSE. Following settlement, these securities will be held by the Hong Kong Securities and Clearing Company (the "HKSCC") as "nominee holder" in an account at the China Securities Depositary and Clearing Corporation (the "ChinaClear"), Shanghai or Shenzhen branch, as the case may be. Foreign investors holding eligible securities through the HKSCC are the beneficial owners of these securities and therefore can exercise their rights through the nominee only. Accordingly, foreign investors are to exercise shareholders rights in relation to the SSE / SZSE securities through HKSCC (including legal action or court proceeding against the issuers of such securities). HKSCC as nominee has no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE securities.

C) Hong Kong Stock Connect quotas

Northbound trading and Southbound trading are respectively subject to a set of daily and aggregate quotas monitored by SEHK and SSE / SZSE respectively. The Daily Quota is applied on a "net buy" basis. Under that principle, investors are always allowed to sell their cross-boundary securities or input order cancellation requests regardless of the quota balance. The Daily Quota limits the maximum net buy value of cross-boundary trades under Shanghai Connect and Shenzhen Connect Hong Kong Stock Connect program each day. SEHK monitors the usage of the Northbound Daily Quota on a real-time basis, and the Northbound Daily Quota Balance is updated on HKEX's website every minute. The Daily Quota is reset every day. Unused Daily Quota is not carried over to the following day's Daily Quota. If the Northbound Daily Quota Balance drops to zero or the Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected. However, as order cancellation is common during opening call auction, the Northbound Daily Quota Balance may resume to a positive level before the end of the opening call auction. When that happens, SEHK will again accept Northbound buy orders. Once the Northbound Daily Quota Balance drops to zero or the Daily Quota is exceeded during a continuous auction session (or closing call auction session for SZSE), no further buy orders will be accepted for the remainder of the day. SEHK will resume the Northbound buying service on the following trading day. Therefore, Northbound Daily quota may adversely affect the Sub-Funds' ability to meet their investment objective.

D) Trading day and severe weather conditions

Through the Hong Kong Stock Connect programs, SSE / SZSE securities can only be traded on Hong Kong business days, provided that both markets (Hong Kong and Mainland China) are open for trading and banking services are available on the correspondent settlement days. Due to differences in public holydays between both markets or to severe weather conditions (severe typhoons or black rainstorms) the Sub-Funds' ability to meet their investment objective may be adversely affected.

E) Risk of ChinaClear default

As the national central counterparty of the PRC Mainland's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. In case of ChinaClear default, HKSCC will in good faith seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process if applicable. HKSCC will in turn distribute the stocks or monies recovered to clearing participants (such as HKSCC) on a pro-rata basis. Although ChinaClear default is considered to be remote, the Sub-Funds may be adversely affected by this potential exposure.

F) Risk of Hong Kong Securities and Clearing Company default

As a clearing participant of ChinaClear, the HKSCC provides clearing and settlement services for all trades executed through Northbound trading. A failure or delay by the HKSCC to perform its obligations may result in losses to the Sub-Funds.

China Interbank Bond Market risks

The China Interbank Bond Market (the "CIBM") is an over-the-counter market (that is, a market outside the two main stock exchanges in the PRC, i.e. the Shanghai and Shenzhen stock exchanges) established in 1997 which currently represents more than 95% of the Chinese domestic bond activity. The main debt instruments traded in the CIBM include government bonds, bond repo, bond lending, PBOC bills, and other financial debt instruments. Foreign investors like the FCP and its Sub-Funds - through the Management Company - can access the CIBM. The Management Company has made an application to register under the CIBM program at PBOC. The Management Company participates directly in the CIBM through an appointed onshore settlement agent ("Bond Settlement Agent").

A) CIBM liquidity and volatility risks

The CIBM has not yet reach maturity and the market capitalisation and trading volume may be inferior to those of more developed markets. By investing in such market the Sub-Funds may be subject to liquidity and volatility risks and may suffer losses due to the market volatility and potential lack of liquidity of the CIBM. Indeed, the low trading volume in such market may result in prices of debt instruments traded in the CIBM fluctuating significantly.

B) CIBM trading and realisation costs

By investing in the CIBM, the Sub-Funds may also incur additional trading and realisation costs and suffer losses due to significant bid and offer spreads of prices that may be observed on such market for some Chinese domestic bonds.

C) CIBM counterparties and settlements risks

By transacting in the CIBM, the Sub-Funds may also be exposed to counterparties risks as a counterparty which has entered into a transaction with a Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant instruments or by payment for value. There are various settlement methods in the CIBM (such as the delivery of security by the counterparty after receipt of payment by the Sub-Fund, payment by the Sub-Fund after delivery of the relevant security by the counterparty or simultaneous delivery), but even if terms favourable for the Sub-Funds may be negotiated, there is no assurance that settlement risks can be eliminated.

D) CIBM remittance and repatriation rules

To invest in the CIBM funds may be remitted into China in a foreign currency or in CNY. The CIBM program requires that the currencies in outward and inward remittances shall be the same, i.e., the proportion of domestic and foreign currencies in an outward remittance by an investor shall be consistent with that of an inward remittance, with the difference no higher than 10%. Considering the remitted currency will not be CNY, repatriations in respect of funds such as the Sub-Funds conducted in a foreign currency are permitted daily and are not subject to any lock-up periods or prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on a Sub-fund's ability to meet redemption requests.

E) CIBM unknown risks

Due to the fact that CIBM regulations are relatively new, their application and interpretation are therefore relatively untested and there is no certainty as to how they will be applied by the PRC's local authorities. In addition, there is no assurance that future local regulatory actions will not affect the Sub-Funds invested in the CIBM.

F) Bond Settlement Agent risks

The Management Company appointed the Bond Settlement Agent to execute transactions for the Sub-Funds in the CIBM. Should, for any reason, a Sub-Fund's ability to use the relevant Bond Settlement Agent be affected, this could disrupt the operations of that Sub-Fund and affect the ability of a Sub-Fund to implement the desired investment strategy. A Sub-Fund may also incur losses due to the acts or omissions of the Bond Settlement Agent in the execution or settlement of any transaction or in the transfer of any funds or securities. For investments under the CIBM, applied by the Management Company for any Sub-Fund directly, the securities and cash accounts for a Sub-Fund in the PRC are maintained in the name of "the Management Company – the name of the Sub-Fund". Subject to the applicable laws and regulations in the PRC, the

Depositary Bank will make arrangements to ensure that Sub-Funds' assets are properly kept safe. In the event of any default of the Bond Settlement Agent or other agents (for example, brokers and other counterparties) in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC, a Sub-Fund may encounter delays in recovering its assets which may in turn adversely impact the net asset value of a Sub-Fund.

Hong Kong Bond Connect program risks

The Hong Kong Bond Connect program is a mutual market access scheme that allows investors from Mainland China and overseas to trade in each other's bond markets through a connection of the Mainland Chinese and Hong Kong bond markets. Bonds eligible for investment by overseas investors through the Northbound Link include all bonds tradable in the CIBM.

Hong Kong Bond Connect Northbound Trading allows international investors like the FCP to trade bonds on the China Foreign Exchange trading System (the "CFETS") directly with onshore participating dealers via overseas electronic platforms approved by People's Bank of China (so called "Trading Link"). CFETS provides trading services to Northbound Trading. CFETS, supported by the Bond Connect Company Limited, conducts filing and opens the trading account on behalf of an eligible overseas investor like the FCP for access to CIBM. Upon opening of the trading account, an overseas investor becomes a member of CFETS. CFETS will organize Northbound Trading participating dealers to provide continuous price quotations to overseas investors. Participating dealers should be market dealers with comparatively strong capabilities in terms of price quotation and price determination. They should have sound international reputation, should be equipped with staff, systems and apparatus that can support the continuous and stable operation of Northbound Trading, and should possess other capabilities which are necessary for providing liquidity to bond markets. The basic process for trading under Northbound Trading is as follows: offshore investors may give trading instructions through an electronic trading platform; and such trading instructions will then be transmitted to the CFETS system, where the trade with the relevant counterparty will be concluded. The CFETS trading system will generate a trade confirmation upon the acceptance of a quotation by an overseas investor. The participating dealer, overseas investor and bond registration and depository institution shall settle the trade in accordance with the information from the conclusion of the trade.

In order to settle the trade an overseas investor like the FCP is required to open segregated account in its name with the Central Moneymarkets Unit ("CMU") through a CMU participant. The CMU, as a nominee, in turn, opens an omnibus nominee account with the China Central Depositary and Clearing Co Ltd (onshore entity) (the "CCDC") and Shanghai Clearing House ("SHCH") which provide bond registration and depository service for CMU (so called "Settlement link"). The bonds purchased by the overseas international investors through the "Northbound Connect" shall be registered in the bond accounts of CMU, and the international overseas investors will have the beneficial ownership of the securities held under the name of the nominee holder (CMU). The settlement of "Northbound Connect" business is conducted with CMU on the one side while the participating dealer to CIBM that has opened its bond account at CCDC or SHCH on the other side. The transfer of bonds is processed through CCDC or SHCH bonds business system, and the payment of funds through the Cross-border Interbank Payment System (CIPS).

A) Risk of CCDC and SHCH default

CCDC and SHCH are the registration, depository and onshore settlement institution of CIBM designated by the People's Bank of China, serving as a central securities depository (CSD) in CIBM. CCDC and SHCH provide bond registrations and depository service for the overseas investors that have opened accounts at CMU. The bonds purchased by the overseas investors through the "Northbound Connect" shall be registered in the bond accounts of CMU with CCDC and SHCH. Although CCDC and SHCH default is considered to be remote, the Sub-Funds may be adversely affected by this potential exposure.

B) Settlement risk

Settlement through SHCH operates on a delivery-versus-payment basis. In contrast, settlement through CCDC operates on a gross basis. On each settlement date, CCDC will lock up the relevant CIBM bonds in the seller's account whilst the buyer will have to transfer the settlement proceeds to the seller first. After receiving the payment completion confirmation from both the buyer and the seller, CCDC will effect the settlement on a gross basis by transferring the relevant CIBM bonds to the buyer's account. This may expose the Sub-Funds to counterparties risks as a counterparty which has entered into a transaction with a Sub-Fund may default in its obligation to settle the transaction. Even if terms for settlement may become more favourable for the Sub-Funds in the future, there is no assurance that settlement risks can be eliminated.

C) Risk of CMU default

CMU is an offshore central securities depository operated directly by the Hong Kong Monetary Authority, providing bond registration, depository and settlement services for the overseas investors like the FCP. Although CMU default is considered to be remote, the Sub-Funds may be adversely affected by this potential exposure.

D) CIBM specific risks

As the Hong Kong Bond Connect Northbound Trading refers to the investment in CIBM by overseas investors via the mutual access and connection arrangements in respect of trading, depository and settlement between Hong Kong and Mainland financial infrastructure institutions, the Sub-Funds investing in CIBM may be subject to the specific risks linked to the CIBM, in particular the CIBM liquidity and volatility risks as above mentioned.

Foreign shareholding restrictions and disclosure obligations

Under the current PRC rules, a foreign investor's shareholding in a listed company is not allowed to exceed 10% of the company's total issued shares, while all foreign investors' shareholding in the A-shares of a listed company is not allowed to exceed 30% of its total issued shares. If aggregate foreign shareholding exceeds the 30% threshold, the foreign investors concerned will be requested to sell the shares on a last-in-first-out basis within five business days. Once the aggregate foreign shareholding is near the 30% threshold, further buy orders in that security will not be allowed. Foreign investors can continue to sell A-share which aggregate foreign shareholding has reached the 30% threshold. Therefore, the ability of the Sub-Funds to meet their investment objective may be affected by such shareholding restrictions.

Under the current PRC rules, when an investor holds or controls up to 5% of the issued shares of a PRC mainland listed company, the investor is required to disclose his interest within three working days, during which he is not allowed to trade the shares of that listed company. Such investor is also required to make disclosure within three working days when a change in his shareholding reaches 5%. From the day the disclosure obligation arises to two working days after the disclosure is made, the investor is not allowed to trade the shares of the relevant PRC mainland company.

Chinese Renminbi currency and exchange rate risks

In accordance with their investment policies, the Sub-Funds may invest directly in A-Shares and other financial instruments denominated in onshore Chinese Renminbi (the "CNY"). In general the daily exchange rates of the CNY against other currencies are allowed to float within a range above or below the central parity rates daily published by the People's Bank of China. Any changes to the PRC government's policies on exchange control could adversely affect the Sub-Funds.

Tax risks

By investing in A-Shares or other financial instruments, the Sub-Funds may be subject to withholding and other taxes imposed under China tax law or regulations. In November 2014, PRC tax authorities granted a temporary tax waiver of capital gains for an unspecified period to QFII investors as well as investors buying mainland shares via the Hong Kong Stock Connect program. The current PRC tax law, regulations and practice may be submitted to change in the future with retroactive effect. Investors should note that the regulations around the tax treatment on QFII / Hong Kong Stock Connect program investments are not entirely clear and there is no certainty as to how they will be interpreted and applied by the PRC tax authorities.

1.3. Pooling

In the interest of efficient management, and where the investment policy of Sub-Funds allows it, the Management Company may elect to manage the net assets of the Sub-Funds in question jointly.

In such cases, the assets of the various Sub-Funds shall be managed jointly. Reference will be made to joint management of assets as a "Pool", despite the fact that such pools are used solely for internal management purposes. Pools do not constitute separate entities and are not directly accessible by investors. Each of the jointly managed Sub-Funds shall be allocated its own specific assets.

When assets of more than one Sub-Fund are pooled, the assets attributable to each participating Sub-Fund shall initially be determined by reference to the initial allocation of assets to such pool, and shall change when additional allocations or withdrawals of assets are made.

The rights of each Sub-Fund participating in jointly managed assets shall apply to each investment line within that pool.

Additional investment made on behalf of the jointly managed Sub-Funds shall be allocated to those Sub-Funds on the basis of their respective rights, whereas assets sold shall be withdrawn in a similar manner from the assets attributable to each participating Sub-Fund.

Dividends, interest and any other distributions received in respect of jointly managed assets are paid to the participating Sub-Funds proportionate to their participation in joint management at the time such distributions are received. If the FCP has been liquidated, jointly managed assets shall be allocated to the participating Sub-Funds proportionally to the participation of each.

2. Investments and Investment Restrictions

2.1. Determination of and Restrictions on Investment Policy

The FCP's investment policy must respect the following rules.

The FCP may invest in:

A) Transferable securities and money market instruments admitted to official listing on a securities stock exchange or dealt in on another regulated market which operates regularly and is recognized and open to the public, of a Member State of the European Union, a non-Member State of the European Union or a State in North or South America, Africa, Asia or Oceania;

B) Recently issued transferable securities and money market instruments, as long as the issue conditions include an undertaking that the application for admittance to official listing on a securities stock exchange or to another regulated market which operates regularly and is recognized and open to the public, to a Member State of the European Union, a non-Member State of the European Union or a State in North or South America, Africa, Asia or Oceania has been made, and that admission is obtained, at the latest, before the end of a one year period following the issue;

C) Units of UCITS authorized according to Directive 2009/65/EC and/or other UCIs within the meaning of Article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, whether or not established in a Member State of the European Union, up to a maximum of 10% of the net assets of each Sub-Fund, and provided that:

- Such other UCIs are authorized by legislation that provides for these vehicles to be subject to supervision considered to be equivalent to that set forth in Community law, and that cooperation between authorities is sufficiently ensured; in particular, UCIs authorized under the laws of a Member State of the European Union, of United States of America, of Canada, of Japan, of Switzerland, of Hong-Kong or Norway comply with this condition;
- the level of protection guaranteed to Unitholders in other such UCIs is equivalent to that provided to 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 Directive 2009/65/EC;
- the business of other such UCIs is reported in semi-annual and annual reports in order to allow for an assessment of the assets and liabilities, income and transactions 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;

D) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and that mature in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is located in a non-Member State, provided that it is subject to prudential rules considered as equivalent to those set forth in Community law; prudential rules of Member States of OECD and FATF are considered as equivalent to those set forth in Community law;

E) Liquid money market instruments other than those usually dealt in on a regulated market that have a value that can be accurately determined at any time, if the issue or the issuer of such instruments be regulated themselves 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 European Union or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraph A) above, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered to be at least as stringent as those set forth by Community law, or
- issued by other bodies belonging to approved classes, provided that investments in such instruments are subject to investor protection equivalent to that set forth in the first, the second or the third indent above, and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (10,000,000.00 euro) and that presents and publishes its annual accounts in accordance with the fourth Directive 2013/34/EU, and is an entity that, within a group of companies that includes one or more listed companies, is dedicated to the financing of the group or is an entity dedicated to the financing of securitization vehicles benefiting from a banking liquidity line.

F) Financial derivative instruments, including equivalent cash-settled instruments, listed on a regulated market referred to in subparagraph A) above, and/or financial derivative instruments negotiated over-the-counter ("OTC derivatives"), provided that:

- the underlying asset consists of instruments of the type referred to in paragraphs A), B), C), D), E) above, financial indices, interest rates, foreign exchange rates or currencies, in which the FCP may invest according to its investment objectives,
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and rank among first-Class financial institutions specialized in this type of transactions, 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 FCP's initiative,
- the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in paragraphs a), b), c), d), e) and f) below.

The FCP must employ a process for accurate and independent assessment of the value of OTC derivative instruments. It must communicate to the CSSF regularly and in accordance with the detailed rules the latter shall define, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.

G) Transferable securities and money market instruments other than those referred in points A), B), C), D), E), F), up to an extent of 10% of each Sub-Fund's net assets.

The FCP may not acquire either precious metals or certificates representing them.

The FCP may hold ancillary liquid assets as demand or short-term deposits and temporarily hold a significant proportion of such liquid assets in case of particularly turbulent market conditions.

The FCP may not:

a) Invest more than 10% of each Sub-Fund's net assets in transferable securities or money market instruments issued by the same body; however the total value of the transferable securities and money market instruments held by a Sub-Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of the mentioned Sub-Fund's net assets without taking the values mentioned in sections e) and f) below into account;

b) Invest more than 20% of the net assets of each Sub-Fund in deposits made with the same body;

c) Incur a risk exposure to a counterparty in an OTC derivative transaction exceeding 10% of the net assets of each Sub-Fund when the counterparty is a credit institution which has its registered office in a Member State of the European Union or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered as equivalent to those set forth in Community law, or 5% of the net assets of each Sub-Fund in other cases;

d) combine investments in transferable securities or money market instruments issued by a single body, deposits made with a single body, and/or exposures arising from OTC derivative transactions undertaken with a single body, in excess of 20% of the net assets of each Sub-Fund;

e) invest more than 35% of each Sub-Fund's net assets in transferable securities or money market instruments issued or guaranteed by a Member State of the European Union, its territorial governmental units (local authorities), a non-Member State of the European Union, or public international bodies of which one or more Member States of the European Union are members;

However, the FCP is authorized to invest up to 100% of its net assets in each Sub-Fund in different transferable securities and money market instruments issued or guaranteed by any Member State of the European Union, its local authorities, any Member State of the OECD or of the G20, Singapore or by public international bodies of which one or more Member States of the European Union are members. In this case, each Sub-Fund must hold securities belonging to at least six different issues, without the securities belonging to one and the same issue being able to exceed 30% of the total amount;

f) invest more than 25% of each Sub-Fund's net assets in bonds issued by a credit institution having its registered office in a Member State of the European Union and also subject to special public supervision aimed at protecting the holders of the mentioned bonds. In particular, the amounts coming from the issue of such bonds must be invested in assets which sufficiently cover, for the entire duration of the validity of the bonds, the claims attaching to the bonds and which would be used on a priority basis for the repayment of principal and payment of the accrued interest in case of bankruptcy of the issuer.

If the FCP invests more than 5% of each Sub-Fund's net assets in such bonds issued by one and the same issuer, the total value of the mentioned investments may not exceed 80% of the net assets of each of the FCP's Sub-Funds.

The limits set out in paragraphs a), b), c), d), e) and f) may not be combined. Hence the investments in transferable securities or money market instruments of the same body, in deposits or derivative instruments carried out with this body, may not, in any event, exceed a total of 35% of the net assets of each of the FCP's Sub-Funds, saving the exception provided for in paragraph e) for the issues of a Member State of the European Union, its local authorities, a Member State of the OECD, or public international bodies of which one or more Member States of the European Union are members;

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognized international accounting rules, are regarded as a single body for the purpose of calculating the limits set forth in the preceding paragraph.

A UCI may cumulatively invest up to 20% of its assets in transferable securities and money market instruments within the same group.

g) Invest more than 20% of the assets of each Sub-Fund in the Units of a single UCITS or other UCI referred to in the above subparagraph C), each Sub-Fund of a UCI with multiple Sub-Funds being considered as a separate issuer provided that the principle of segregation of the obligations of the various Sub-Funds vis-à-vis third parties is ensured.

Investments made in Units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of each Sub-Fund of the FCP.

The FCP may also invest within the above-mentioned limits, in Units of other UCITS and/or other UCIs managed by the Management Company or by any other company with which the Management Company is connected within the framework of a community of management or control, or by a substantial direct or indirect holding, as long as for such transactions, no subscription or redemption fees will be charged on account of the FCP;

h) Borrow, only on a temporary basis, provided that such borrowing does not exceed 10% of the net assets of each of the FCP's Sub-Fund. However, one is not to consider as borrowings the obtaining of foreign currencies by way of a type of face to face loan ("back-to-back loan");

i) Grant loans or act as guarantor on behalf of third parties, without preventing the FCP from acquiring transferable securities, money market instruments or other financial instruments mentioned in paragraphs C), E) and F) above, which are not fully paid;

j) Carry out uncovered sales of securities.

The Management Company, acting in connection with all the mutual investment funds under its management and which fall within the scope of Part I of the Law of 17 December 2010 on collective investment undertakings, may not:

1) Acquire any share carrying voting rights enabling it to exercise significant influence over the management of a issuing body;

Moreover the FCP may not do any of the following:

2) Acquire more than 10% of shares without voting rights of one and the same issuer;

3) Acquire more than 10% of the bonds of one and the same issuer;

4) Acquire more than 25% of the Units of the same UCITS and/or other UCI;

5) Acquire more than 10% of the money market instruments of any single issuer.

The limits indicated in points 3), 4) and 5) do not have to be respected at the time of the acquisition if, at that time, the gross amount of the bonds, or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

The limits indicated in points 1), 2), 3), 4) and 5) are not applicable to transferable securities and money market instruments that are issued or guaranteed by a Member State of the European Union or its local authorities or a non-Member State of the European Union, or issued by public international bodies of which one or more Member States of the European Union are members.

In addition, the above-mentioned limits do not apply to Units held by the FCP in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in the securities of issuing bodies having their registered office in that State, when, by virtue of its legislation, such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State, and as long as the company of the non-Member State of the European Union, in its investment policy, complies with the limits set forth in paragraph a) to g) and in points 1) to 5) above.

The limits set forth with respect to the composition of the FCP's net assets and the investment of the mentioned net assets in transferable securities or in money market instruments of the same issuer, or in Units of another collective investment entity, must not be respected in case of exercise of subscription rights attached to transferable securities or money market instruments that are part of the FCP's assets.

If the above mentioned limits are exceeded for reasons beyond the control of the FCP or as a result of the exercise of subscription rights, the Management Company, pursuant to the legislative provisions, in its sale transactions must have the priority objective of regularizing the hereby situation taking the Unitholders' interest into account.

The limitations set forth sections a) to g) do not apply during the first period of six months following the date of approval of opening a Sub-Fund, as long as the principle of risk spreading is complied with.

The Management Company may adopt additional restrictions on the investment policy at any time, in order to comply with the laws, rules and regulations of the Countries in which the Units are sold.

A Sub-Fund of the FCP may subscribe, acquire and/or hold securities to be issued or issued by one or more other Sub-Funds of the Fund under the conditions that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund;
- no more than 10% of the assets of the target Sub-Funds whose acquisition is contemplated may, pursuant to the Management Regulations, be invested in aggregate in units of other target Sub-Funds of the FCP; and
- voting rights attached to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the FCP for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 17 December 2010; and
- there is no duplication of management/subscription or redemption fees between those at the level of the Sub-Fund of the FCP having invested in the target Sub-Fund, and this target Sub-Fund.

2.2. Specific investment rules for money market funds

The FCP's Sub-Funds authorised as money market funds in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds shall not be subject to the obligations concerning investment policies of UCITS laid down in Articles 49 to 50a, Article 51(2), and Articles 52 to 57 of Directive 2009/65/EC, unless explicitly specified otherwise in Regulation (EU) 2017/1131.

A) Money market funds eligible assets:

The FCP's Sub-Funds authorised as money market funds in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds shall only invest / enter in the following eligible assets:

a) money market instruments as defined in Article 2 of Regulation (EU) 2017/1131 provided that they fulfil all of the following requirements:

1) it falls within one of the following categories of money market instruments:

I. money market instruments admitted to or dealt in on a regulated market as defined in

Article 4(1)(14) of Directive 2004/39/EC; and/or

II. money market instruments dealt in on another regulated market in a Member State of the European Union, which operates regularly and is recognised and open to the public; and/or

III. in money market instruments admitted to official listing on a stock exchange in any other country in Eastern and Western Europe, Asia, Oceania, Australia, the American continents and Africa, or dealt in on another regulated market in the countries referred to above, provided that such market is regulated, operates regularly and is recognised and open to the public; and/or

IV. money market instruments other than those dealt in on a regulated market or another regulated market, to the extent that the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings and provided that such instruments are:

(i. issued or guaranteed by a central, regional or local authority or central bank of a Member State of the European Union, the European Central Bank, the European Union or the European Investment Bank, another State or, in the 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 European Union belong; or

(ii. issued by an undertaking, any securities of which are dealt in on regulated markets referred to in A) a) 1) I. and II. above; or

(iii. issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by European law, or by an establishment which is subject to and complies with prudential rules considered by CSSF to be at least as stringent as those laid down by European law; or

(iv. issued by other bodies belonging to the categories approved by CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the three indents directly above and provided that the issuer is a company whose capital and reserves amount to at least ten million EUR (EUR 10,000,000.-) and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line;

2) it displays one of the following alternative characteristics:

I. it has a legal maturity at issuance of 397 days or less;

II. it has a residual maturity of 397 days or less.

Notwithstanding the above, standard money market funds as defined in Article 2 of Regulation (EU) 2017/1131 shall also be allowed to invest in money market instruments with a residual maturity until the legal redemption date of less than or equal to 2 years, provided that the time remaining until the next interest rate reset date is 397 days or less. For that purpose, floating-rate money-market instruments and fixed-rate money-market instruments hedged by a swap arrangement shall be reset to a money market rate or index.

3) the issuer of the money market instrument and the quality of the money market instrument have received a favourable assessment pursuant to the "Internal credit quality assessment procedure" established by the Management Company. This requirement shall not apply to money market instruments issued or guaranteed by the European Union, a central authority or central bank of a Member State of the European Union, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility.

b) Securitisations and asset-backed commercial paper (ABCPs):

provided that the securitisation or ABCP is sufficiently liquid, has received a favourable assessment pursuant to the "Internal credit quality assessment procedure" established by the Management Company, and is any of the following:

1) a securitisation referred to in Article 13 of Commission Delegated Regulation (EU) 2015/61;

2) an ABCP issued by an ABCP programme which:

I. is fully supported by a regulated credit institution that covers all liquidity, credit and material dilution risks, as well as ongoing transaction costs and ongoing programme-wide costs related to the ABCP, if necessary to guarantee the investor the full payment of any amount under the ABCP;

II. is not a re-securitisation and the exposures underlying the securitisation at the level of each ABCP transaction do not include any securitisation position;

III. does not include a synthetic securitisation as defined in point (11) of Article 242 of Regulation (EU) No 575/2013;

3) a simple, transparent and standardised (STS) securitisation as determined in accordance with the criteria and conditions laid down in Articles 20, 21 and 22 of Regulation (EU) 2017/2402 of the European Parliament and of the Council, or an STS ABCP, as determined in accordance with the criteria and conditions laid down in Articles 24, 25 and 26 of that regulation.

A short-term money market fund as defined in Article 2 of Regulation (EU) 2017/1131 may invest in the securitisations or ABCPs referred to in A) b) 1. provided any of the following conditions is fulfilled, as applicable:

1) the legal maturity at issuance of the securitisations referred to in A) b) 1. 1) is 2 years or less and the time remaining until the next interest rate reset date is 397 days or less;

2) the legal maturity at issuance or residual maturity of the securitisations or ABCPs referred to in A) b) 1. 2) and 3) is 397 days or less;

3) the securitisations referred to in A) b) 1. 1) and 3) are amortising instruments and have a weighted average life of 2 years or less.

A standard money market fund as defined in Article 2 of Regulation (EU) 2017/1131 may invest in the securitisations or ABCPs referred to in A) b) 1. provided any of the following conditions is fulfilled, as applicable:

1) the legal maturity at issuance or residual maturity of the securitisations and ABCPs referred to in A) b) 1. 1), 2) and 3) is 2 years or less and the time remaining until the next interest rate reset date is 397 days or less;

2) the securitisations referred to in A) b) 1. 1) and 3) are amortising instruments and have a weighted average life of 2 years or less.

c) a deposit with a credit institution provided that all of the following conditions are fulfilled:

   1) the deposit is repayable on demand or is able to be withdrawn at any time;

   2) the deposit matures in no more than 12 months;

   3) the credit institution has its registered office in a Member State of the European Union or, where the credit institution has its registered office in another State, it is subject to prudential rules considered equivalent to those laid down in European Union law in accordance with the procedure laid down in Article 107(4) of Regulation (EU) No 575/2013.

d) a financial derivative instrument provided it is dealt in on a regulated market as referred to in point (a), (b) or (c) of Article 50(1) of Directive 2009/65/EC or OTC and provided that all of the following conditions are fulfilled:

   1) the underlying of the derivative instrument consists of interest rates, foreign exchange rates, currencies or indices representing one of those categories;

   2) the derivative instrument serves only the purpose of hedging the interest rate or exchange rate risks inherent in other investments of the FCP's Sub-Fund authorised as money market funds in accordance with Regulation (EU) 2017/1131;

   3) the counterparties to OTC derivative transactions are institutions subject to prudential regulation and supervision and belonging to the categories approved by CSSF;

   4) 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.

e) a repurchase agreement provided that all of the following conditions are fulfilled:

   1) it is used on a temporary basis, for no more than seven working days, only for liquidity management purposes and not for investment purposes other than as referred to in A) e) 3);

   2) the counterparty receiving assets transferred by the Sub-Fund as collateral under the repurchase agreement is prohibited from selling, investing, pledging or otherwise transferring those assets without the Sub-fund's prior consent;

   3) the cash received by the Sub-Fund as part of the repurchase agreement is able to be:

      I. placed on deposits in accordance with point (f) of Article 50(1) of Directive 2009/65/EC; or

      II. invested in assets referred to in Article 15(6) of Regulation (EU) 2017/1131, but shall not otherwise be invested in eligible assets as referred to in Article 9 of Regulation (EU) 2017/1131, transferred or otherwise reused;

   4) the cash received by the Sub-Fund as part of the repurchase agreement does not exceed 10 % of its assets;

   5) the Sub-Fund has the right to terminate the agreement at any time upon giving prior notice of no more than two working days.

f) a reverse repurchase agreement provided that all of the following conditions are fulfilled:

   1) the Sub-Fund has the right to terminate the agreement at any time upon giving prior notice of no more than two working days;

   2) the assets received by the Sub-Fund as part of a Reverse Repurchase Agreement shall:

      I. have a market value which is at all times at least equal to the cash paid out;

      II. be Money Market Instruments that fulfil the requirements set out in A) a) above;

      III. not be sold, reinvested, pledged or otherwise transferred;

      IV. not include Securitisations and ABCPs;

      V. be sufficiently diversified with a maximum exposure to a given issuer of 15 % of the Sub-Fund's NAV, except where those assets take the form of money market instruments that fulfil the requirements of B) g) below;

      VI. be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

   By way of derogation, a Sub-Fund authorised as money market fund may receive as part of a reverse repurchase agreement liquid transferable securities or money market instruments other than those that fulfil the requirements set out in A) a) above provided that those assets comply with one of the following conditions:

      I. they are issued or guaranteed by the European Union, a central authority or central bank of a Member State of the European Union, the European Central Bank, the European Investment Bank, the

European Stability Mechanism or the European Financial Stability Facility provided that a favourable assessment has been received pursuant to the "Internal credit quality assessment procedure" established by the Management Company;

II. they are issued or guaranteed by a central authority or central bank of a third country not belonging to the European Union, provided that a favourable assessment has been received pursuant to the "Internal credit quality assessment procedure" established by the Management Company.

The assets received as part of a reverse repurchase agreement in accordance with the above shall fulfil the diversification requirements described under B) g) below.

3) the Sub-Fund authorised as money market fund shall ensure that it is able to recall the full amount of cash at any time 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 shall be used for the calculation of the NAV of the Sub-Fund.

g) units or shares of any other money market funds ('targeted MMF') provided that all of the following conditions are fulfilled:

1) no more than 10 % of the assets of the targeted MMF are able, according to its fund rules or instruments of incorporation, to be invested in aggregate in units or shares of other money market funds;

2) the targeted MMF does not hold units or shares in the acquiring money market fund;

3) the targeted money market fund is authorised under Regulation (EU) 2017/1131.

A Sub-Fund authorised as money market fund in accordance with Regulation (EU) 2017/1131 shall not undertake any of the following activities:

- investing in assets other than those referred to in paragraph A) a) to g) above;
- short sale of any of the following instruments: money market instruments, securitisations, ABCPs and units or shares of other money market funds;
- taking direct or indirect exposure to equity or commodities, including via derivatives, certificates representing them, indices based on them, or any other means or instrument that would give an exposure to them;
- entering into securities lending agreements or securities borrowing agreements, or any other agreement that would encumber the assets of the Sub-Fund;
- borrowing and lending cash.

A Sub-Fund authorised as money market fund in accordance with Regulation (EU) 2017/1131 may hold ancillary liquid assets in accordance with Article 50(2) of Directive 2009/65/EC.

B) Money market funds diversification rules:

a) A Sub-Fund authorised as money market fund in accordance with Regulation (EU) 2017/1131 shall invest no more than:

1) 5 % of its assets in money market instruments, securitisations and ABCPs issued by the same body;

2) 10 % of its assets in deposits made with the same credit institution, unless the structure of the Luxembourg banking sector is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the money market fund to make deposits in another Member State of the European Union, in which case up to 15 % of its assets may be deposited with the same credit institution.

b) By way of derogation from point B) a) 1) above, a "variable net asset value money market fund" as defined in Article 2 of Regulation (EU) 2017/1131 may invest up to 10 % of its assets in money market instruments, securitisations and ABCPs issued by the same body provided that the total value of such money market instruments, securitisations and ABCPs held by the variable net asset value money market fund in each issuing body in which it invests more than 5 % of its assets does not exceed 40 % of the value of its assets.

c) the aggregate of all of a money market fund's exposures to securitisations and ABCPs shall not exceed 20 % of the assets of the money market fund, whereby up to 15 % of the assets of the money market fund may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of STS securitisations and ABCPs.

d) the aggregate risk exposure to the same counterparty of a money market fund stemming from OTC derivative transactions shall not exceed 5 % of the assets of the money market fund.

e) the aggregate amount of cash provided to the same counterparty of a money market fund in reverse repurchase agreements shall not exceed 15 % of the assets of the money market fund.

f) Notwithstanding the individual limits laid down in paragraphs B) a) and B) d), a money market fund shall not combine, where to do so would result in an investment of more than 15 % of its assets in a single body, any of the following:

1) investments in money market instruments, securitisations and ABCPs issued by that body;

2) deposits made with that body;

3) OTC financial derivative instruments giving counterparty risk exposure to that body.

By way of derogation from such above mentioned 15% diversification requirement, where the structure of the financial market in Luxembourg is such that there are insufficient viable financial institutions to meet that diversification requirement and it is not economically feasible for the money market fund to use financial institutions in another Member State of the European Union, the money market fund may combine the types of investments referred to in points B) f) 1) to 3) up to a maximum investment of 20 % of its assets in a single body.

g) **Notwithstanding the provision outlined in B) a), in accordance with the principle of risk-spreading, the FCP's Sub-Funds authorised as money market funds may invest up to 100 % of their assets in different money market instruments issued or guaranteed separately or**

jointly by the European Union, the national, regional and local administrations of the Member States of the European Union or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, any Member State of the OECD or of the G20, Singapore, or any other relevant international financial institution or organisation to which one or more Member States of the European Union belong, provided that such issuers or guarantors have received a favourable assessment pursuant to the "Internal credit quality assessment procedure" established by the Management Company and that a such Sub-Fund holds money market instruments from at least six different issues by the issue, limits the investment in money market instruments from the same issue to a maximum of 30 % of its assets.

h) Notwithstanding the individual limits laid down in B) a), a money market fund may invest no more than 10 % of its assets in bonds issued by a single credit institution that has its registered office in a Member State of the European Union and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

Where a money market fund invests more than 5 % of its assets in the bonds referred to in the above paragraph issued by a single issuer, the total value of those investments shall not exceed 40 % of the value of the assets of the money market fund.

i) Notwithstanding the individual limits laid down in in B) a), a money market fund may invest no more than 20 % of its assets in bonds issued by a single credit institution where the requirements set out in point (f) of Article 10(1) or point (c) of Article 11(1) of Delegated Regulation (EU) 2015/61 are met, including any possible investment in assets referred to in B) h).

Where a money market fund invests more than 5 % of its assets in the bonds referred to in the the above paragraph issued by a single issuer, the total value of those investments shall not exceed 60 % of the value of the assets of the money market fund, including any possible investment in assets referred to in B) h), respecting the limits set out therein.

j) Companies which are included in the same group for the purposes of consolidated accounts under Directive 2013/34/EU of the European Parliament and of the Council or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits referred to in B) a) to f).

C) Money market funds concentration rules:

a) a money market fund shall not hold more than 10 % of the money market instruments, securitisations and ABCPs issued by a single body.

b) The limit laid down in C) a) shall not apply in respect of holdings of money market instruments issued or guaranteed by the European Union, national, regional and local administrations of the Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States of the European Union belong.

c) A money market fund may acquire the units or shares of other money market funds, provided that no more than 5 % of its assets are invested in units or shares of a single money market fund.

d) A money market fund may, in aggregate, invest no more than 17,5 % of its assets in units or shares of other money market funds.

e) By way of derogation from C) c) and C) d), a Sub-Fund authorised as money market fund may acquire units or shares in other money market funds in accordance with Article 55 or 58 of Directive 2009/65/EC under the following conditions:

1) the MMF is marketed solely through an employee savings scheme governed by national law and which has only natural persons as investors;

2) the employee savings scheme referred to in C) e) 1) only allows investors to redeem their investment subject to restrictive redemption terms which are laid down in national law, whereby redemptions may only take place in certain circumstances that are not linked to market developments.

f) where the targeted money market fund is managed, whether directly or under a delegation, by the same manager as that of the acquiring money market fund or by any other company to which the manager of the acquiring money market fund is linked by common management or control, or by a substantial direct or indirect holding, the manager of the targeted money market fund, or that other company, is prohibited from charging subscription or redemption fees on account of the investment by the acquiring money market fund in the units or shares of the targeted money market fund;

g) where a Sub-Fund authorised as money market fund invests 10 % or more of its assets in units or shares of other money market funds the annual report shall indicate the maximum proportion of management fees charged to the Sub-Fund itself and to the other oney market funds in which it invests.

h) Short-term money market funds may only invest in units or shares of other short-term MMFs as defined in Article 2 of Regulation (EU) 2017/1131.

i) Standard money market funds may invest in units or shares of short-term money market funds and standard money market funds as defined in Article 2 of Regulation (EU) 2017/1131.

D) Liquidity rules regarding standard money market funds:

The FCP's Sub-Funds qualifying as standard money market funds in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds shall comply on an ongoing basis with all of the following requirements:

a) its portfolio is to have at all times a WAM of no more than 6 months;

b) its portfolio is to have at all times a WAL of no more than 12 months;

c) at least 7,5 % of its assets are to be comprised of daily maturing assets, reverse repurchase agreements which can be terminated by giving prior notice of one working day or cash which can be withdrawn by giving prior notice of one working day;

d) at least 15 % of its assets are to be comprised of weekly maturing assets, reverse repurchase agreements which can be terminated by giving prior notice of five working days or cash which can be withdrawn by giving prior notice of five working days.

For the purpose of the calculation referred to in D) d) above, money market instruments or units or shares of other money market funds may be included within the weekly maturing assets up to 7,5 % of its assets provided they are able to be redeemed and settled within five working days.

2.3. Techniques and Instruments

With reference to the financial derivative instruments as described under paragraph F). of of section "Investments and Investment Restrictions" and unless explicitly specified otherwise in section "Specific investment rules for money market funds" or in Regulation (EU) 2017/1131, the FCP may use techniques and instruments as described hereafter, as long as the use of these techniques and instruments is made in an effort to hedge, including hedging against foreign exchange risks, in order to efficiently manage the portfolio or for investment purposes coherent with the Investment Policy section of the Sub-Fund Sheets. Under no circumstances may these transactions lead to the FCP straying from the investment objectives set forth in each respective Sub-Fund Sheet.

Transactions with financial derivative instruments as described hereafter must be the object of the relevant hedging rules under the following conditions:

– When the financial derivative instrument provides, either automatically or at the counterparty's choice, for physical delivery of the underlying financial instrument on maturity or exercise, and provided that physical delivery is a common practice on the concerned instrument, the FCP must hold this underlying financial instrument for hedging purposes in its investment portfolio.

– In cases where the underlying financial instrument of a financial derivative instrument is highly liquid, the FCP is allowed to hold exceptionally other liquid assets as cover provided that they can be used at any time to purchase the underlying financial instrument to be delivered and that the additional market risk which is associated with that type of transaction is adequately measured.

– Where the financial derivative instrument is cash-settled either automatically or at the FCP's discretion, the FCP is allowed not to hold the specific underlying instrument as cover. In this case, the following Classes of instruments constitute an acceptable cover:

  – Cash;

  – Liquid debt instruments (e.g. transferable securities issued or guaranteed by a Member State of the European Union or by public international bodies of which one or more EU Member States are members) with appropriate safeguards (in particular, haircuts);

  – Other highly liquid assets, recognized in consideration of their correlation with the underlying of the financial derivative instrument, subject to appropriate safeguards (e.g. haircuts where relevant).

The use of techniques and instruments referring to securities lending transactions, sale with right of repurchase transactions and reverse repurchase and repurchase agreements must comply with the conditions stated in the CSSF circular 08/356.

Techniques and instruments as described hereafter shall be concluded on an arm length basis in the exclusive interest of investors.

The OTC financial derivatives and efficient portfolio management techniques will be arranged with counterparties approved by the Management Company after completion of appropriate credit reviews in order to assess their credit quality with a conduction of a proper credit analysis. The counterparties to any OTC financial derivative transactions and efficient portfolio management techniques, such as total return swaps or other financial derivative instruments with similar characteristics, entered into by a Sub-Fund, are selected from a list of authorised counterparties established by the Management Company. Authorised counterparties to OTC financial derivatives and efficient portfolio management techniques must be specialised in the relevant types of transactions and are either credit institutions with a registered office in a Member State or an investment firm, authorised under Directive 2004/39/EC or an equivalent set of rules, and subject to prudential supervision, with an Investment Grade credit rating. There are no further restrictions with regard to legal status or country of origin of the counterparties.

In order to comply with Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) 648/2012, data regarding the maximum and expected proportions of assets under management that efficient portfolio management techniques and total return swaps represent for a Sub-Fund is reported in Appendix B, when relevant. A Sub-Fund that does not use efficient portfolio management techniques and total return swaps as of the date of this Prospectus (i.e. its expected proportion of assets under management subject to each efficient portfolio management techniques and total return swaps being 0%) may however use efficient portfolio management techniques and total return swaps provided that the maximum proportion of assets under management of that Sub-Fund subject to this financial techniques does not exceed the maximum proportion indicated. In such case, the Appendix B is updated accordingly at the next available opportunity.

The Unitholders must be aware that some of the derivative instruments used for hedging, efficient portfolio management or to meet specific investment purposes can be highly specialized and therefore there may be only a limited number of counterparties willing to provide them.

In addition, in order to mitigate the effect of adverse market movements on the likelihood of reaching the investment objectives stated in the Investment Policy Section of the Sub-Fund Sheets, the Sub-Funds may agree to take over pre-hedging arrangements for a notional amount limited to the subscriptions received within the Initial Subscription Period, if any, as indicated in this Prospectus. The Sub-Funds will bear the costs and expenses, if any, relating to such pre-hedging arrangements.

2.3.1. Transactions dealing with futures and option contracts on transferable securities and money market instruments

The FCP may deal with futures and options contracts on transferable securities and money market instruments under the following conditions and within the following limits:

The FCP may conclude futures contracts, purchase and sell call options and put options on transferable securities and money market instruments that are traded on a regulated market which operates regularly and is recognized and open to the public, or traded on "over the counter" markets with broker-dealers specializing in that type of transaction which make the market in such instruments and which are leading financial institutions with a high rating. These transactions may be handled for hedging purposes, towards the goal of efficiently managing the portfolio, or to reach the investment purposes if set forth in the Sub-Fund Sheets.

The risk exposure arising from transactions dealing with futures and options on transferable securities and money market instruments, to the exclusion of transactions handled for hedging purposes, together with the overall risk exposure in connection with other derivative instruments, may not exceed at any time the value of the net assets of each Sub-Fund of the FCP.

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

2.3.2. Transactions dealing with futures and option contracts relating to financial instruments

These transactions may concern only contracts that are traded on a regulated market which operates regularly and is recognized and open to the public, or are handled on OTC "over the counter" markets with broker-dealers specializing in that type of transaction which make the market in such instruments and which are leading financial institutions with a high rating. Subject to the conditions specified below, these transactions may be handled for hedging purposes, towards the goal of efficiently managing the portfolio, or to reach the investment purposes set forth in the Sub-Fund Sheets.

The risk exposure arising from transactions dealing with futures and options on financial instruments other than transferable securities and money market instruments, to the exclusion of transactions handled for hedging purposes, together with the overall risk exposure in connection with other derivative financial instruments, may not exceed at any time the value of the net assets of each Sub-Fund of the FCP.

Risks are calculated by taking into account the current value of underlying assets, the counterparty risk, the foreseeable evolution of markets and the amount of time available for the liquidation of the positions.

2.3.3. Swap and Credit Default Swap (CDS) transactions

A swap is a financial derivative instrument put in place between the Sub-Fund and a counterparty in order to exchange two streams of payments, for instance, an exchange of floating rate payments for fixed payments.

When these swap transactions are carried out with an aim different to that of covering risks the risk exposure arising from these transactions, together with the overall risk linked to other derivative instruments, can at no time exceed the value of the net assets of each Sub-Fund of the FCP. In particular, swaps on shares, baskets of shares or bonds or financial indexes will be used in strict accordance with the investment policy followed for each of the Sub-Funds.

Acquisition of a protection by means of a CDS contract means that the FCPs are hedged against risks of failure of the reference issuer in return for payment of a premium. For example, when the physical delivery of the underlying is planned, a CDS entitles FCPs with the right to sell to the counterparty a bond security that belongs to a specific issuing basket of the defaulting issuer for a predefined price (which typically corresponds to 100% of the nominal value).

Moreover, the following rules must be complied with where CDS contracts are executed with a purpose other than hedging:

– The CDS must be used in the exclusive interest of investors by allowing a satisfactory return compared to the risks incurred by the FCP;
– The risk exposure arising from these transactions, together with the overall risk exposure relating to derivative financial instruments may not exceed at any time the value of the net assets of each Sub-Fund of the FCP;
– The general investment restrictions must apply to the CDS issuer and to the CDS' final debtor risk ("underlying");
– The use of CDS must fit the investment and the risk profiles of the Sub-Funds concerned;
– The FCP must ensure that they guarantee adequate permanent hedging of commitments linked to the CDS and must always be in a position to carry out the investors' redemption requests;
– The CDS selected by the FCP must be sufficiently liquid so as to allow the FCP to sell/settle the contracts in question at the defined theoretical prices.

2.3.4. Total Return Swaps

The FCP can also enter into one or several total return swap to gain exposure to reference assets, which may be invested according to the investment policy of the relevant Sub-Fund. A total return swap ("TRS") is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses. TRS can be funded or unfunded depending whether the full value or notional value of the agreed underlying reference asset is paid on the date of entry into the TRS or not.

Securities eligible for TRS are limited to:

- debt and debt related instruments;
- equity and equity related instruments;
- Financial indexes that fulfill the criteria set by art. 9 of the Grand-Ducal Regulation of 8 February 2008.

The counterparty to a TRS does not assume any discretion over the composition or management of the Sub-Fund or over the underlying of the financial derivative instruments.

The FCP may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered as equivalent to those prescribed by Community law.

Any intent to enter into TRS on behalf of a Sub-Fund will be disclosed in Appendix B.

No direct and indirect operational costs and/or fees arising from TRS are deducted from the revenue delivered to the FCP. All returns from TRS will accrue to the Sub-Fund and are not subject to any returns sharing arrangements with the Investment Manager or any other third parties.

2.3.5. Contracts For Difference (CFD)

Contract for Difference (CFD) is an agreement between two parties to exchange the difference between the opening price and the closing price of the contract, at the close of the contract, multiplied by the number of units of the underlying asset specified within the contract. Differences in settlement are thus made through cash payments, rather than physical delivery of the underlying assets.

When these CFD transactions are carried out with an aim different to that of covering risks, the risk exposure arising from these transactions, together with the overall risk linked to other derivative instruments, can at no time exceed the value of the net assets of each Sub-Fund of the FCP. In particular, CFD on transferable securities, financial indexes or swap contracts will be used in strict accordance with the investment policy followed for each of the Sub-Funds.

2.3.6. Currency derivatives

Sub-Funds may be authorised, as part of their investment strategies or investment policy as described in their relevant specifications, to use currency derivatives for:

(1) either hedging purposes;

In such case, the Sub-Fund may enter into transactions intended to hedge these risks, such as forward foreign exchange contracts, currency options or futures on currencies provided however that the transactions made in one currency in respect of one Sub-Fund may in principle not exceed the valuation of the aggregate assets of such Sub-Fund denominated in that currency (or currencies which are likely to fluctuate in the same manner) nor exceed the period during which such assets are held.

A Sub-Fund may engage in direct hedging (taking a position in a given currency that is in the opposite direction from the position created by other portfolio investments) and in cross-hedging (reducing the effective exposure to one currency while increasing the effective exposure to another).

Currency hedging can be done at the Sub-Fund level and at the Class of Units level (for Classes of Units that are hedged to a different currency than the Sub-Fund's Reference Currency).

(2) or investment purposes (as a separate asset class for speculative purposes):

In such case, currency derivatives may conduct a Sub-Fund to be long or short in one or more currencies.

2.3.7. Efficient Portfolio Management Techniques

Efficient portfolio management techniques are used for the purpose of efficient portfolio management, which supposes that they must fulfill the following criteria featured in art. 11 of the Grand-Ducal Regulation of 8 February 2008:

A) they are economically appropriate in that they are realized in a cost-effective way;

B) they are entered into for one or more of the following specific aims:

   a) reduction of risk;

   b) reduction of cost;

   c) generation of additional capital or income for the FCP with a level of risk which is consistent with the risk profile of the FCP and the risk diversification rules applicable to it.

C) their risks are adequately captured by the risk management process of the FCP.

Securities Lending Transactions

The Management Company may enter on behalf of the FCP, for the purpose of efficient portfolio management, into securities lending transactions either directly or through a standardized lending system, organized by a recognized clearing institution or by a financial institution subject to prudential supervision rules considered as equivalent to those prescribed by Community law and specialized in these types of transactions, including entities which belong to the same group of the Depositary Bank. In such circumstances, these entities may have, directly or indirectly, an interest that is material to the investment or transaction, which may involve a potential or actual conflict of interest with these entities' duties and/or the Depositary Bank's duty to the Sub-Funds, when they conclude transactions or exercise their powers and discretions in relation to such securities lending transactions. The Management Company shall then make sure these entities have undertaken to use their reasonable endeavors to resolve any such conflicts of interest fairly and to ensure that the interests of the Sub-Funds are not unfairly prejudiced.

State Street Bank International GmbH, London Branch, which belongs to the same group of the Depositary Bank, may be appointed as securities lending agent to enter into securities lending transactions on behalf of the Sub-Funds.

The securities lending arrangements will be concluded with counterparties approved by the Management Company after completion of appropriate credit reviews in order to assess their credit quality with a conduction of a proper credit analysis.

Securities eligible for securities lending transactions are limited to:

- equity and equity-related instruments of any kind listed or dealt on a regulated market that fulfills the eligibility criteria set out by Article 41(1) of the Law of 17 December 2010 on UCIs according to Management Company's assessment.
- debt and debt-related instruments of any kind.

All the revenues arising from the securities lending activity will be credited to the Sub-Funds on a monthly basis after deduction of (i) any interest or rebate fee with respect to cash collateral owed, in respect of each Sub-Fund, to the counterparties pursuant to the lending transactions and (ii) the remuneration to be paid in respect of each Sub-Fund to the securities lending agents for the services provided under the securities lending arrangements. The securities lending agent, receives remuneration in relation to its activities. Such remuneration shall not exceed 30% of the net revenue from the activities, with all operational costs borne out of the securities lending agent's share.

The annual and semi-annual reports of the FCP will specify the Sub-Funds that are parties to securities lending transactions and contain details of the revenues arising from securities lending for the entire reporting period together with the direct and indirect operational costs and fees incurred. It will also disclose the identity of the entities to which the direct and indirect operational costs and fees are paid and indicate if these are related parties of the Management Company or the Depositary.

The FCP 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 it, at all times, to meet its redemption obligations and that these transactions do not result in a change of the declared investment objective of the Sub-Funds or add substantial supplementary risks in comparison to the original risk policy as described in this Prospectus.

Any intent to enter into securities lending transactions on behalf of a Sub-Fund will be disclosed in Appendix B.

For the avoidance of doubt, the Sub-Funds authorized as money market funds in accordance with Regulation (EU) 2017/1131 will not enter into securities lending transactions.

Repurchase Agreements

The FCP may also enter into sale with right of repurchase transactions (*opérations à réméré)*, consisting in the purchase and sale of securities whereby the terms of the agreement entitle the seller to repurchase, from the purchaser, the securities at a price and at a time agreed amongst the two parties at the conclusion of the agreement. The FCP may act either as purchaser or seller.

The FCP may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered as equivalent to those prescribed by Community law.

During the duration of a purchase with a repurchase option agreement, the FCP may not sell the securities which are the subject of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired, unless the FCP has other means of coverage.

The FCP must ensure to maintain the value of the purchase with repurchase option transactions at a level such that it is able, at all times, to meet its redemption obligations towards Unitholders.

The FCP must ensure that, at maturity of the repurchase option, it holds sufficient assets to be able to settle, if applicable, the amount agreed for the restitution of the securities to the FCP.

The FCP may also enter into reverse repurchase and repurchase agreement transactions (*opérations de* prise/*mise en pension)*, only if the counterparties to these transactions are subject to prudential supervision rules considered as equivalent to those prescribed by Community law which consist of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the asset sold and the FCP the obligation to return the asset received under the transaction.

During the duration of the reverse repurchase agreement, the FCP may not sell or pledge/give as security the securities purchased through this contract, except if the FCP has other means of coverage.

The FCP must take care to ensure that the value of the reverse repurchase agreement transactions is kept at a level such that it is able, at all times, to meet its redemption obligations towards Unitholders.

The FCP must ensure that, at maturity of the repurchase agreement, it has sufficient assets to be able to settle the amount agreed with the counterparty for the restitution to the FCP.

The FCP must take care to ensure that the volume of the repurchase agreement transactions is kept at a level such that it is able, at all times, to meet its redemption obligations towards Unitholders.

In particular, according to the requirements of Circular CSSF 08/380, the risk exposure arising from repurchase agreements, together with the overall risk exposure relating to derivative financial instruments, may not exceed at any time the value of the net assets of each Sub-Fund of the FCP.

Securities eligible for reverse repurchase or repurchase agreement transactions are limited to:

- short-term bank certificates;
- Money Market Instruments;
- bonds issued or guaranteed by an OECD member state or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- shares or units issued by money market UCIs (having daily NAV and AAA rating or equivalent);
- bonds issued by non-governmental issuers offering an adequate liquidity;
- shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included within a main index.

The FCP may purchase or sell securities in the context of reverse repurchase or repurchase agreement transactions only if the counterparties are highly rated financial institutions specialized in these types of transactions. Any intent to enter into reverse repurchase or repurchase agreement transactions on behalf of a Sub-Fund will be disclosed in Appendix B.

The use of techniques and instruments referring to sale with right of repurchase transactions, reverse repurchase and repurchase agreements must comply with the conditions stated in the CSSF circular 08/356. No direct and indirect operational costs and/or fees arising from repurchase agreements are deducted from the revenue delivered to the FCP. All returns from repurchase agreements will accrue to the Sub-Fund and are not subject to any returns sharing arrangements with the Investment Manager or any other third parties.

For the avoidance of doubt, the provisions of this section are also applicable to the Sub-Funds authorised as money market funds provided they are not incompatible with the provisions of Regulation (EU) 2017/1131.

2.3.8. Collateral Management

Where the FCP enters into OTC financial derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

A) Liquidity – any collateral received other than cash shall be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Directive 2009/65/EC.

B) Valuation – collateral received shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.

C) Issuer credit quality – collateral received shall be of high quality.

D) Correlation – the collateral received by the FCP shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

E) Collateral diversification (asset concentration) – collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if a Sub-Fund receives from a counterparty of efficient portfolio management and OTC financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Sub-Fund's net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

By way of derogation to the above collateral diversification rules, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State of the European Union, one or more of its local authorities, any Member State of the OECD, or a public international body to which one or more Member States of the European Union belong. In this case the Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of its net asset value.

The annual and semi-annual reports of the FCP will contain details of the following in the context of OTC financial derivative transactions and efficient portfolio management techniques:

– the amount of securities on loan as a proportion of total lendable assets defined as excluding cash and cash equivalents;

– the amount of assets engaged in each type of OTC financial derivative transactions and efficient portfolio management techniques expressed as an absolute amount (in the Sub-Fund's Reference Currency) and as a proportion of the Sub-Fund's assets under management (AUM);

– Ten largest collateral issuers across all OTC financial derivative transactions and efficient portfolio management techniques (break down of volumes of the collateral securities and commodities received per issuer's name);

– Top 10 counterparties of each type of OTC financial derivative transactions and efficient portfolio management techniques separately (Name of counterparty and gross volume of outstanding transactions);

– Aggregate transaction data for each type of OTC financial derivative transactions and efficient portfolio management techniques separately;

– Data on reuse of collateral;

– Data on safekeeping of collateral received and granted by the FCP as part of OTC financial derivative transactions and efficient portfolio management techniques;

– Data on return and cost for each type of OTC financial derivative transactions and efficient portfolio management techniques.

F) Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the risk management process.

G) Where there is a title transfer, the collateral received shall be held by the depositary of the FCP. For other types of collateral arrangement, the collateral can be held by a third party Depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral. Details on entities eventually entrusted with the deposit of collateral received by the FCP will be disclosed in the annual and semi-annual reports.

H) Collateral received shall be capable of being fully enforced by the FCP at any time without reference to or approval from the counterparty.

I) Non-cash collateral received shall not be sold, re-invested or pledged.

J) Cash collateral received shall only be:

– placed on deposit with entities prescribed in Article 50(f) of the Directive 2009/65/EC;

– invested in high-quality government bonds;

– used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the FCP is able to recall at any time the full amount of cash on accrued basis;

– invested in short-term money market funds as defined in Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.

The FCP accepts as collateral cash in different currencies, negotiable debt obligations issued by governments or, if agreed with counterparties on a case by case basis, corporate issuers to cover the exposure towards various counterparties. A collateral arrangement can set (i) a minimum transfer amount, i.e. a minimum level below which the relevant collateral is not required to be posted to the FCP, this avoids the need to transfer (or return) a small amount of collateral to reduce operational procedures or (ii) a threshold, so that the collateral is only required to be posted if the FCP counterparty's exposure exceeds an agreed level.

Collateral posted to the FCP is usually subject to a *haircut*, i.e. the collateral is valuated less than its market value, this is achieved by applying a valuation percentage to each type of collateral. In this case, the collateral provider will have to provide a greater amount of collateral than would otherwise have been the case. The purpose of this extra posting requirement is to set off the possible decline in the value of the collateral. The collateral may be subject to daily variation margin requirements. The valuation percentage is linked to the liquidity, less liquid securities are usually assigned lower valuation percentages, it also varies with the residual maturity of the instrument, its currency and rating, or with the rating of the issuer.

The percentage values set forth below represent the range of haircuts defined in the collateral policy set forth by the Management Company on behalf of the FCP and are aligned with the ones defined in the different collateral arrangements entered into on behalf of the FCP. The Management Company reserves the right to vary the haircuts to reflect future variations of the collateral policy.

Collateral Instrument Type	**Haircut**
Cash*	0%-8%**
OECD Government Bonds***	3%-20%
Non-Government Bonds	25%

* The haircut may vary depending on the currency.
** 0% only if the cash collateral received is in the same currency as the related Sub-Fund Reference Currency.
*** The haircut may vary depending on the residual maturity of the security.

For the avoidance of doubt, the provisions of this section are also applicable to the Sub-Funds authorised as money market funds provided they are not incompatible with the provisions of Regulation (EU) 2017/1131.

3. Net Asset Value

3.1. General

3.1.1. Determination of the Net Asset Value

The FCP's consolidated financial statements are expressed in euros. Each Sub-Fund's financial statements are expressed in their respective currency ("Reference Currency").

The Net Asset Value will be determined on each calendar day ("Valuation Day"). If this day is not a Luxembourg Bank Business Day, the Net Asset Value will be determined on the next Luxembourg Bank Business Day, using same market price references as if the Net Asset Value had been determined the prior calendar day. In case of consecutive non Luxembourg Bank Business Days, market price references should be used as if the Net Asset Value had been determined on the first non Luxembourg Bank Business Day.

Apart from Saturdays and Sundays, the days that are not Luxembourg Bank Business Days are: New Year's Day (1 January), Good Friday (movable), Easter Monday (movable), Labor Day (1 May), Ascension Day (movable), Whit Monday (movable), Europe Day (9 May), National Holiday (23 June), Assumption (15 August), All Saints Day (1 November), Christmas Eve (24 December), Christmas (25 December) and Boxing Day (26 December).

The Net Asset Value for each Sub-Fund and FCP Unit Class will be calculated as follows:

For a Sub-Fund that has issued only a single Class of Unit, the Net Asset Value per Unit is determined by dividing the Sub-Fund's net assets, which are equal to (i) the value of the assets attributable to the Sub-Fund and the revenue produced thereby, less (ii) the liabilities attributable to this Sub-Fund and any provision considered as prudent or necessary, by the total number of outstanding Units of the Sub-Fund in question on the Valuation Day in question.

If a Sub-Fund has issued two or more Classes of Units, the Net Asset Value per Unit for each Unit Class shall be computed by dividing the net assets, as defined above, included this Class by the total number of outstanding Units of the same Unit Class in circulation in the Sub-Fund on the Valuation Day in question.

Each Sub-Fund's assets and liabilities are valued in its Reference Currency.

Insofar as it is possible income from the investments, the interest due, expenses and other fees (including administrative costs and management expenses due to the Management Company) are valued on each Valuation Day, and the FCP's commitments, if any, are taken into account on the basis of the valuation made thereof.

3.1.2. Valuation of the Net Assets

A) **The net assets of each of the FCP's Sub-Funds shall consist of the following:**

a) Cash on hand or on deposit, including interest;

b) All bills and promises to pay on first demand as well as receivables (including proceeds from securities sold but not delivered);

c) All shares, bonds, subscription rights, guarantees, options and other securities, units or shares of other UCITS and/or UCI, financial instruments and similar assets held or contracted for and by the FCP (it being understood that the FCP may make adjustments without departing from Section a) below with respect to fluctuation in the market value of the securities caused by transfer of ex-dividends, ex-rights or by similar practices);

d) All dividends and cash payouts that may be received by the FCP insofar as the information concerning them is reasonably available to the FCP;

e) Any accrued interest relative to fixed-income securities held on an ownership basis by the FCP, except insofar as this interest is included or reflected in the principal amount of the security in question;

f) The cash-in value of futures contracts and buy or sell options contracts in which the FCP has an open interest;

g) The FCP's expenditures, including the cost of issue and of distribution of FCP Units, insofar as they must be reversed;

h) All other assets of all types and all kinds, including prepaid expenses.

If not otherwise stated in the Sub-Fund Sheets, the value of these assets shall be determined as follows:

a) The value of cash on hand or on deposit, bills of exchange and bills payable at sight and accounts receivable, of prepaid expenditures, dividends in cash and interest accrued but not yet received shall consist of the amount thereof, unless it is unlikely that such amount can be collected. In this case, the value shall be determined by deducting a certain amount, so as to reasonably reflect the real value of these assets.

b) The valuation of each security listed or traded on a stock exchange is based on the last known price, and if the security is traded on several markets, on the basis of the last known price of the security on its principal market. If the last known price is not representative, valuation shall be based on its likely market value, estimated prudently and in good faith.

c) The value of each security traded on a regulated market shall be based on the last known price on the Valuation Day.

d) The value of each participation in another UCITS and/or open-ended UCI shall be based on the last Net Asset Value known on the Valuation Day.

e) In the event that the securities held in the Sub-Fund's portfolio on the day in question are not listed or traded on a stock exchange or regulated market or if, with respect to the securities listed and traded on a stock exchange or regulated market, the price as determined pursuant to the procedures set forth in Subsections 2 or 3 is not representative of the securities, the value of these securities shall be fixed in a reasonable way on the basis of the sale prices anticipated cautiously and in good faith by the Management Company.

f) The cash-in value of futures contracts or options not traded on stock exchanges or other organized markets shall be their net cash-in value, according to a procedure that is constantly applied for each type of contract. Such procedures involve the use of internal models based on parameters such as the value of the underlying security, interest rates, dividend yields and estimated volatilities.

The cash-in value of futures contracts or options traded on stock exchanges or organized markets shall be based on the last settlement price of these contracts appearing on the stock exchanges or organized markets where the aforementioned contracts are traded in the FCP's name, provided that, if a contract on futures, forwards or options contracts cannot be settled on the day during which the Net Asset Value is determined, the basis used to determine the cash-in value of such contract shall be a value considered fair and reasonable according to generally accepted valuation criteria.

g) Swap contracts and all other securities and assets shall be valued at their market value as determined in good faith, pursuant to standard pricing procedures. The market value of swap agreements will in particular be calculated according to the usual methods in practice, i.e. using the difference between the updated values of forecasted flows the counterparty is to pay to the Sub-Fund and those owed by the Sub-Fund to its counterparties.

h) The CDS will be valued at their market value as determined in good faith, pursuant to procedures established by the Management Company. The market value of CDS contracts will in particular be calculated according to the usual methods in practice, i.e. based on the market premium curve of reference CDS, with the aim of extracting default probabilities of underlying issuers, and the average rate of debt collection. This value is usually provided by an independent specialized vendor.

i) Liquid assets, money market instruments or any other short-term debt or debt-related instruments, that is to say with residual maturity not exceeding 90 days, may be valued at nominal value plus any accrued interest or on an amortized cost basis, provided a regular review of the portfolio holdings is performed to detect any material deviation between the net assets calculated using these methods and those calculated using market quotations. In case of deviation which may result in a material dilution or unfair result to Unitholders, appropriate corrective actions will be taken including, if necessary, the calculation of the net assets value by using available market quotations.

In particular, as regards the valuation of the assets of the FCP's Sub-Funds authorised as money market funds in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, such assets are valued by using mark-to-market method (means the valuation of positions at readily available close out prices that are sourced independently, including exchange prices, screen prices, or quotes from several independent reputable brokers) whenever possible. When using mark-to-market method:

- such assets are valued at the more prudent side of bid and offer unless the asset can be closed out at mid-market;
- only good quality market data are used; such data are assessed on the basis of all of the following factors:
  - the number and quality of the counterparties;
  - the volume and turnover in the market of the asset of the money market fund;
  - the issue size and the portion of the issue that the money market fund plans to buy or sell.

Where use of mark-to-market method is not possible or the market data is not of sufficient quality, an such an asset of a FCP's Sub-Fund authorised as money market fund is valued conservatively by using mark-to-model method (means any valuation which is benchmarked, extrapolated or otherwise calculated from one or more market input). The model accurately estimates the intrinsic value of the asset o, based on all of the following up-to-date key factors:

- the volume and turnover in the market of that asset;
- the issue size and the portion of the issue that the money market fund plans to buy or sell;
- market risk, interest rate risk, credit risk attached to the asset.

The Net Asset Value of any Unit Class in Sub-Funds authorised as money market funds shall be calculated at least daily and rounded to the nearest basis point or its equivalent when the Net Asset Value is published in a currency unit.

In any case the adopted calculation criteria, applied on a consistent and regular basis, are to be such as to allow for auditing by the auditor of the FCP.

B) **The liabilities of each of the FCP's Sub-Funds shall consist of the following:**

a) all borrowings, bills and debts payable;

b) all capitalized interest on the FCP's borrowings (including cumulative expenses for commitments in these borrowings);

c) all expenditures incurred or payable (including but not limited to administrative expenditures and management costs, including, as the case may be, performance and deposit fees);

d) all known commitments, present and future, including liquid and certain contractual obligations to be paid in cash or in kind, including the amount of unpaid dividends declared by the FCP;

e) the appropriate provisions for future taxes based on income or capital on Valuation Day, as determined from time to time by the FCP, and other reserves, if any, authorized and approved by the Management Company, as well as any amount, if any, the Management Company may consider as being an appropriate allocation in light of the FCP's debts;

f) any other FCP commitment of any kind or nature whatsoever in accordance with generally accepted accounting principles. In determining the amount of these commitments the FCP shall take into account all expenditures due from the FCP by virtue of the section entitled "Costs and Expenses". The FCP may make an advance calculation of administrative and other expenses of a regular or recurrent nature on the basis of an amount estimated for annual periods or for other periods, and it may cover these amounts by provisions in equal amounts for the entire period.

The value of all assets and liabilities not expressed in the Sub-Fund's Reference Currency shall be converted into the Sub-Fund's Reference Currency at the exchange rate applied in Luxembourg on the Valuation Day in question, i.e. the official exchange rate available on NAV calculation day. If these rates are unavailable, the exchange rate shall be determined in good faith pursuant to procedures set forth by the Management Company's Board of Directors.

The Management Company's Board of Directors may at its discretion allow the use of other valuation methods if it considers that such a method produces a value more representative of the FCP's assets.

If valuation in accordance with the procedures set forth above becomes impossible or inadequate owing to extraordinary circumstances, the Management Company may, in appropriate cases, use other criteria cautiously and in good faith for the purpose of obtaining what it believes to be a fair valuation under such circumstances.

C) **Allocation of the FCP's Assets**

The Management Company's Board of Directors shall create one Sub-Fund per Unit Class, and shall be entitled to create a Sub-Fund corresponding to two or several Classes of Units as follows:

a) If two or more Classes of Units are created under one Sub-Fund, the assets attributable to these Classes shall be invested jointly in accordance with the particular investment policy of the Sub-Fund in question;

b) The income receivable from the issue of Units of a Class shall be allocated, on the FCP's books, to the Sub-Fund under which this Unit Class was created, as long as, if several Classes of Units are created under one Sub-Fund, the amount concerned will increase the proportion of the Sub-Fund's net assets attributable to the Unit Class to be issued;

c) The assets, liabilities, income and expenditures applied to a Sub-Fund shall be attributed to the Class or the Classes of Units corresponding to this Sub-Fund;

d) When the FCP has a debt related to an asset of a particular Sub-Fund or to all actions carried out in relation to an asset of a particular Sub-Fund, such a debt must be allocated to the Sub-Fund in question;

e) If any asset or debt of the FCP cannot be considered as attributable to a particular Sub-Fund, such assets or debts shall be allocated to all Sub-Funds in proportion to the Net Asset Value of the Classes of Units in question, or in any other way determined by the Management Company acting in good faith;

f) After payment of dividends to the Holders of any Unit Class, the Net Asset Value of any Unit Class shall be reduced by the amount of these distributions.

D) **Swing pricing procedures**

To the extent that the Management Company considers that it is in the best interests of the Fund, given the prevailing market conditions and that the net number of Units to be issued or redeemed in any Sub-Fund on any Valuation Day exceeds 2% of Units in issue of that Sub-Fund, the Management Company reserves the right to value the underlying assets on an offer or bid price basis respectively.

3.2. Suspension of the Net Asset Value Calculation and Suspension of the Issue, Conversion and Redemption of Units

By agreement with the Depositary Bank, the Management Company is authorized to temporarily suspend, the calculation of the Net Asset Value or the issue, conversion or redemption of Units of one or of several Sub-Funds, in the following cases:

– When one or several stock markets providing the basis for valuation of a substantial part of the assets of one or several of the FCP's Sub-Funds, or one or several foreign exchange markets in the currencies in which a substantial part of the assets or one or several of the FCP's Sub-Funds is expressed are closed for periods other than regular holidays, or when transactions are suspended there, are subject to restrictions or are subject in the short term to substantial fluctuations;

– During the existence of any situation constituting a state of emergency, such as a political, economic, military, monetary or social situation or strike, or any event of force majeure (significant national crisis) for which the Management Company is not responsible or which is beyond its control, and that makes it impossible to use the assets of one or of several Sub-Funds of the FCP by way of reasonable and normal procedures, without causing serious prejudice to the Unitholders;

– When, for any reason whatsoever and beyond the control and responsibility of the Management Company, the value of an asset cannot be known fast enough or accurately enough;

– When exchange restrictions or capital movements prevent carrying out transactions on behalf of one or several of the FCP's Sub-Funds, or when the purchase or sale of the assets of one or several Sub-Funds of the FCP cannot be carried out on the basis of normal exchange rate;

– In all other cases of *force majeure* or beyond the control of the Management Company which the latter, by agreement with the Depositary Bank, considers necessary and in the best interest of Unitholders.

During the period of suspension or of delay, any request for redemption, subscription, or conversion not carried out may be withdrawn via a written notification. Otherwise the request will be handled on the first Valuation Day following the end of the suspension or delay of calculation of the Net Asset Value.

Such a suspension, relative to any Unit Class in any Sub-Fund, shall have no consequences with respect to the calculation of the Net Asset Value per Unit, or to the issue, redemption or conversion of Units in any other Sub-Fund of the FCP.

The Management Company must indicate without delay its decision to suspend calculation of the Net Asset Value, or the issue, conversion and redemption of the Units, to the supervisory authority in Luxembourg and to the authorities of other States in which the Units are traded or marketed.

The suspension shall be published pursuant to the provisions indicated below in the section entitled "Information for Unitholders".

4. FCP Units

4.1. Description, Form and Unitholders' Rights

The FCP's holdings are subdivided into various Sub-Funds' Units representing all the rights of Unitholders.

Within each Sub-Fund the Management Company may issue one or several Classes of Units, each Class having one or several characteristics distinct from each other, such as, for instance, a particular structure for selling fees and redemption, a structure for special expenses for advisory services or management, a policy for hedging exchange risks or not, or a particular distribution policy. Each Class of Units is identified by its "Base" (described in the below table) and then by any applicable suffixes (described following the table). For example, a RH2 Class of Units is hedged against foreign exchange risk ("H" suffix), is an accumulating Class of Units (no "D" suffix) and is expressed in USD ("2" suffix). Performance commission applies to some Sub-Funds and Classes of Units, except to Base Class X.

Base Classes of Units:

Base Unit Class	Available to	Minimum initial subscription amount*	Minimum holding amount at umbrella fund level*	Maximum commission on transactions**	
				Issue	Redemption
R	All Investors	EUR 500	none	4.00%	none
E	All Investors	EUR 250,000	none	none	none
X	Institutional Investors	EUR 3,000,000	EUR 3,000,000	none	none
I	Institutional Investors	EUR 3,000,000	EUR 3,000,000	none	none

* Minimums apply in EUR or equivalent amount in any other currency. The Management Company may decide, at its sole discretion and at any time, to waive the minimum initial subscription and holding amounts.

** Investors should refer to the Key Investor Information Document and to the Management Company's website (www.eurizoncapital.lu) for information on the maximum commission on transactions applicable for each Sub-Fund and Class of Units. Investors might be eligible to pay less than the maximum amounts shown. Investors may find out the actual commissions from their financial adviser or distributor.

Classes of Units suffixes

Where appropriate, one or more suffixes may be added to the Base Classes of Units to indicate certain characteristics.

(**D**) This suffix indicates that the Class of Units allow for distribution of the income accrued by investments made in each of the FCP's Sub-Funds, in accordance with criteria specified in the section entitled "Dividend Policy". If no "D" is indicated, the Class of Units allows for the accumulation of income, in other words full capitalization of the income accrued by investments made in each of the FCP's Sub-Funds.

(**U**) This indicates that the Class of Units protects investors against exchange rate fluctuations between the Class of Units currency and the Sub-Fund's Reference Currency (sell EUR in exchange of the Class of Units currency).

For more on currency hedging, see the section "Investments and Investment Restrictions". Investors are advised to consider the additional risks associated with currency hedging, as described in the section "Specific risks" of the Prospectus. The attention of Unitholders is drawn to the fact that costs connected with such protection will be allocated to this class and reflected in the Net Asset Value

(**H**) This suffix indicates that the Class of Units are currency hedged. Currency hedging seeks to fully eliminate the effect of foreign exchange rate fluctuations between the Class of Units currency and the currency exposure(s) of the relevant Sub-Fund portfolio. However, in practice it is unlikely that the hedging will eliminate 100% of the difference, because Sub-Fund cash flows, foreign exchange rates, and market prices are all in constant flux. For more on currency hedging, see the section "Investments and Investment Restrictions". Investors are advised to consider the additional risks associated with currency hedging, as described in the section "Specific risks" of the Prospectus. The attention of Unitholders is drawn to the fact that costs connected with this hedging activity will be allocated to this class and reflected in the Net Asset Value.

Currency suffixes:

2: Dollar of The United States of America (USD)

3: Offshore Renminbi (CNH)

4: Australian Dollar (AUD)

5: Japanese Yen (JPY)

6: Pounds Sterling (GBP)

7: Swiss Franc (CHF)

8: Swedish Krona (SEK)

9: Norwegian Krone (NOK)

If no currency suffix is indicated, the Class of Units currency is the same as the Sub-Fund's Reference Currency.

General

The Classes of Units within the various Sub-Funds may be of unequal value.

All of the Classes of Units in each Sub-Fund have the same rights with respect to redemption and information and in all other respects. The rights attached to fractions of Units are exercised in proportion to the fraction of Units held, with the exception of voting rights, if any, which can only be exercised by whole Units.

Base classes I and X Units may only be acquired by institutional investors ("Institutional Investors"). Such Institutional Investors include: insurance companies; asset management companies; credit institutions, banking foundations or other professionals in the financial sector acting on their own behalf or within the framework of a discretionary management mission on behalf of their clients, even private clients (in this case, however, the clients on whose behalf the credit institutions or other professionals in the financial sector are acting must not have a right of property claim against the fund but only against the credit institutions or other professionals in the financial sector);

undertakings for collective investment; territorial governmental units; holding companies, provided that they can justify their actual substance and have a structure and business activities of their own, separate from those of their shareholders, and that they have significant financial interests; and finally, holding companies known as "family companies", provided these are holding companies where a family or branch of a family has significant financial interests.

Not all Classes of Units will be issued in each of the existing Sub-Funds. However, investors should refer to the Management Company's website (www.eurizoncapital.lu) for current details of which Classes of Units are in issue.

The Units are bearer Units or registered Units, at the Unitholder's discretion, in the absence of any indication to the contrary in this Prospectus. State Street Bank Luxembourg S.C.A. has been appointed by the Management Company as the professional depositary of the FCP's bearer Units (the "FCP's bearer Units Depositary") according to the Law of 28 July 2014 on the compulsory deposit and immobilisation of shares and units in bearer form (the "Law of 28 July 2014").

In the absence of any provision to the contrary the investors will not receive any certificate representing their Units. Instead of this, a simple written confirmation will be issued concerning subscription to Units or fractions of Units, down to a thousandth of a Unit. However if a Unitholder so desires, he or she may request and obtain issue of certificates representing bearer Units or registered Units. The Unitholder will pay a set price of 100 EUR for the issuance of any such certificate.

The Management Company may divide or regroup the Units in the interest of Unitholders in accordance with Articles 5.7 and 5.8.

No Unitholders' meetings are held, except in case the Management Company proposes to merge the FCP's assets or the assets of one or several of the FCP's Sub-Funds with another foreign UCI. In this case, the Unitholders' unanimous approval must be obtained in order to enable the merging of all assets. In the absence of unanimity, only the proportion of the assets held by the Unitholders who have voted in favor of the proposal may be merged with the foreign UCI.

The attention of the Unitholders of FCP's bearer Units is drawn to the fact that, in accordance with the Law of 28 July 2014, they had until 18 February 2016 to deposit their FCP's bearer Units issued before 18 February 2015 with the FCP's bearer Units Depositary. FCP's bearer Units which were not deposited with the FCP's bearer Units Depositary by 18 February 2015 had their voting rights, if any, suspended and payment of distributions, if any, deferred until their deposit with the FCP's bearer Units Depositary, in accordance with the Law of 28 July 2014. FCP's bearer Units which were not deposited with the FCP's bearer Units Depositary by 18 February 2016 have been automatically redeemed in accordance with the Law of 28 July 2014. Following such automatic redemption, the cash equivalent of such redeemed FCP's bearer Units, less redemption fee, if any, has been deposited with the Luxembourg Caisse de consignation.

FCP's bearer Units issued after 18 February 2015 will be deposited with the FCP's bearer Units Depositary immediately upon their issuance.

Unitholders of FCP's bearer Units may require the FCP's bearer Units Depositary to issue a certificate evidencing the deposit of their FCP's bearer Units.

4.1.1. Dividend Policy

Investors should refer to the Management Company's website (www.eurizoncapital.lu) for current details of which Classes of Units are in issue in each Sub-Fund.

For Classes of Units available to all Investors with a "D" suffix:

The Management Company intends distribute to Unitholders an annual coupon paid at the beginning of each calendar year.

A right to the distribution of dividend is held by the Unitholders of existing Units on the day defined by the Management Company's Board of Directors ("ex-date").

For Classes of Units available only to Institutional Investors with a "D" suffix:

After the end of each calendar semester, the Management Company intends to distribute to the Unitholders a dividend corresponding to at least 80% of the net investment income generated during the calendar semester. The net investment income is equal to the net income from investments, interests on bank accounts and other income less management and administrative fees, interests paid, taxes and other charges.

After cautious assessment, the Management Company may also distribute to the Unitholders all or part of the net realised profit on sales of investments, currencies and other financial instruments during the reference period and the net realised profits deriving from preceding periods.

The dividend distributed does not necessarily represents the effective result of the management activity of the Sub-Fund over the period (variation of the value of the Unit Class), given that the unrealised appreciation or depreciation on investments or financial derivative instruments is not taken into account. So the distribution may, if such should be the case, have a higher or lower value than the effective result of management activity.

A right to the distribution of dividend is held by the Unitholders of existing Units on the day defined by the Management Company's Board of Directors ("ex-date").

The origin of the amount distributed (income or capital) will be presented in the FCP's periodic financial reports.

Distribution of dividend will in no case be in the form of an automatic repurchase of a specific number of Units (or fractions of Units), but will always be in the form of a reduction in the unit value of each Unit.

Payments will take place within ten Luxembourg Bank Business Days following the ex-dates.

The dividends to be distributed in respect of each Class of Units will be published by the Management Company in accordance with the provisions indicated in the section "Information for Unitholders**".**

The attention of the Unitholders is drawn to the fact that the present dividend policy may allow for payment of dividend out of capital. Where this is done, it amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Payment of dividend out of capital is achieved by forgoing the potential for future capital growth. The Net Asset Value of the Unit Class will be reduced by the amount of dividend paid.

The Management Company reserves the right, taking into account the interests of the Unitholders, not to distribute any dividend.

4.2. Issue of Units, Subscription and Payment Procedures

The Management Company is authorized to issue Units at any time and without any limitation.

The Units of each Sub-Fund or, respectively, of each Unit Class of the FCP may be subscribed to via the Registrar and Transfer Agent in Luxembourg as well as other establishments authorized by the Management Company for that purpose.

The Management Company reserves the right to reject any application for purchase or to accept only a part thereof. In particular, the Management Company does not allow practices associated with Market Timing, and the Management Company reserves the right to reject subscription and conversion requests from an investor whom the Management Company suspects of using such practices, and to take, if appropriate, the necessary measures to protect the other investors in the FCP.

At the end of an initial subscription period, if any, the subscription price, expressed in the Sub-Fund or Unit Class's currency, as the case may be, shall correspond to the Net Asset Value per Unit determined pursuant to Chapter 3 "Net Asset Value", plus, as the case may be, and as specified in this Prospectus, a subscription commission paid to the Management Company, which includes all commissions due to the distributors involved in the distribution of the FCP. It does not necessary include additional costs applied by the local paying agent if any.

Subscriptions are completed at an unknown Net Asset Value. Subscription requests reaching the Registrar and Transfer Agent's registered office are closed out as set out below:

The subscription price corresponds to the Net Asset Value calculated on the first calculation date following acceptance by the Registrar and Transfer Agent in Luxembourg of the subscription request, if the latter is received before 4 p.m. (Luxemburg time). If the subscription request is received after 4 p.m., it is considered as having been received on the following Luxembourg bank business day.

Some Unit Classes may be subscribed through systematic investment plans when these services are proposed by the distribution agents or intermediaries used by the investor.

Units of any Class may also be subscribed through a favored transfer operation, as part of a single transaction or as part of a systematic conversion plan, when these services are proposed by the distribution agents or intermediaries used by the investor. A favored transfer transaction consists in a redemption carried out in another FCP managed by the Management Company followed by a subscription of Units corresponding to the countervalue of the executed redemption, less any applicable tax deductions. Therefore for favored transfer transactions, the Valuation Day of the subscription does not match with the Valuation Day of the redemption.

The general conditions regarding systematic investment plans and favored transfer operations are transmitted to the investors by the distribution agents or intermediaries authorized by the Management Company to provide such services.

Additional transaction costs could be charged by other intermediaries if used by the client when investing in the FCP.

The subscription price may be increased by the amount of levies, taxes and stamp fees that may be due in the various countries in which the Units are offered.

The subscription price, payable in the Sub-Fund's currency, must be paid into the Sub-Fund's assets within three Luxembourg Bank Business Days following the acceptance of the subscription request.

In the absence of any indication to the contrary in this Prospectus, the Units are issued after payment of the subscription price, and the registration confirmations or, as the case may be, the certificates representing Units, are sent by mail or are made available by the Depositary Bank or by its representative within two weeks following the date of payment of the equivalent value of the subscription price into the FCP's assets.

At any time and at its sole discretion, the Management Company may temporarily suspend, definitively halt or limit the issue of Units to natural or legal person resident or domiciled in certain countries and territories, or may exclude them from acquiring Units, if such a measure is necessary in order to protect the Unitholders as a whole or the FCP.

The Units may also be issued in exchange for contributions in kind, but respecting the obligation for a valuation report to be submitted by the approved Auditor, who is appointed by the Management Company pursuant to Article 8.3 of the Management Regulations, and on condition that these contributions correspond to the investment policy and restrictions of the Sub-Fund of the FCP in question, as described in Article 5 of the Management Regulations and in this Prospectus. The securities accepted as payment of a subscription are estimated, for the needs of the transaction, at the latest purchase price on the market at the time of valuation. The Management Company is entitled to reject any contribution in kind without having to justify its decision. Expenses linked to the issue of Units in exchange for contributions in kind will be charged to the Unitholder from whom these contributions originate.

The Management Company shall be entitled to limit or prevent ownership of Units by any natural or legal person if it considers that such ownership could be harmful to the FCP.

The Unitholders' attention is drawn to the fact that certain Classes of Units, as defined in more details in the previous section, are accessible only to certain types of investors. In this context the Management Company will not issue Units in Base Classes X and I to persons or companies that will not correspond to the definition of Institutional Investors as set out in the precedent section.

Moreover, the Units of Base Classes X and I are not freely transferable and every transfer of the Units in Base Classes X and I requires the previous written consent of the Management Company. The Management Company will not accept a Units transfer, if as a consequence of this transfer, a non-institutional investor will own Units in Base Classes X or I.

No Unit in a given Sub-Fund will be issued by the FCP during any period in which calculation of the Net Asset Value of the Sub-Fund concerned is suspended by the Management Company by virtue of the powers reserved to it under the Management Regulations and described in the section entitled "Suspension of the Net Asset Value calculation and Suspension of the issue, redemption and conversion of Units".

Failing this, the requests are taken into account on the first Valuation Day following the end of the suspension.

In the event of exceptional circumstances that could negatively affect the Unitholders' interest the Management Company reserves the right to carry out, during the day, other valuations that shall apply to all subscription or redemption requests received during the day in question, and it shall ensure that the Unitholders who have subscribed or redeemed during this same day are treated equally.

4.3. Redemption of Units

The Units of each Sub-Fund or, respectively, of each Unit Class of the FCPs may be redeemed at any time by sending an irrevocable redemption request to the Registrar and Transfer Agent in Luxembourg or to the other authorized banks and establishments, accompanied by confirmations of subscription or by the certificates representing Units, as the case may be.

The FCP shall be forced to redeem the Units at any time in accordance with the limitations set forth in the Law of 17 December 2010 on undertakings for collective investments.

For each Unit presented for redemption, the amount paid to the Unitholder is equal to the Net Asset Value per Unit for the Sub-Fund and/or the class in question, determined in accordance with Chapter 3. "Net Asset Value", after deduction of expenses, levies, taxes and stamp fees that may be payable on that occasion, and, possibly, of a redemption commission paid to the Management Company, the amount of which is indicated in this Prospectus.

Redemptions are made at an unknown Net Asset Value. The redemption requests reaching the Registrar and Transfer Agent's registered office are closed out as set out below:

The redemption price of the Units is expressed in the denominative currency of each Class of Units and corresponds to the Net Asset Value calculated on the first calculation date following the acceptance of the redemption request by the Registrar and Transfer Agent in Luxembourg, if the latter is received before 4 p.m. (Luxemburg time). If the redemption request is received after 4 p.m., it is considered as having been received on the following Luxembourg bank business day.

Some Unit Classes may be redeemed through systematic disinvestment plans when these services are proposed by the distribution agents or intermediaries used by the investor. The general conditions regarding systematic disinvestment plans are transmitted to the investors by the distribution agents or intermediaries authorized by the Management Company to provide such services.

The equivalent value of the Units presented for redemption is paid in that Sub-Fund's currency, by transfer, in principle within 3 Luxembourg Bank Business Days after the acceptance of the redemption request, except insofar as indicated below with respect to substantial redemption requests.

The redemption price may be higher or lower than the price paid at the time of issue, depending on changes in the Net Asset Value.

At the request of a Unitholder wishing to redeem his or her Units, the Management Company may grant a distribution in kind, in total or in part, of securities of any Unit Class to this Unitholder, instead of repurchasing them from him or her for cash. The Management Company shall proceed in this way if it considers that such a transaction will not be to the detriment of the interests of remaining Unitholders of the Sub-Fund in question. The assets to be transferred to these Unitholders shall be determined by the Management Company and the Investment Manager, taking into account the practical aspect regarding the transfer of the assets, the interests of the Unit Class and the other Unitholders, and the Unitholder him/herself. This Unitholder may have to pay fees, including but not limited to brokerage fees and/or fees for local taxes on any transfer or sale of securities received in this way in exchange for the redemption.

The net proceeds from sale of the above mentioned securities by the Unitholder applying for redemption may be less than or equal to the corresponding redemption price of Units of the class concerned, in the light of market conditions and/or of differences in the prices used for the purpose of such sales or transfers, and for calculating the Net Asset Value of this Unit Class. The choice of valuation and the disposal of the assets shall be the subject of a valuation report by the FCP's auditor. Expenses linked to the redemption of Units in exchange for a distribution in kind will be charged to the Unitholder from whom this request originated.

Redemption of Units may be suspended by a decision made by the Management Company in agreement with the Depositary Bank in the cases provided for in Section 1.2 or by order of the supervisory authority, when the public interest or the interest of the Unitholders requires this, which applies in particular when legislative, regulatory or contractual provisions concerning the FCP's activity are not observed.

If, on a given date, and in case of a redemption request amounting to more than 10% of the Net Asset Value of the Sub-Fund, payment cannot be made by means of the Sub-Fund's assets or by authorized borrowing, the FCP may, after approval by the Depositary Bank, delay these redemptions on a pro rata basis with respect to the part representing more than 10% of the Net Asset Value of the Units in the Sub-Fund, until a date that must occur no later than the third Valuation Day following acceptance of the redemption request, in order to enable it to sell a part of the Sub-Fund's assets so as to meet such substantial redemption requests. In such a case, a single price shall be calculated for all of the redemption and subscription requests presented at the same time.

Furthermore the Management Company may at any time repurchase Units held by investors excluded from the right to buy or hold Units. That applies, inter alia, to US citizens and to non-institutional investors investing in Units reserved for institutional investors, as defined in the section entitled "FCP Units - Description, Form and Unitholders' Rights".

4.4. Conversion of Units

In the absence of any indication to the contrary in this Prospectus, the Unitholders may transfer all or part of their Units from one Sub-Fund to Units from another Sub-Fund, or from one Unit Class to another Unit Class, on the basis of the Net Asset Value per Unit on that same day, in principle free of commission, except in cases in which (i) the transfer is made toward a Sub-Fund or alternatively a Unit Class which has a higher issue commission, or (ii) where a specific conversion commission is specified in this Prospectus. In the former case, in order to have its Units converted, the subscriber must pay the Management Company an issue commission equal to the difference between the issue commissions of the two Sub-Funds or, as the case may be, of the two Classes of Units. The Unitholders must fill out and sign an irrevocable request for conversion addressed to the Registrar and Transfer Agent in Luxembourg or to the other authorized banks and establishments, containing all instructions regarding conversion and accompanied by the Unit certificates, if issued, specifying, as the case may be, the Unit Class they wish to convert.

The attention of Unitholders is drawn to the fact that certain Classes of Units, as defined in the section entitled "FCP Units - Description, Form and Unitholders' Rights", are accessible only to certain types of investors. The attention of Unitholders in Base Classes R and E Units is also drawn to the fact that they may not request conversion of their Units into Base Classes I or X, unless such Unitholders conform to the definition of Institutional Investors.

If, on a given date, there is a substantial request for conversion, i.e. higher than 10% of the Net Asset Value of the Sub-Fund, the Management Company, after approval by the Depositary Bank, may delay the conversion on a pro rata basis with respect to the amount higher than 10% to a date no later than the third Valuation Day following the date of acceptance of the conversion request, in order to enable it to convert the amount of assets required.

Requests delayed in this way shall be treated on a priority basis with respect to any other requests for conversion received later.

Conversion is carried out on the basis of the Net Asset Value per Unit determined in accordance with Chapter 3." Net Asset Value", less a conversion commission if applicable. Conversions are made at an unknown Net Asset Value. Conversion requests reaching the Management Company's registered office are closed out as set out below:

Requests for conversion from one Sub-Fund to another or from one Unit Class to another will be handled on the basis of the Net Asset Value calculated on the first calculation date following acceptance of the conversion request, if the latter is received by the Registrar and Transfer Agent in Luxembourg before 4 p.m. (Luxemburg time).

If the conversion request is received after 4 p.m., it is considered as having been received on the following Luxembourg bank business day.

Some Unit Classes may be converted through systematic conversion plans, such as the *Clessidra* service in Italy, when these services are proposed by the distribution agents or intermediaries used by the investor. The general conditions regarding systematic conversion plans are transmitted to the investors by the distribution agents or intermediaries authorized by the Management Company to provide such services.

No conversion commission will be due in principle, except in case the transition is made to a Sub-Fund with a subscription commission higher than that of the Sub-Fund to be converted, in which case the subscriber must pay a commission equal to the difference between the two subscription commissions.

Conversion cannot be carried out if calculation of the Net Asset Value of one of the Sub-Funds or, as the case may be, Classes of Units concerned is suspended.

Conversion of Units from one Sub-Fund or alternatively from one Unit Class into Units of another Sub-Fund or, respectively Unit Class can be carried out only insofar as the Net Asset Value of the two Sub-Funds or Classes of Units is calculated on the same day.

The number of Units allocated in the new Sub-Fund or in the new Unit Class is determined in accordance with the following formula:

$$A = \frac{B \times C \times E}{D}$$

in which:

A is the number of Units allocated in the new Sub-Fund or new Unit Class;

B is the number of Units presented for conversion;

C is the Net Asset Value of one Unit of the Sub-Fund or of a Unit Class, the Units of which are presented for conversion, on the day of the transaction;

D is the Net Asset Value of one Unit of the new Sub-Fund or new Unit Class, on the same day as the transaction;

E is the exchange rate between the two Sub-Funds or the two Classes of Units on the day of the transaction.

4.5. Preventing Money Laundering and the Financing of Terrorism

Pursuant to legislation in force in the Grand Duchy of Luxembourg relating to prevention of money laundering and the financing of terrorism, all open account's requests must include the customer's identity on the basis of documents, data or information obtained from a reliable and independent source. Subscription requests must include a certified copy (from one of the following authorities: embassy, consulate, notary, police etc.) of (i) the subscriber's identity card, in the case of natural persons or (ii) the Articles of Association (or Company bylaws) as well as an extract from the Trade Register for companies, in the following cases:

A) Direct subscription;

B) Subscription via a professional in the financial sector that is not domiciled in a country that has the same legal obligation to identify funds as the obligation imposed in Luxembourg in connection with the struggle against money laundering by financial entities;

C) Subscription through a branch or a subsidiary, the parent company of which would be subject to an identification procedure equivalent to the one required in Luxembourg, but where the law applicable to the parent company does not force branches or subsidiaries to apply these measures.

The same identification procedure will apply in case of redemption of bearer Units.

Furthermore the Management Company is legally responsible for identifying the origin of the funds transferred from banks that are not subject to an obligation identical with the one required under the Laws of Luxembourg.

Subscriptions may be temporarily suspended until the funds in question have been properly identified.

The Management Company adopt an approach focused on the real risk, both during the customer identification process and the monitoring of transactions, while taking into account the particularities of their respective activities and their differences in scale and size (the risk-based approach).

It is generally accepted that professionals in the financial sector who are resident in countries that abide by the FATF conventions (Financial Action Task Force on Money Laundering) are considered as subject to an identification procedure equivalent to the one required under Luxembourg law.

The Registrar and Transfer Agent, acting on behalf of the FCP, may require additional documentation at any time relative to a subscription request.

If a subscriber has a query concerning the current money laundering legislation, the Registrar and Transfer Agent will provide him with a list of key points concerning money laundering. Any failure to comply with this request for additional documentation shall result in suspension of the subscription procedure.

The same shall apply if such documentation has been requested but not been provided as part of redemption transactions.

The Registrar and Transfer Agent may at any time require placement agents to make a written declaration stating that they will comply with the laws and requirements applicable in connection with money laundering.

5. Operation of the FCP

5.1. Management Regulations and Legal Framework

The Management Regulations are subject to and are construed in accordance with Luxembourg law.

The English version of the Management Regulations prevails, however subject to the condition that the Management Company and the Depositary Bank be entitled, on their behalf and on behalf of the FCP, to consider as compulsory any translations into the languages of countries in which the Units are offered or sold, with respect to the Units sold to investors in those countries.

Disputes between the Unitholders, the Management Company and the Depositary Bank are to be settled in accordance with the Laws of Luxembourg, pursuant to the provisions set forth in Article 5.1 of the Management Regulations.

Claims made by Unitholders against the Management Company or the Depositary Bank lapse five years after the date of the event that gave rise to the invoking of rights through the claims.

By agreement with the Depositary Bank and in compliance with authorizations that may be required under Luxembourg law, the Management Company shall be entitled to make any modification in the Management Regulations that it considers useful in the Unitholders' interest.

Notices informing of modifications to the Management Regulations are published on the official electronic platform *Recueil Electronique des Sociétés et Associations*, and, in principle, become effective as of the time of their signature.

5.2. Income Distribution Policy

Unit Classes with a "D" suffix allow for distribution of the income achieved through investments made in each of the FCP's Sub-Funds in accordance with criteria specified in the section entitled "FCP Units - Description, Form and Unitholders' Rights".

The income of each Sub-Fund remains the property of the Sub-Fund. The profitability of the various Sub-Funds is expressed solely by changes in the Net Asset Values of the Units.

However, the Management Company retains the possibility of distributing annually the net assets of the FCP's Sub-Fund or Sub-Funds, without any limitation on the amount, to the Unitholders of one or several Sub-Funds, if this is considered advantageous to the Unitholders. In any case the FCP's net assets, following such distribution, may be no less than 1,250,000.00 euros.

5.3. Financial Year and Management Report

The financial year of the FCP ends on December 31 of each year.

When establishing the consolidated balance sheet expressed in euros, the assets of the various Sub-Funds will be converted from their Reference Currency into euros.

The Management Company shall entrust verification of the FCP's accounting data to an Auditor.

5.4. Costs and Expenses

The following expenses are borne by the FCP:

- a management commission calculated and paid monthly, on the monthly average of the Sub-Fund's Net Asset Value, and a performance commission paid to the Management Company as compensation for its management activity. The performance commission is calculated and paid as defined in the Sub-Fund Sheets;
- an administrative commission of maximum 0.25% p.a. calculated and paid monthly on the monthly average of the Sub-Fund's Net Asset Value to the Management Company. Any modification of this commission shall be indicated in the FCP's periodic financial reports. Such commission includes:
  - the remuneration of the Depositary Bank and Paying Agent and the remuneration of the Administrative Agent and the Registrar and Transfer Agent for their services rendered to the Fund.
  - fees of legal advisors and auditors;;
  - expenses involved in preparation, printing and filing of administrative documents and explanatory memoranda with any authorities and bodies;
  - expenses related to preparation, distribution and publication of notices to Unitholders, including publication of Net Asset Value per Unit on newspapers distributed in countries in which the Units are offered or sold or on any other recognised and legally binding media;
  - fees relative to registration with any institution or authority;
  - fees relative to the FCP's listing on a stock exchange;
  - expenses involved in preparation, printing and filing of administrative documents and explanatory memoranda with any authorities and bodies;
  - fees to cover the performance of currency management services for currency hedged Classes of Units;
- all taxes and levies that may be due on the FCP's assets and income, and particularly the subscription tax payable on the FCP's net assets;
- banking or brokerage fees on portfolio securities transactions;
- banking fees in connection with duties and services of local paying agents, correspondent banks or similar entities, when applicable;
- extraordinary expenditures, such as, for instance, expert opinions or proceedings engaged in for protection of the interests of Unitholders;
- any other similar operational expenses charged to the FCP, in accordance with the Management Regulations.

The current management commission annual rates applied are set out in Appendix A.

Investment by each Sub-Fund in units of UCITS and/or other UCI may, for the investor, involve increase of certain expenses such as Depositary bank, administrative and management fees. The maximum rate of management commission applied by the underlying UCITS and/or other UCI will be equal to 2.5%.

Expenses linked to advertising and charges, other than the ones designated above, connected directly with the offer or distribution of Units, are not paid by the FCP.

The Management Company pays, out of its assets, expenses related to its own operation.

Value added tax (if any) on fees payable by each Sub-Fund will be borne by the Sub-Fund in addition to the fees.

The costs relative to creation of a new Sub-Fund will be covered by the Management Company.

5.5. Information for Unitholders

The Net Asset Value of the Units, the issue price, the conversion price and the redemption price of each Sub-Fund or, as the case may be, each Unit Class, are available in Luxembourg at the registered offices of the Management Company and the Depositary Bank.

An annual report audited by the Auditor and a semi-annual report that does not necessarily have to be audited, are published, respectively, within four months and two months following the end of the period to which they refer. The reports are distributed and are made available to Unitholders and to the public at the registered offices of the Management Company, the Depositary Bank and the designated banks and institutions.

The annual report shall contain the consolidated tables relative to the Net Asset Value and to results of transactions in the consolidation currency, which is the Euro.

The annual and semi-annual reports are delivered free of charge to Unitholders and to the public requesting them from the Management Company.

Notices to the Unitholders are published in a daily newspaper appearing in Luxembourg, and in addition are available at the registered offices of the Management Company and the Depositary Bank. They may also be published in one or several recognized and legally binding media in countries in which the Units are offered or sold.

5.6. Liquidation of the FCP, its Sub-Funds, and the Classes of Units

The FCP and each Sub-Fund or Unit Class have been created for an indefinite period. However, the FCP or any Sub-Fund or, as the case may be, Unit Class, may be liquidated in the cases provided for by law, or at any time after the Management Company has informed the Depositary Bank.

Liquidation and split of the FCP may not be requested by a Unitholder or his/her designated heirs or assignees.

In particular, the Management Company is authorized to decide on liquidation of the FCP in the cases provided for by law and if:

– The Management Company is dissolved or ceases its activities without, in the latter case, being replaced.

– The FCP's net assets have for a period of six months fallen below the legal minimum set forth in Article 23 of the Law of on Collective Investment Undertakings.

It may also decide to liquidate the FCP, any Sub-Fund or any Unit Class when the value of the net assets of the FCP, any Sub-Fund or a Unit Class of a Sub-Fund has fallen below, respectively, the levels of 50,000,000.00, 5,000,000.00 or 1,000,000.00 euros, determined by the Management Company as being the minimum level for the FCP, the Sub-Fund or the Unit Class to operate in an economically effective way – or in case of a significant change in the political and economic situation.

In the event of liquidation of the FCP, the decision or the event leading to liquidation must be published, under the conditions set forth in the Law of 17 December 2010 on Collective Investment Undertakings, on the official electronic platform *Recueil Electronique des Sociétés et Associations* and in two newspapers with sufficient circulation, including one Luxembourg newspaper. Issues, redemptions and conversions of Units shall cease at the time of the decision or the event leading to liquidation.

In the event of liquidation the Management Company shall realize the assets of the FCP or of the Sub-Fund in question in the best interests of its Unitholders, and, on the basis of instructions issued by the Management Company, the Depositary Bank shall distribute the net proceeds from the liquidation, after deduction of the expenses related thereto, among the Unitholders of the liquidated Sub-Fund in proportion to the number of Units they hold in the Sub-Fund in question.

In case of liquidation of a Unit Class the net proceeds from the liquidation shall be distributed among the Unitholders of the Class concerned in proportion to the Units held by them in this Unit Class.

If the Unitholders agree, and if the principle of equal treatment of the Unitholders is respected, the Management Company may distribute the assets of the FCP or the Sub-Fund or, as the case may be, of the Unit Class, in total or in part, in kind, pursuant to conditions set forth by the Management Company (including but not limited to presentation of an independent valuation report).

Pursuant to Luxembourg law, at the close of the liquidation of the FCP, the receipts corresponding to the Units not presented for redemption shall be kept on deposit at the Caisse de Consignation in Luxembourg until the end of the term of limitation related thereto.

In the event of a liquidation of a Sub-Fund or of a Unit Class, the Management Company may authorize the redemption or conversion of all or part of the Units of the Unitholders, at their request, at the Net Asset Value per Unit (taking into account the market prices of the investments as well as expenditure incurred in connection with the liquidation), from the date on which the decision to liquidate was made and until its effective date.

These redemptions and conversions are exempt from the applicable commissions.

At the end of the liquidation of any Sub-Fund or Unit Class the proceeds from the liquidation corresponding to Units not presented for redemption may be kept on deposit at the Depositary Bank for a period not exceeding six months, starting with the end date of the liquidation. After that term these receipts shall be kept on deposit at the Caisse de Consignation.

5.7. Closing of Sub-Funds or Units Classes via Merger with another Sub-Fund or Unit Class of the FCP or via Merger with another Luxembourg or Foreign UCI

The Management Company may cancel Units issued in a Sub-Fund and, after deduction of all relevant expenditures, may allocate Units to be issued in another Sub-Fund of the FCP, or in another collective investment undertaking ("UCI") organized pursuant to Part I of the Law of 17 December 2010 on Collective Investment Undertakings, as long as the investment policies and objectives of the other Sub-Fund or UCI are compatible with the investment policies and objectives of the FCP or the Sub-Fund in question.

The decision may be made when the value of assets of a Sub-Fund or of a Unit Class of a Sub-Fund affected by the proposed cancellation of its Units has fallen below, respectively, an amount of 5,000,000.00 or of 1,000,000.00 euros, determined by the Management Company as being the minimum level enabling the Sub-Fund or the Unit Class to act in an economically effective way – or in case of a change in the economic or political situation or in any other case, for protection of the general interest of the FCP and the Unitholders.

In such a case a notification shall be published in a Luxembourg daily newspaper and in any other recognized and legally binding media decided by the Management Company. This notification must be published at least one month before the date on which the Management Company's decision is effective. In all cases it must mention the reasons and procedures of the transaction and, in case of differences between the operating structures and investment policies of the merging Sub-Fund or unit Class and the Sub-Fund, the Unit Class or the UCI benefiting therefrom, must mention the grounds for these differences.

The Unitholders shall then be entitled to request, during a period of one month starting from the date of the abovementioned publication, the redemption or conversion of all or part of their Units, at the Net Asset Value per Unit, as determined in this Prospectus, without paying any expenses, taxes or fees whatsoever.

In case the Management Company decides to merge one or several Sub-Funds or Unit Classes of the FCP, in the interest of the Unitholders, with another foreign UCI as provided for in the Management Regulations, this merger is possible only with the unanimous approval of all of the Unitholders of the Sub-Fund in question, or on condition of transferring only those Unitholders who agreed on the transaction.

5.8. Sub-Funds or Unit Classes Splits

In case of a change in the economic or political situation having an influence on a Sub-Fund or a Unit Class or if the interest of the Unitholders of a Sub-Fund or a Unit Class so requires, the Management Company shall be entitled to reorganize the Sub-Fund or Unit Class concerned by dividing this Sub-Fund or Class into two or several new Sub-Funds or Classes of Units. The decision shall be published in the manner described in the previous Article. Its publication shall contain information on the new Sub-Funds or Classes of Units created in this way. Publication shall occur at least one month before the decision becomes effective, in order to enable the Unitholders to sell their Units at no expense before the split into two or several Sub-Funds or Classes of Units becomes effective.

5.9. Taxation

The FCP is subject to the Laws of Luxembourg. It is up to prospective purchasers of Units of the FCP to inquire about the laws and rules applicable to the acquisition, holding and possibly sale of Units, taking into account their residence or nationality.

According to laws in force this fund is not subject to Luxembourg income tax. In compliance with the Law of 21 June 2005, which transposes into Luxembourg law the 2003/48/CE Directive of 3 June 2003 of the European Union Council (UE) on the taxation of income from savings in the form of payment of interest, a tax withholding may, under certain conditions as defined by this law, be imposed upon income paid by the FCP in Luxembourg.

As legislation now stands, the FCP is subject to a Luxembourg tax at an annual rate of 0.05% payable at the end of each quarter and calculated on the amount of the net assets of each of the FCP's Sub-Funds at the end of each quarter-year; the annual rate of 0.05% shall be applicable to all Base Classes R and E of the Sub-Fund's Units, apart from Class R of the Sub-Fund "Epsilon Fund – Euro Cash".

The rate of the annual subscription tax is set at 0.01% for the Sub-Funds or Classes of Units, if the Units in these Sub-Funds or Classes are reserved for one or more Institutional Investors, as well as for those Sub-Funds whose sole purpose is collective investment in money market instruments and/or deposits with credit institutions having a remaining maturity of less than 12 months or so that the issue conditions provide for at least an annual adaptation of interest rates in the light of market conditions, having a remaining maturity of less than 12 months or so that the issue conditions provide for at least an annual adaptation of interest rates in the light of market conditions; the annual rate of 0.01% shall be applicable to all Base Classes X and I of the Sub-Fund's Units and to all Base Classes of the Sub-Fund "Epsilon Fund – Euro Cash".

The value of the assets represented by Units held in other Luxembourg UCIs shall be exempt from the subscription tax, provided such Units have already been subject to the subscription tax in Luxembourg.

Foreign Account Tax Compliance Act – "FATCA"

The Foreign Account Tax Compliance Act provisions contained in the Hiring Incentives to Restore Employment Act ("FATCA") were enacted in the US in March 2010. FATCA requires foreign financial institutions ("FFIs") to report information to the US Internal Revenue Service ("IRS") regarding their US account holders in order to reduce tax evasion by US taxpayers. Alternatively, FFIs located in certain partner countries that have concluded with the US an intergovernmental agreement ("IGA") to facilitate the implementation of FATCA can provide the requested account information to their home government for onward transmission to the IRS. FATCA imposes a 30% withholding tax on different payments, including payments of gross proceeds (as interests and dividends), to non-participating FFIs.

The FCP falls under the definition of FFI and will implement the FATCA provisions through compliance with the IGA that was concluded between Luxembourg and the US. The FCP investors may therefore be required to provide information as necessary for identifying and reporting on US reportable accounts and on payments to certain non-participating FFIs.

Common Reporting Standard – "CRS"

The Council Directive 2014/107/EU of 9 December 2014 (the "CRS Directive") amending the Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, provides for the extension of automatic information exchange already envisaged in Article 8(5) of Directive 2011/16/EU with respect to residents in other Member States. The CRS Directive imposes obligations on financial institutions ("FIs") to review and collect information on their clients/investors in an effort to identify their tax residence and to provide certain information to the relevant foreign tax authority through the Luxembourg tax authorities regarding taxable periods as from 1 January 2016.

The FCP falls under the definition of FI and will implement the CRS provisions as implemented in the Luxembourg national law. The Unitholders may therefore be required to provide information as necessary for identifying their tax residence.

The Management Company or its agents are responsible for the Unitholders' personal data processing. All the above mentioned information will be collected and transferred in accordance with the CRS Directive. That collected information may be reported to the Luxembourg tax authorities and the tax authorities of the jurisdiction of residence of the Unitholders. Unitholders' attention is called to the fact that they are required to reply to each information request sent to them in relation with CRS and that they would expose themselves to a potential reporting to the wrong foreign tax authority if they fail to answer. Unitholders' attention is also called to the fact that they have the right to access their data/information reported to the Luxembourg tax authorities and have the right to rectify that reported data/information.

5.10. Conflicts of Interest

As a part of its business to provide asset management services, investment services or operational and ancillary services, the Management Company, as a company of the Intesa Sanpaolo Group (hereinafter referred to as the "Group"), may find itself in conflict of interest situations (hereinafter referred to as the "Conflict of Interest Situation") with respect to the managed assets and funds (hereinafter referred to as the "Asset") and/ or the investors (hereinafter referred to as the "Investors"). Those conflicts could be generated also by the business carried out by the other Group companies as well as arising between other clients (hereinafter referred to as the "Clients") and the Asset.

The Management Company has identified a number of Conflict of Interest Situations that could arise at the time asset management services, investment services or operations are carried out and ancillary services are provided, and it has established procedures to be followed and measures to be taken to manage such conflicts.

Specifically, Conflict of Interest Situations may in particular arise:

A) When investing in:

- financial instruments issued or placed by companies belonging to the Group or linked to other financial instruments issued by Group companies;
- units or shares of UCITS, managed or promoted by the Management Company or by other Group companies;
- financial instruments issued by companies which carried out business relations (as having positions in the primary market operations, financing or relevant holdings, shareholders agreement holding, Group companies employees or directors having positions in the issuing companies board or account committees) with Group companies, which the Management Company knows or should know.

B) When using intermediaries belonging to the Group to make investments operations and/or to carry out other services on behalf of the Asset.

Conflict of Interest Situations may also arise as regards the services other than that of depositary provided to the Management Company acting on behalf of the FCP by the Depositary Bank or by entities linked to the Depositary Bank by a common management or control. Currently, the above mentioned services carried out for the Management Company acting on behalf of the FCP by the Depositary Bank or by entities linked to the Depositary Bank are the following:

a) administrative and registrar agent;

b) EMIR administrative support services agent;

c) FATCA support services agent;

d) local paying agent for Italy;

e) information agent for Germany, France and Switzerland;

f) KIID administrative support service agent;

g) current accounts keeping;

h) lending agent;

i) currency manager for certain currency hedged Classes of Units.

With regard to points a) to c) above, the Depositary Bank is required (i) to establish, implement and maintain operational an effective conflicts of interest policy and (ii) to establish a functional, hierarchical and contractual separation between the performance of its FCP's depositary functions and the performance of other tasks and (iii) to proceed with the identification as well as the management and adequate disclosure of potential conflicts of interest.

The Management Company has adopted an autonomy protocol and it has established a set of procedures to be followed and measures to be taken in order to avoid detrimental situations to investors' interests.

As far as derivatives structuring and trading is concerned, considering that some Sub-Funds may typically enter into tailor-made or potentially illiquid derivative transactions, necessary in order to achieve their investment objectives, it has been decided to establish a consistent trading relationship with the Counterparty. The Counterparty is part of the Intesa Sanpaolo Group of companies and, in particular, a shareholder of the appointed Investment Manager Epsilon SGR S.p.A.

Unitholders should then be aware that their investments in the Sub-Funds may in principle be subject to conflicts of interest.

The choice of an execution model involving a preferred counterparty as opposed to the application of a standard selection procedure of market counterparties, which is part of the aforementioned set of procedures to be followed in order to avoid detrimental situations to investors' interests, is mainly attributable to the following reasons:

- The structuring process and the resulting derivatives prices benefit from the long term nature of the relationship;
- All the parties involved in the portfolio management process can exchange otherwise confidential ex ante/ ex post pricing information and fully agree on the terms of the proprietary valuation models;
- The Counterparty has agreed that it will be able to analytically break down how the price of any OTC derivative instruments entered into with FCP has been set upon request of the FCP;
- Significant operational and legal risks related to derivatives can be minimized within affiliated entities.

In fact, in the particular case of derivatives, it is in the best interests of the Unitholders to consider not only the economic conditions of the transactions at inception, but the potential effects on the Sub-Funds' portfolios during the whole life of the contracts, including the potential impacts in case of unwinding or partial unwinding of the derivative instruments.

The Unitholders should also note that the Counterparty, the Management Company and the Investment Managers, while members of the same Group of companies, are legally separate entities. In addition to that, other arrangements are made in order to ensure that the Unit-holders' best interests are protected. For structured Sub-Funds, if any, a Pricing Committee, the members of whom shall be appointed by the Investment Manager Epsilon SGR S.p.A. will be responsible for overseeing the OTC derivative transactions price verification process, which in turn comprises verification that the models and parameters used for fair valuation are reasonable and in line with what other dealers may be using for similar financial products, and that those models have been verified and approved by a unit independent of the Capital Markets units of the Counterparty.

In any case all OTC transactions will be concluded on an arm's length basis.

6. The Management Company

The Management Company of the FCP is Eurizon Capital S.A. which was constituted in the Grand Duchy of Luxembourg in the form of a corporation under Luxembourg law on 27 July 1988.

The Management Company, registered in the Luxembourg Commercial Register under Number B 28536, has its registered office and administrative office in Luxembourg at 8, avenue de la Liberté. The current coordinated articles of the Management Company were filed with the Luxembourg Commercial Register on 17 December 2009.

The Management Company was constituted for an indefinite duration.

Eurizon Capital S.A. is also the Management Company for the following FCPs: Eurizon Fund, Eurizon Manager Selection Fund, Eurizon Opportunità, Eurizon MultiManager Stars Fund, and Investment Solutions by Epsilon.

Besides, Eurizon Capital S.A. has been designated as the Management Company of the following investment company with variable capital (SICAV): Donatello SICAV, ISPB LUX SICAV, Mercurio SICAV, SP-LUX SICAV II and Eurizon Investment SICAV.

The registered capital is 7,557,200.00 euros paid up in full and represented by 75,572.00 Shares of 100 euros each held by Eurizon Capital SGR S.p.A., Milan.

The Board of Directors members of the Management Company are:

Mr Tommaso CORCOS - Chairman

Mr Tommaso Corcos has been Chief Executive Officer and General Manager of Eurizon Capital SGR since January 2014. He holds a degree in Business Administration at Rome's Università La Sapienza, as well as a Master in Financial Advisory, and participated in the Harvard Business School Advanced Management Program (AMP). He began his professional career in 1987 in BNL's foreign shareholding office. Between 1990 and 2001, he held several positions with Intesa Asset Management SGR/ Nextra Investment Management SGR as Market Manager and up to Head of Investment Management for the bond, equity and currency sectors. In September 2002 Mr. Tommaso Corcos joined Fideuram with the position of Chief Executive Officer of Fideuram Investimenti Sgr SpA – formerly Fideuram Capital. From 2006 to 2013 he was also appointed Vice President and Chief Executive Officer of Fideuram Asset Management Ireland and Vice President of Fideuram Gestions, and was also member of the Board of Interfund Sicav and Eurizon Alternative Investments SGR S.p.A. Since January 2014 he is also Chairman of Epsilon SGR and since February 2014 Chairman of Eurizon Capital S.A.

Mr Daniel GROS - Vice Chairman

Mr Daniel Gros obtained a degree in Economics at the University La Sapienza of Rome. In 1984, he achieved a master's degree and Ph. D. in Economics at the University of Chicago. From 2001 to 2003, he was member of the "Conseil d'Analyse Economique" (CAE). From February 2000, he is the Director of the "Centre for European Policy Studies" (CEPS) in Bruxelles, where his main fields of research are the European Monetary Union, the Macroeconomic Politics and the Economies in Transition. From 2003, he is also member of the "Conseil d'Analyse Economique" (advisor to the French Prime Minister and Finance Minister). He is teacher at the "Université Catholique de Louvain" and the "University of Frankfurt" and from 1998, advisor to the European Parliament from 1998. In December 2010, he has also entered the Board of Directors of Eurizon Capital S.A. (Luxembourg). Since May 2013, he also serves as Chairman of the Supervisory Board of VUB Asset Management In Slovakia.

Mr Bruno ALFIERI – Managing Director

Mr Bruno Alfieri holds a Economics and Banking Degree with honours granted by Università degli Studi di Siena in 1989. He gained experience working in different areas (credit, swaps, trust services and investment funds) in IMI Bank (Lux) (1991-1995), followed by an Executive role in Fideuram Bank (Luxembourg) in the area of Risk Management and Investment Funds' Reporting (1996-1999). He was appointed Joint General Manager of Fideuram Gestions in November 1999 and General Manager for the same company in January 2002. From October 2002 to September 2007 he was General Manager and Director of Fideuram Asset Management (Ireland) in Dublin and Director of Sanpaolo Invest Ireland. In October 2007 Mr Bruno Alfieri got back to Luxembourg to carry out Fideuram Gestion's responsibility again as General Manager and Director until end 2014. From January until June, 2015, he was General Manager of Fideuram Bank (Luxembourg). Since July, 2015, Mr Bruno Alfieri is Managing Director and General Manager of Eurizon Capital S.A. in Luxembourg, being appointed Director of the same company in April 2014.

Mr Massimo MAZZINI - Director

Mr Massimo Mazzini joined the Intesa Sanpaolo Group at the end of 2007 as CIO of the Investment Solutions Division of Eurizon Capital, in charge of managing products focused on asset allocation processes, multi-manager funds, and structured/guaranteed funds for retail, private and institutional clients. Between 2001 and 2007 he was at Credit Agricole Group as Deputy CIO of CAAM SGR, in charge of managing traditional products and as a member of the International Executive Committee of the Crédit Agricole Alternative Investments Group. Prior to this, in December 2005, he had been CEO and CIO of CAAM AI SGR and CA AIPG SGR, the Crédit Agricole Group's two alternative hedge fund management companies based in Milan. Before that he was CIO of CA AIPG SGR (2001-2005), in charge of developing and managing hedge funds. He started his career with Arthur Andersen MBA, where from 1996 to 2001 he specialized in risk-management and asset management. He graduated with a degree in Economics and Business from the University of Parma. He has been CEO of Epsilon SGR from November 2009 to June 2010 and Chief Executive Officer of Eurizon AI SGR from November 2007 until November 2009. He served as Managing Director and General Manager of Eurizon Capital S.A. from August 2010 to July 2015. In August 2013, he entered the Board of Directors of Penghua Fund Management in China. Since May 2013, Mr Massimo Mazzini also serves in the Supervisory Board of VUB Asset Management in Slovakia. Mr Massimo Mazzini was appointed as Head of Marketing and Business Development of Eurizon Capital SGR in July 2015.

Mr Marco BUS - Director

Mr Marco Bus holds a Political Sciences Degree granted by Università degli Studi di Genova in 1990 and attended the London Business School Corporate Finance Executive Program. From 1991 to 1994 he held several positions with Banca Fideuram (Milan) as trader and up to head of branch. In 1995 he joined Banca Intesa International in Luxembourg in which he held the roles of Trader, Head of Portfolio Management and Head of Financial Activities until 2002. After having covered the role of Head of Private Banking at Société Européenne de Banque S.A.

(now Intesa Sanpaolo Bank Luxembourg S.A.) in Luxembourg from 2002 until 2003, in 2004 he was appointed General Manager of the same company, with the responsibility of Private Banking, Fund Administration and Financial Activities until 2007. From 2008 to 2013 Mr. Bus served as Chief Executive Officer of Société Européenne de Banque S.A. (now Intesa Sanpaolo Bank Luxembourg S.A.) in Luxembourg. From 2014 to 2016 he was Head of the High Net Worth Individual (HNWI) project of Banca IMI in Milan, in secondment from Intesa Sanpaolo Bank Luxembourg S.A. In July 2016 Marco Bus was appointed Co-General Manager and Conducting Officer of Eurizon Capital S.A.

Mr Paul HELMINGER - Independent Director

Paul Helminger was Mayor of Luxembourg City and member of the Chamber of Deputies. He was educated at the University Paris Sorbonne and at the Paris Institut d'Études Politiques before moving to the United States to finish his studies in political science at Stanford University. Paul Helminger is a member of the board of various financial institutions and other firms in Luxembourg.

Mr Claudio SOZZINI – Independent Director

Mr Claudio Sozzini obtained a bachelor's degree in Economics and Business at the University Cattolica del Sacro Cuore of Milan. After various executive positions in Credito Italiano and Banca Privata Finanziaria, he joined in 1978 Barclays Bank International and, in 1980, became a member of its Board of Directors in charge of the Finance, Organization, IT and Operations areas. Between 1986 and 2005, he held several executive positions with Banca Manusardi (merged with Banca Fideuram in 1992). Mr Claudio Sozzini currently serves as Chairman of the Boards of Directors of Fideuram Asset Management Ireland, Fideuram Investimenti Sgr SpA and Interfund Sicav. Since April 2014, he also serves as Board Member of Eurizon Capital S.A.

The purpose of the Management Company is also the creation, administration, directing, promotion, marketing, management and advising of undertakings for collective investment operating under Luxembourg or foreign laws, which can be organized into multiple Sub-Funds, and the issue of certificates or confirmations representing or documenting equity securities in these undertakings for collective investment. The Management Company may undertake all transactions directly or indirectly related to this purpose, while remaining within the limits outlined in Chapter 15 of the Law of 17 December 2010 on undertakings for collective investment.

As compensation for its management and administrative activities, the Management Company shall be entitled to a management commission, a performance commission and an administrative commission, as described in Section 5.4. "Costs and Expenses".

The Management Company may, at its own expense and its own responsibility, in order to benefit from their professional experience in certain sectors or markets, use the services of Advisors.

Remuneration Policy

The Management Company has implemented and maintains effective a remuneration policy (the "Remuneration Policy") appropriate to its size, internal organization and the nature, scope and complexity of its activities.

The Remuneration Policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or of the UCITS that it manages. Such Remuneration Policy is designed to foster proper governance and regulatory compliance while fulfilling the following requirements:

- the Remuneration Policy 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;
- the Remuneration Policy is in line 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 includes measures to avoid conflicts of interest;
- the assessment of performance is set in a multi-year framework;
- fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;

The details of the up-to-date Remuneration Policy are available on the Management Company's website (http://www.eurizoncapital.lu/lu/aboutus/RegulatoryInformation) and a paper copy may be obtained free of charge at the Management Company's registered office.

7. Depositary Bank and Paying Agent

State Street Bank Luxembourg S.C.A. has been appointed by the Management Company as the FCP's depositary (the "Depositary bank") and the FCP's paying agent (the "Paying Agent") under agreements signed respectively on 07 October 2016 and 20 December 2013.

State Street Bank Luxembourg S.C.A., the FCP's Depositary Bank and Paying Agent, is a *société en commandite par actions* with registered office at 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 32 771.

The corporate object of State Street Bank Luxembourg S.C.A. is primarily to perform banking, financial, securities and fiduciary activities, as well as incidental activities thereto.

The above mentioned agreement may be modified by mutual agreement between the companies that are parties thereto.

Depositary Bank's functions

The Depositary Bank has been entrusted with following main functions:

– ensuring that the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with applicable law and the Management Regulations;

– ensuring that the value of the Units is calculated in accordance with applicable law and the Management Regulations;

– carrying out the instructions of the Management Company unless they conflict with applicable law and the Management Regulations;

– ensuring that in transactions involving the assets of the FCP any consideration is remitted within the usual time limits;

– ensuring that the income of the FCP is applied in accordance with applicable law and the Management Regulations;

– monitoring of the FCP's cash and cash flows;

– safe-keeping of the FCP's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

Depositary Bank's liability

In the event of a loss of a financial instrument held in custody, determined in accordance with the Directive 2009/65/EC (as amended by the Directive 2014/91/EU) ("UCITS Directive"), and in particular Article 18 of the UCITS Regulation, the Depositary Bank shall return financial instruments of identical type or the corresponding amount to the Management Company acting on behalf of the FCP without undue delay.

The Depositary Bank shall not be liable if it can prove that the loss of a financial instrument held in custody 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 pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Unitholders may invoke the liability of the Depositary Bank directly or indirectly through the Management Company provided that this does not lead to a duplication of redress or to unequal treatment of the Unitholders.

The Depositary Bank will be liable to the Fund for all other losses suffered by the FCP as a result of the Depositary Bank's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary Bank shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary Bank of its duties and obligations.

Delegation

The Depositary Bank has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary Bank's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary Bank has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Management Company or at the following internet site: http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html.

Depositary Bank's Conflicts of Interest

The Depositary Bank is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary Bank or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

A) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Management Company acting on behalf of the FCP;

B) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the FCP either as principal and in the interests of itself, or for other clients;

In connection with the above activities the Depositary Bank or its affiliates:

A) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Management Company acting on behalf of the FCP, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;

B) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

C) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Management Company acting on behalf of the FCP;

D) may provide the same or similar services to other clients including competitors of the FCP;

E) may be granted creditors' rights by the FCP which it may exercise.

The Management Company acting on behalf of the FCP may use an affiliate of the Depositary Bank to execute foreign exchange, spot or swap transactions for the account of the FCP. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Management Company acting on behalf of the FCP. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Management Company acting on behalf of the FCP. The affiliate shall enter into such transactions on the terms and conditions agreed with the Management Company acting on behalf of the FCP.

Where cash belonging to the FCP is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Management Company may also be a client or counterparty of the Depositary Bank or its affiliates.

Potential conflicts that may arise in the Depositary Bank's use of sub-custodians include four broad categories:

(1) conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary Bank may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;

(2) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;

(3) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary Bank as its counterparty, which might create incentive for the Depositary Bank to act in its self-interest, or other clients' interests to the detriment of clients; and

(4) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the FCP and its Unitholders.

The Depositary Bank has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depository issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary Bank's use of sub-custodians, the Depositary Bank imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary Bank further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary Bank internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary Bank, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary Bank, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Unitholders on request.

The Depositary Bank or the Management Company may, at any time and by means of written notice of at least three months sent from one to the other, terminate the Depositary Bank's duties, it being understood that the Management Company is required to appoint a new Depositary Bank, which shall take over functions and responsibilities as defined by law and in the Management Regulations.

While awaiting its replacement, which must take place within two months starting from the date of expiration of the notice period, the Depositary Bank shall take all steps necessary to ensure the proper protection of the Unitholders' interests.

In its capacity as Paying Agent, State Street Bank Luxembourg S.C.A. is in charge of payment of the FCP's dividends and of proceeds from the redemption of Units.

8. Administrative Agent, Registrar and Transfer Agent

State Street Bank Luxembourg S.C.A. has been appointed by the Management Company as the the FCP's administration agent, registrar and transfer agent (the "Administrative Agent, Registrar and Transfer Agent") in Luxembourg under an agreement signed on 20 December 2013.

The above mentioned agreement may be modified by mutual agreement between the companies that are parties thereto.

In such capacity, State Street Bank Luxembourg S.C.A. shall be responsible for all administrative and accounting obligations required under Luxembourg law, and particularly for accounting maintenance and the calculation of the Net Asset Value, as well as for execution of requests for the issue, redemption and conversion of Units, and for the maintenance of the Unitholders' register.

In no case shall the Management Company and the Depositary Bank's liability be affected by the fact that the Management Company delegated the Administrative Agent, Registrar and Transfer Agent functions to State Street Bank Luxembourg S.C.A.

9. Investment Manager

The Investment Manager will manage the Sub-Funds on a daily basis by purchasing and selling the eligible assets according to the Investment Policy of each Sub-Fund.

In the execution of its mandate the Investment Manager is permitted to enter into "soft commission" agreements with brokers. In accordance with these agreements and in accordance with the interests of Unitholders, such brokers will make direct payment for goods and services provided by third-parties and used to support the Investment Manager's business directly. These arrangements cannot be executed with physical persons. Indications of "soft commission" will appear in the FCP's annual report.

The Investment Manager may, subject to previous agreement of the Management Company, at its own expense and its own responsibility, in order to benefit from their professional experience in certain sectors or markets, use the services of Advisors and/or of Sub-Investment Managers. In such cases the Sub-Investment Manager will be mentioned in the Sheets of the Sub-Funds in question.

The Sub-Funds of the FCP are managed by the following Investment Managers:

– Eurizon Capital S.A.

– Eurizon Capital SGR S.p.A.

– Epsilon SGR S.p.A.

Eurizon Capital S.A. structure is more fully described in section "The Management Company".

Eurizon Capital SGR S.p.A., fully owned by Intesa Sanpaolo Group, is an asset management company specialized in the management of mutual funds and managed accounts to Italian retail and institutional investors.

Epsilon Associati – Società di Gestione del Risparmio S.p.A. (short name: Epsilon SGR S.p.A.), jointly owned by Banca IMI S.p.A. and Eurizon Capital SGR S.p.A., both part of Intesa Sanpaolo Group, is an asset management company specialized in the management of mutual funds to Italian retail and institutional investors. Such company benefits from the best expertise and experience of its two shareholders in the field of Investment Banking/Capital Markets and Asset Management.

10. Distributors and Nominees

The Management Company may designate banks and/or financial institutions to act as distribution agents or intermediaries who may be involved in investment and redemption transactions. In certain countries this is even a legal requirement. Pursuant to the legal conditions of the place where the Units are distributed, the distribution agents may, with the Management Company approval, act as nominees for the investors (the nominees being intermediaries acting between the investors and the UCIs of their choice). As such, the distribution agent or intermediary shall subscribe to or repurchase Units of the FCPs in its name, however as a nominee acting on behalf of the investor. In appropriate cases, it shall demand registration of these transactions in the FCP's register of Unitholders. This being the case, the investors, unless otherwise provided for in local law, shall retain the right to invest directly in the FCP without using a nominee's services. In addition, investors who have subscribed via a nominee shall retain a direct right to the Units subscribed in this way.

Insofar as need be it is specified that the foregoing section is not applicable in cases in which recourse to the services of a nominee is indispensable, or even mandatory, for legal or regulatory reasons or due to binding practices.

The nominee list is available at the head office of the Management Company.

11. Available Information and Documents

In compliance with the provisions of the Law of 17 December 2010 on collective investment undertakings, CSSF Regulation 10-4 and CSSF Circular 12/546, the Management Company has implemented and maintains effective certain procedures and strategies including:

- a procedure for the reasonable and prompt handling of complaints received from Unitholders which is available on the Management Company's website (www.eurizoncapital.lu);
- a summary of the strategies for the exercise of the voting rights attached to instruments held in the portfolios of the Fund which is available on the Management Company's website (www.eurizoncapital.lu) and the details of the actions taken on the basis of those strategies can be supplied free of charge to Unitholders upon request made to the Management Company;
- a policy for the transmission and execution of orders on financial instruments which is available on the Management Company's website (www.eurizoncapital.lu);
- inducements: the essential terms of the arrangements relating to the fees, commissions or non-monetary benefits, the Management Company may receive in relation to the activities of investment management and administration of the Fund are disclosed in this Prospectus and/or in periodic reports, as the case may be. Further details can be supplied free of charge to investors upon request made to the Management Company;
- procedures relating to the management of conflicts of interest as disclosed in this Prospectus and also on the Management Company's website (www.eurizoncapital.lu);
- a Remuneration Policy which main features are described in Section 6 "The Management Company".

In compliance with the provisions of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, the Management Company, at least weekly, makes all of the following information available to the Unitholders of the FCP's Sub-Funds authorised as money market funds on the Management Company's website (www.eurizoncapital.lu):

- the maturity breakdown of the portfolio of the Sub-Funds;
- the credit profile of the Sub-Funds;
- the weighted average maturity (WAM) and weighted average life (WAL) of the Sub-Funds;
- details of the 10 largest holdings in each Sub-Fund, including the name, country, maturity and asset type, and the counterparty in the case of repurchase and reverse repurchase agreements;
- the total value of the assets of the Sub-Funds;
- the net yield of the Sub-Funds.

In compliance with the provisions of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, the Management Company, at least daily, makes the net asset value of the Sub-Funds authorised as money market funds available to the Unitholders on the Management Company's website (www.eurizoncapital.lu).

The following documents are deposited at the registered office of the Management Company where they may be consulted:

A) The Management Company's coordinated Articles of Incorporation;

B) The coordinated Management Regulations;

C) The latest annual and semi-annual reports established for the FCP;

D) "Depositary Agreement" executed between State Street Bank Luxembourg S.C.A. and the Management Company;

E) The "Administration Agency, Paying Agency, Registrar and Transfer Agency Agreement" executed between State Street Bank Luxembourg S.C.A. and the Management Company;

F) The agreements executed with any Investment Manager.

The Prospectus, the KIID and the financial reports may be obtained by the public free of charge at the Management Company's registered office and website (www.eurizoncapital.lu), from the Depositary Bank, and also from all authorized representatives. In addition, the KIID may also be made available on any other durable medium as agreed with Unitholders/applicants.

The official language of this Prospectus and of the Management Regulations is English.

12. List of Sub-Funds

Epsilon Fund - Euro Cash 52
Epsilon Fund - Euro Bond 53
Epsilon Fund - Euro Q-Equity 54
Epsilon Fund - Emerging Bond Total Return 55
Epsilon Fund - Emerging Bond Total Return Enhanced 57
Epsilon Fund - Q-Flexible 59
Epsilon Fund - Enhanced Constant Risk Contribution . . 60
Epsilon Fund - Absolute Q-Multistrategy 62

Epsilon Fund - Euro Cash

This Sub-Fund, formerly named Eurizon Stars Fund – Cash, was launched on 21 April 2008 at an initial price of 100 Euros. Its name was changed to Epsilon Fund – Euro Cash on 29 June 2012.

Objectives

This Sub-Fund qualifies as variable net asset value standard money market fund as defined and regulated by Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds. The objective of this Sub-Fund is then to preserve capital and achieve a return in line with the return of the EUR money market, represented by the Bloomberg Barclays Euro Treasury Bills Index.

The Bloomberg Barclays Euro Treasury Bills® Index (Bloomberg Code LEB1TREU) is composed of Euro-denominated zero-coupon bonds, listed on European stock exchanges with trading volumes in excess of 5 billion Euros on such securities. This Index includes Treasury Bills that have a remaining maturity of less than twelve months and fifteen days and 1 billion Euros or more of outstanding face value.

The Sub-Fund will invest in money market instruments, repurchase agreements, reverse repurchase agreements and deposits eligible in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, while maintaining a high degree of liquidity and observing the risk spreading principle by sufficient diversification.

No guarantee is given to investors with respect to this objective actually being reached.

Investment Policy

The Sub-Fund's net assets will be mainly invested in Euro-denominated money market instruments that received a favourable credit quality assessment pursuant to the Management Company's internal credit quality assessment procedure among an investment universe of Investment Grade credit rating instruments and deposits with credit institutions,

On an ancillary basis, the Sub-Fund may hold liquid assets, repurchase agreements, reverse repurchase agreements and units or shares of other short-term money market or standard money market UCITS (up to 10% of its net assets) within the limits allowed by law and indicated in the section "Specific investment rules for money market funds".

This Sub-Fund's net assets will not be invested in asset-backed securities and in mortgage-backed securities.

Taking into account the derivatives financial instruments, if any, the weighted average maturity of the portfolio will be of no more than 6 months, while the weighted average life of the securities held will be less or equal to 12 months.

Investment in non-EUR financial instruments is allowed provided by the currency exposure is fully hedged.

The Sub-Fund may use financial techniques and instruments within the limits and under the conditions described in the section "Specific investment rules for money market funds" and in Appendix B. Derivative financial instruments, whether negotiated on a regulated market that operates regularly and that is recognized and open to the public or dealt on over-the-counter markets, will be aimed at hedging the interest rate or exchange rate risks inherent in other investments of the Sub-Fund. Investors are advised to consider the additional risks associated with the use of derivative financial instruments, as described in the section "Specific Risks" of the Prospectus.

Investors' attention is called to the fact that this Sub-Fund does not provide protection of the capital invested or guarantee on the return that will be achieved. An investment in this Sub-fund is thus not equivalent to the set-up of a bank deposit and the principal invested in this Sub-Fund is capable of fluctuation. The risk of loss of the principal is to be borne by the Investor.

This Sub-Fund does not rely on external support for guaranteeing its liquidity or stabilising its Net Asset Value per unit.

When credit ratings published by credit rating agencies are used, such credit agencies shall be established in the European Union and registered in accordance with the Regulation N° 462/2013 of the European Parliament and of the Council amending Regulation N° 1060/2009 on credit rating agencies.

General Information

1. **Sub-Fund's Reference Currency**
   Euro
2. **Subscription tax rate**
   This Sub-Fund is intended to be managed according to the conditions laid down by Article 174 (2) a) of the Law of 17 December 2010, so as to obtain a subscription tax rate reduced to 0.01% p.a.
3. **Global exposure**
   The method used to calculate the global exposure for this sub-fund is the Commitment Approach.
4. **Investment Manager**
   Eurizon Capital S.A.
5. **Investor Profile**
   This Sub-Fund may be appropriate for investors who pursue a cautious investment strategy and seek to preserve the value of their capital

Epsilon Fund - Euro Bond

This Sub-Fund, formerly named Eurizon Stars Fund – Euro Bond, was launched as Eurizon Capital Alpha Fund - Euro Bond on 12 December 2006 at an initial price of 100 Euros and was spinned-off into Eurizon Stars Fund on 5 May 2008. Its name was changed to Epsilon Fund – Euro Bond on 29 June 2012.

Objectives

The Sub-Fund's Investment Manager, through professional management techniques, will seek to achieve in the medium term an average return in excess of the performance of the JPM EMU Government Bond Index® expressed in Euro.

The JP Morgan EMU Government Bond Index® (the "Benchmark") is designed to measure the performance of a Euro denominated portfolio of Eurozone Government Bonds (*Bloomberg Code JPMGEMLC*).

No guarantee is given to investors in this Sub-Fund with respect to the objective actually being reached.

Investment Policy

The Sub-Fund will invest mainly in debt and debt-related instruments of any kind, including for example bonds and money market instruments, with an Investment Grade credit rating, issued or guaranteed by governments, their agencies or public international bodies either on the domestic market or on the international markets and denominated in Euro, as well as in deposits with credit institutions.

This Sub-Fund's investments will be made in such a way that the duration of the portfolio is, while taking into account the derivative financial instruments relating thereto, generally comprised between 2 and 8 years.

Insofar as this Sub-Fund's net assets are not invested in debt and debt-related instruments, the remaining net assets may be invested in any other instruments, such as but not limited to UCITS of any kind (up to 10%) and cash, within the limits allowed by law and indicated in the section "Investments and Investment Restrictions".

Investments in asset-backed securities and in mortgage-backed securities are allowed only through UCITS. No direct investments in such instruments are allowed.

The Sub-Fund may use financial techniques and instruments within the limits and under the conditions described under section "Techniques and Instruments" and in Appendix B. Derivative financial instruments, whether negotiated on a regulated market that operates regularly and that is recognized and open to the public or dealt on over-the-counter markets, will be aimed at covering risks, ensuring efficient portfolio management and/or investing according to the Investment Policy.

Investors are advised to consider the additional risks associated with the use of derivative financial instruments, as described in the section "Specific Risks" of the Prospectus.

This Sub-Fund is managed via the use of Value at Risk (VaR). With this type of approach, the maximum potential loss that the Sub-Fund could suffer within a certain time horizon and a certain degree of confidence is estimated. VaR is a statistical approach and under no circumstances does its use guarantee a minimum performance.

When credit ratings published by credit rating agencies are used, such credit agencies shall be established in the European Union and registered in accordance with the Regulation N° 462/2013 of the European Parliament and of the Council amending Regulation N° 1060/2009 on credit rating agencies.

General Information

1. **Sub-Fund's Reference Currency**

   Euro

2. **Performance Commission**

   The Management Company is entitled to receive a performance commission, the existence and amount of which is defined according to the following conditions:

   The performance commission amounts to 15% of the respective annual performance (on a calendar year basis) of the Net Asset Value per Unit of each Class with respect to the applicable High Water Mark, applied to the smallest value between the annual average Net Asset Value of the same Class of the Sub-Fund and the Net Asset Value of this Class at the end of the calendar year.

   For each Class, the applicable High Water Mark is defined as the highest Net Asset Value per Unit recorded at the end of the five previous calendar years starting from the one recorded at the end of the year 2018 to which is added the return recorded during the current calendar year of the Benchmark. If there are less than five previous calendar years for the Class, the highest Net Asset Value per Unit recorded at the end of any previous calendar year starting from the one recorded at the end of the year 2018 shall be considered.

   A performance commission is accrued on each Valuation Day when the respective Net Asset Value per Unit of each Class of the Sub-Fund is higher than the High Water Mark.

   Performance commission accrued on each Class of this Sub-Fund is capped at 0.85% p.a. of the average Net Asset Value of the same Class.

   When the performance of the Benchmark is negative then a performance equal to zero is used for the purposes of performance fee calculation.

   The performance commission, if any, is paid on a yearly basis, on the first Valuation Day of the following calendar year.

   The Benchmark can be expressed in, converted in or hedged against its local currencies or the currency the Classes of Units of the Sub-Fund are expressed in, in order to reflect the characteristic of each Class of Unit of the Sub-Fund. The performance of the Units are calculated considering the reinvestment of dividends, if any.

   For the Classes of Units launched after 31 December 2018, the first High Water Mark corresponds to the initial Net Asset Value of each Class.

   With regard to the first calendar year, the Benchmark and the performance commission, if any, are calculated on a prorata temporis basis.

   The Management Company reserves the right to levy anticipatively on the Sub-Fund's net assets the performance fee accruals, if any, related to the nets assets redeemed.

3. **Global exposure**

   The method used to calculate the global exposure for this sub-fund is the Commitment Approach.

4. **Investment Manager**

   Eurizon Capital SGR S.p.A.

5. **Investor Profile**

   This Sub-Fund may be appropriate for investors who pursue a growth orientated investment strategy and seek medium term capital appreciation accepting market volatility.

Epsilon Fund - Euro Q-Equity

This Sub-Fund, formerly named Eurizon Stars Fund – Euro Q-Equity, was launched on 03 June 2008 at an initial price of 100 Euros. Its name was changed to Epsilon Fund – Euro Q-Equity on 29 June 2012. On 31 May 2019 it received as a contribution the assets and liabilities of the Sub-Fund Epsilon Fund - European Q-Equity.

Objectives

The Sub-Fund's Investment Manager, through professional management techniques, will seek to achieve in the long term an average return in excess of the performance of the Euro Stoxx® Net Return Index expressed in Euro.

The Euro Stoxx® Net Return Index(the "Benchmark") is a capitalization-weighted index which includes countries that are participating in the EMU. This Index is computed based on dividends and distributions reinvestment (*Bloomberg Code SXXT*).

This Sub-Fund is managed through quantitative methods based on multiple factor analyses designed to identify companies or institutions with the greatest potential for appreciation, compared to other companies, to the market as a whole or to the industry in which they operate

No guarantee is given to investors in this Sub-Fund with respect to the objective actually being reached.

Investment Policy

The Sub-Fund will invest mainly in equity or equity-related instruments of any kind, including for example shares and bonds convertible into shares, listed on regulated markets in member countries of the Economic and Monetary Union (EMU) and/or issued by companies or institutions established in or having operations in or deriving part of their revenue from such countries.

Insofar as this Sub-Fund's net assets are not invested in equity or equity-related instruments, the remaining net assets may be invested in any other instruments, such as but not limited to UCITS of any kind (up to 10%), bonds, money market instruments and cash, including deposits with credit institutions, within the limits allowed by law and indicated in the section "Investments and Investment Restrictions".

Investments in asset-backed securities and in mortgage-backed securities are allowed only through UCITS. No direct investments in such instruments are allowed.

The Sub-Fund may use financial techniques and instruments within the limits and under the conditions described in the section "Techniques and Instruments" and in Appendix B. Derivative financial instruments, whether negotiated on a regulated market that operates regularly and that is recognized and open to the public or dealt on over-the-counter markets, will be aimed at covering risks, ensuring efficient portfolio management and/or investing according to the Investment Policy.

Investors are advised to consider the additional risks associated with the use of derivative financial instruments, as described in the section "Specific Risks" of the Prospectus.

When credit ratings published by credit rating agencies are used, such credit agencies shall be established in the European Union and registered in accordance with the Regulation N° 462/2013 of the European Parliament and of the Council amending Regulation N° 1060/2009 on credit rating agencies.

General Information

1. **Sub-Fund's Reference Currency**

   Euro

2. **Performance Commission**

   The Management Company is entitled to receive a performance commission, the existence and amount of which is defined according to the following conditions:

   The performance commission amounts to 15% of the respective annual performance (on a calendar year basis) of the Net Asset Value per Unit of each Class with respect to the applicable High Water Mark, applied to the smallest value between the annual average Net Asset Value of the same Class of the Sub-Fund and the Net Asset Value of this Class at the end of the calendar year.

   For each Class, the applicable High Water Mark is defined as the highest Net Asset Value per Unit recorded at the end of the five previous calendar years starting from the one recorded at the end of the year 2018 to which is added the return recorded during the current calendar year of the Benchmark. If there are less than five previous calendar years for the Class, the highest Net Asset Value per Unit recorded at the end of any previous calendar year starting from the one recorded at the end of the year 2018 shall be considered.

   A performance commission is accrued on each Valuation Day when the respective Net Asset Value per Unit of each Class of the Sub-Fund is higher than the High Water Mark.

   The performance commission accrued on each Class of this Sub-Fund is capped at 1.80% p.a. of the average Net Asset Value of the same Class.

   When the performance of the Benchmark is negative then a performance equal to zero is used for the purposes of performance fee calculation.

   The performance commission, if any, is paid on a yearly basis, on the first Valuation Day of the following calendar year.

   The Benchmark can be expressed in, converted in or hedged against its local currencies or the currency the Classes of Units of the Sub-Fund are expressed in, in order to reflect the characteristic of each Class of Unit of the Sub-Fund. The performance of the Units are calculated considering the reinvestment of dividends, if any.

   For the Classes of Units launched after 31 December 2018, the first High Water Mark corresponds to the initial Net Asset Value of each Class.

   With regard to the first calendar year, the Benchmark and the performance commission, if any, are calculated on a prorata temporis basis.

   The Management Company reserves the right to levy anticipatively on the Sub-Fund's net assets the performance fee accruals, if any, related to the nets assets redeemed.

3. **Global exposure**

   The method used to calculate the global exposure for this sub-fund is the Commitment Approach.

4. **Investment Manager**

   Epsilon SGR S.p.A.

5. **Investor Profile**

   This Sub-Fund may be appropriate for investors who pursue a growth orientated investment strategy and seek long term capital appreciation accepting market volatility.

Epsilon Fund - Emerging Bond Total Return

This Sub-Fund, formerly named Eurizon Stars Fund – Emerging Bond Total Return, was launched on 27 May 2008 at an initial price of 100 Euros. Its name was changed to Epsilon Fund – Emerging Bond Total Return on 29 June 2012.

Objectives

The objective of this Sub-Fund is to achieve on average an annual return, gross of management fees, in excess of the performance of the Bloomberg Barclays Euro Treasury Bills® Index expressed in Euro + 1.30% (the "Performance Objective") over a time horizon of 36 months.

The Bloomberg Barclays Euro Treasury Bills® Index (Bloomberg Code LEB1TREU) is composed of Euro-denominated zero-coupon bonds, listed on European stock exchanges with trading volumes in excess of 5 billion Euros on such securities. This Index includes Treasury Bills that have a remaining maturity of less than twelve months and fifteen days and 1 billion Euros or more of outstanding face value.

No guarantee is given to investors in this Sub-Fund with respect to the objective actually being reached.

Investment Policy

The Sub-Fund will invest mainly in short or medium term debt or debt-related instruments of any kind, including for example bonds and money market instruments, denominated in any currency and issued either on domestic markets or on international markets by governments, their agencies or private issuers located in or established under the laws of Emerging Countries.

In particular, Emerging Countries may include, as examples, the following: Algeria, Argentina, Brazil, Bulgaria, Chile, China, Colombia, Dominican Republic, Egypt, El Salvador, Ecuador, Ivory Coast, Lebanon, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Panama, Peru, Philippines, Poland, Russia, South Africa, South Korea, Thailand, Tunisia, Turkey, Ukraine, Uruguay, Venezuela and the countries whose economies are less developed according to the World Bank, its related organizations or the United Nations or its authorities..

The investments in transferable securities not admitted to an official listing on a securities stock exchange or not dealt in on another regulated market, which operates regularly and that is recognized and open to the public in the meaning of Article 41 (1) of the Law of 17 December 2010 on UCIs, will be treated as investments in unlisted securities, and therefore may not, together with the other unlisted securities, exceed 10% of the Sub-Fund's net assets.

Investments in Emerging Countries, in Russia and/or High Yield securities are subject to special risks as described in the section "Specific Risks" of the Prospectus.

Insofar as this Sub-Fund's net assets are not invested in debt instruments, the remaining net assets may be invested in any other instruments, such as but not limited to UCITS of any kind (up to 10%) and cash, including deposits with credit institutions, within the limits allowed by law and indicated in the section "Investments and Investment Restrictions".

Investments in asset-backed securities and in mortgage-backed securities are allowed only through UCITS. No direct investments in such instruments are allowed.

Investors are asked to note that the Sub-Fund may directly or indirectly through the Bond Connect program invest in the China Interbank Bond Market, considered as a regulated market within the meaning of Article 41(1) of the Law of 17 December 2010, but which has a higher than average level of risk. Investments in China are subject to additional risks as described in the section "Specific risks of investing in People's Republic of China" of this Prospectus.

The Sub-Fund may use financial techniques and instruments within the limits and under the conditions described in the section "Techniques and Instruments" and in Appendix B. Derivative financial instruments, whether negotiated on a regulated market that operates regularly and that is recognized and open to the public or dealt on over-the-counter markets, will be aimed at covering risks, ensuring efficient portfolio management and/or investing according to the Investment Policy.

Investors are advised to consider the additional risks associated with the use of derivative financial instruments, as described in the section "Specific Risks" of the Prospectus.

When credit ratings published by credit rating agencies are used, such credit agencies shall be established in the European Union and registered in accordance with the Regulation N° 462/2013 of the European Parliament and of the Council amending Regulation N° 1060/2009 on credit rating agencies.

General Information

1. **Sub-Fund's Reference Currency**

   Euro

2. **Performance Commission**

   The Management Company is entitled to receive a performance commission, the existence and amount of which is defined according to the following conditions:

   The performance commission amounts to 20% of the percentage increase of the Net Asset Value per Unit of each Class with respect to the applicable High Water Mark, applied to the smallest value between the annual average Net Asset Value of the same Class of the Sub-Fund and the Net Asset Value of this Class at the end of the calendar year.

   For each Class, the applicable High Water Mark is defined as the highest Net Asset Value per Unit recorded at the end of any previous calendar year to which is added the performance of the Performance Objective of the current calendar year.

   A performance commission is accrued on each Valuation Day when the respective Net Asset Value per Unit of each Class of the Sub-Fund is higher than the High Water Mark.

   The performance commission, if any, is paid on a yearly basis, on the first Valuation Day of the following calendar year.

   The Performance Objective can be expressed in, converted in or hedged against its local currencies or the currency the Classes of Units of the Sub-Fund are expressed in, in order to reflect the characteristic of each Class of Unit of the Sub-Fund. The performance of the Units are calculated considering the reinvestment of dividends, if any.

   With regard to the first calendar year, the Performance Objective and the performance commission, if any, are calculated on a prorata temporis basis.

   With regard to the first calendar year, a performance commission will be paid if the performance of each Class of the Sub-Fund – calculated on the basis of the last Net Asset Value per Unit of each Class and the initial price of the same Class of the Sub-Fund – outperforms the Performance Objective – fixed on the first Valuation Day of each Class of the Sub-Fund and applied on a prorata temporis basis.

The Management Company reserves the right to levy anticipatively on the Sub-Fund's net assets the performance fee accruals, if any, related to the nets assets redeemed.

3. **Global exposure**

The method used to calculate the global exposure for this sub-fund is the Commitment Approach.

4. **Investment Manager**

Epsilon SGR S.p.A.

5. **Investor Profile**

This Sub-Fund may be appropriate for investors who seek a capital growth superior to that offered by debt instruments of developing markets issuers but are willing to be exposed to a greater volatility and therefore to a higher risk.

Epsilon Fund - Emerging Bond Total Return Enhanced

The Sub-Fund is opened for subscriptions as of 16 August 2017 at an initial price of 100 EUR.

Objectives

The objective of this Sub-Fund is to achieve on average an annual return, gross of management fees, in excess of the performance of the Bloomberg Barclays Euro Treasury Bills® Index expressed in Euro + 2.00% (the "Performance Objective") over a time horizon of 36 months.

The Bloomberg Barclays Euro Treasury Bills® Index (Bloomberg Code LEB1TREU) is composed of Euro-denominated zero-coupon bonds, listed on European stock exchanges with trading volumes in excess of 5 billion Euros on such securities. This Index includes Treasury Bills that have a remaining maturity of less than twelve months and fifteen days and 1 billion Euros or more of outstanding face value.

No guarantee is given to investors in this Sub-Fund with respect to the objective actually being reached.

Investment Policy

The Sub-Fund will invest mainly in debt or debt-related instruments of any kind, including for example bonds and money market instruments, denominated in any currency and issued either on domestic markets or on international markets by governments, their agencies or private issuers located in or established under the laws of Emerging Countries.

In particular, Emerging Countries may include, as examples, the following: Algeria, Argentina, Brazil, Bulgaria, Chile, China, Colombia, Dominican Republic, Egypt, El Salvador, Ecuador, Ivory Coast, Lebanon, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Panama, Peru, Philippines, Poland, Russia, South Africa, South Korea, Thailand, Tunisia, Turkey, Ukraine, Uruguay, Venezuela and the countries whose economies are less developed according to the World Bank, its related organizations or the United Nations or its authorities.

The Investment Manager will seek to maximize total investment return by implementing carry trade strategies in debt or debt-related instruments. It will analyze macroeconomic scenarios focusing on risks, opportunities and expected returns in terms of rates, credit and currency in major Emerging Countries. Selection of government and corporate bonds is realized through a bottom-up analysis. These strategies will allow the Investment Manager to take advantage of differences or relative changes in debt or debt-related instruments and currencies values while tactically hedging the interest rates and credit risks.

The investments in transferable securities not admitted to an official listing on a securities stock exchange or not dealt in on another regulated market, which operates regularly and that is recognized and open to the public in the meaning of Article 41 (1) of the Law of 17 December 2010 on UCIs, will be treated as investments in unlisted securities, and therefore may not, together with the other unlisted securities, exceed 10% of the Sub-Fund's net assets.

Investments in Emerging Countries and in Russia and/or High Yield securities are subject to special risks as described in the section "Specific Risks" of the Prospectus.

Insofar as this Sub-Fund's net assets are not invested in debt instruments, the remaining net assets may be invested in any other instruments, such as but not limited to UCITS of any kind (up to 10%) and cash, including deposits with credit institutions, within the limits allowed by law and indicated in the section "Investments and Investment Restrictions".

Investments in asset-backed securities and in mortgage-backed securities are allowed only through UCITS. No direct investments in such instruments are allowed.

Investors are asked to note that the Sub-Fund may directly or indirectly through the Bond Connect program invest in the China Interbank Bond Market, considered as a regulated market within the meaning of Article 41(1) of the Law of 17 December 2010, but which has a higher than average level of risk. Investments in China are subject to additional risks as described in the section "Specific risks of investing in People's Republic of China" of this Prospectus.

The Sub-Fund may use financial techniques and instruments within the limits and under the conditions described in the section "Techniques and Instruments" and in Annex B. Derivative financial instruments, whether negotiated on a regulated market that operates regularly and that is recognized and open to the public or dealt on over-the-counter markets, will be aimed at covering risks, ensuring efficient portfolio management and/or investing according to the Investment Policy.

Investors are advised to consider the additional risks associated with the use of derivative financial instruments, as described in the section "Specific Risks" of the Prospectus.

When credit ratings published by credit rating agencies are used, such credit agencies shall be established in the European Union and registered in accordance with the Regulation N° 462/2013 of the European Parliament and of the Council amending Regulation N° 1060/2009 on credit rating agencies.

General Information

1. **Sub-Fund's Reference Currency**

   Euro

2. **Performance Commission**

   The Management Company is entitled to receive a performance commission, the existence and amount of which is defined according to the following conditions:

   The performance commission amounts to 20% of the percentage increase of the Net Asset Value per Unit of each Class with respect to the applicable High Water Mark, applied to the smallest value between the annual average Net Asset Value of the same Class of the Sub-Fund and the Net Asset Value of this Class at the end of the calendar year.

   For each Class, the applicable High Water Mark is defined as the highest Net Asset Value per Unit recorded at the end of any previous calendar year to which is added the performance of the Performance Objective of the current calendar year.

   Performance commission accrued on each Class of this Sub-Fund is capped at 1.00% p.a. of the average Net Asset Value of the same Class.

   A performance commission is accrued on each Valuation Day when the respective Net Asset Value per Unit of each Class of the Sub-Fund is higher than the High Water Mark.

   The performance commission, if any, is paid on a yearly basis, on the first Valuation Day of the following calendar year.

   The Performance Objective can be expressed in, converted in or hedged against its local currencies or the currency the Classes of Units of the Sub-Fund are expressed in, in order to reflect the characteristic of each Class of Unit of the Sub-Fund. The performance of the Units are calculated considering the reinvestment of dividends, if any.

With regard to the first calendar year, the Performance Objective and the performance commission, if any, are calculated on a prorata temporis basis.

With regard to the first calendar year, a performance commission will be paid if the performance of each Class of the Sub-Fund – calculated on the basis of the last Net Asset Value per Unit of each Class and the initial price of the same Class of the Sub-Fund – outperforms the Performance Objective – fixed on the first Valuation Day of each Class of the Sub-Fund and applied on a prorata temporis basis.

The Management Company reserves the right to levy anticipatively on the Sub-Fund's net assets the performance fee accruals, if any, related to the nets assets redeemed.

3. Global exposure

The method used to calculate the global exposure for this sub-fund is the Commitment Approach.

4. Investment Manager

Epsilon SGR S.p.A.

5. Investor Profile

This Sub-Fund may be appropriate for investors who seek a capital growth superior to that offered by debt instruments of developing markets issuers but are willing to be exposed to a greater volatility and therefore to a higher risk.

Epsilon Fund - Q-Flexible

This Sub-Fund, formerly named Eurizon Stars Fund – Q-Flexible, was launched on 28 July 2008 at an initial price of 100 Euros. Its name was changed to Epsilon Fund – Q-Flexible on 29 June 2012.

Objectives

The objective of this Sub-Fund is to achieve an absolute investment return in Euro.

This Sub-Fund is managed through quantitative methods based on multiple factor analyses designed to identify financial instruments with the greatest potential for appreciation, compared to other financial instruments, to the market as a whole or to the industry in which the issuers operate.

No guarantee is given to investors in this Sub-Fund with respect to the objective actually being reached.

Investment Policy

The Sub-Fund will invest mainly in equity, equity-related instruments, debt and debt-related instruments of any kind, including for example shares, bonds convertible into shares, bonds and money market instruments, denominated in any currency.

Insofar as this Sub-Fund's net assets are not invested in equity and debt instruments, the remaining net assets may be invested in any other instruments, such as but not limited to UCITS of any kind (up to 10%) and cash, including deposits with credit institutions, within the limits allowed by law and indicated in the section "Investments and Investment Restrictions".

The distribution of the net assets of this Sub-Fund among each asset class as well as among the various geographic investment areas, sectors and currencies may vary from 0% to 100% according to market evolution and to financial and macro/ micro-economic prospects.

Investments in asset-backed securities and in mortgage-backed securities are allowed only through UCITS. No direct investments in such instruments are allowed.

The Sub-Fund may use financial techniques and instruments within the limits and under the conditions described in the section "Techniques and Instruments" and in Appendix B. Derivative financial instruments, whether negotiated on a regulated market that operates regularly and that is recognized and open to the public or dealt on over-the-counter markets, will be aimed at covering risks, ensuring efficient portfolio management and/or investing according to the Investment Policy.

Investors are advised to consider the additional risks associated with the use of derivative financial instruments, as described in the section "Specific Risks" of the Prospectus.

When credit ratings published by credit rating agencies are used, such credit agencies shall be established in the European Union and registered in accordance with the Regulation N° 462/2013 of the European Parliament and of the Council amending Regulation N° 1060/2009 on credit rating agencies.

General Information

1. **Sub-Fund's Reference Currency**

   Euro

2. **Performance Commission**

   The Management Company is entitled to receive a performance commission, the existence and amount of which is defined according to the following conditions:

   The performance commission amounts to 20% of the percentage increase of the Net Asset Value per Unit of each Class with respect to the applicable High Water Mark, applied to the smallest value between the annual average Net Asset Value of the same Class of the Sub-Fund and the Net Asset Value of this Class at the end of the calendar year.

   For each Class, the applicable High Water Mark is defined as the highest Net Asset Value per Unit recorded at the end of any previous calendar year to which is added the performance of the Hurdle Rate of the current calendar year.

   The Hurdle Rate applicable corresponds to the performance of the Bloomberg Barclays Euro Treasury Bills® Index expressed in Euro + 3.60% p.a.

   The Bloomberg Barclays Euro Treasury Bills® Index is composed of Euro-denominated zero-coupon bonds, listed on European stock exchanges with trading volumes in excess of 5 billion Euros on such securities. This Index includes Treasury Bills that have a remaining maturity of less than twelve months and fifteen days and 1 billion Euros or more of outstanding face value.

   The performance commission accrued on each Class of this Sub-Fund will be capped at 1.60% p.a. of the average Net Asset Value of the same Class.

   A performance commission is accrued on each Valuation Day when the respective Net Asset Value per Unit of each Class of the Sub-Fund is higher than the High Water Mark.

   The performance commission, if any, is paid on a yearly basis, on the first Valuation Day of the following calendar year.

   The Hurdle Rate can be expressed in, converted in or hedged against its local currencies or the currency the Classes of Units of the Sub-Fund are expressed in, in order to reflect the characteristic of each Class of Unit of the Sub-Fund. The High Water Mark and the performance of the Units are calculated considering the reinvestment of dividends, if any.

   With regard to the first calendar year, the Hurdle Rate and the performance commission, if any, are calculated on a prorata temporis basis.

   With regard to the first calendar year, a performance commission will be paid if the performance of each Class of the Sub-Fund – calculated on the basis of the last Net Asset Value per Unit of each Class and the initial price of the same Class of the Sub-Fund – outperforms the Hurdle Rate – fixed on the first Valuation Day of each Class of the Sub-Fund and applied on a prorata temporis basis.

   The Management Company reserves the right to levy anticipatively on the Sub-Fund's net assets the performance fee accruals, if any, related to the nets assets redeemed.

3. **Global exposure**

   The method used to calculate the global exposure for this sub-fund is the Commitment Approach.

4. **Investment Manager**

   Epsilon SGR S.p.A.

5. **Investor Profile**

   This Sub-Fund may be appropriate for investors who pursue a growth orientated investment strategy and seek long term capital appreciation accepting market volatility.

Epsilon Fund - Enhanced Constant Risk Contribution

This Sub-Fund was launched on 3 October 2014.

Objectives

The objective of this Sub-Fund is to achieve an absolute investment return in Euro.

This Sub-Fund is managed through quantitative methods aiming at maintaining the risk allocation between the two asset classes to which it is exposed (equity instruments and debt instruments) aligned with the target values defined by the Investment Manager ("Constant Risk Contribution" model). The exposure is modulated by the Investment Manager so as to maximize the expected return of the Sub-Fund ("Tactical Overlay").

No guarantee is given to investors in this Sub-Fund with respect to the objective actually being reached.

Investment Policy

The Sub-Fund will mainly invest, directly or through financial derivatives instruments, in equity, equity-related instruments, debt and debt-related instruments of any kind, including for example shares, bonds convertible into shares, bonds and money market instruments, denominated in any currency.

Debt instruments in which the Sub-Fund invests may be issued by the Italian government or its public agencies independently of any credit rating assigned to them and by other governments or their agencies, supranational institutions, credit institutions or other corporate issuers (the "Other Issuers"), with an Investment Grade credit rating, at the time of purchase, at issue or issuer level.

Investments in debt instruments issued by Other Issuers located in Emerging Countries as well as investments with a Non-Investment Grade credit rating will not exceed, respectively, 20% of the Sub-Fund's net assets.

In any case the Sub-Fund will not be invested in debt instruments with an Extremely Speculative Grade credit rating.

On an ancillary basis, the Sub-Fund may hold any other instruments, such as UCITS (up to 10%) and cash, including deposits with credit institutions, within the limits allowed by the law and indicated in the section "Investments and Investment Restrictions".

Investments in asset-backed securities and in mortgage-backed securities are allowed only through UCITS. No direct investments in such instruments are allowed.

The Sub-Fund may use financial techniques and instruments within the limits and under the conditions described in the section "Techniques and Instruments" and in Appendix B. Derivative financial instruments, whether negotiated on a regulated market that operates regularly and that is recognized and open to the public or dealt on over-the-counter markets, will be aimed at covering risks, ensuring efficient portfolio management and/or investing according to the Investment Policy.

Investors are advised to consider the additional risks associated with the use of derivative financial instruments, as described in the section "Specific Risks" of the Prospectus.

The Unitholders' attention is drawn to the fact that the Sub-Fund is expected to enter into OTC transactions with the Counterparty. These transactions, which can represent a relevant portion of the Sub-Fund's net assets, may be tailor made and the payout may be non standard. These non-standard transactions usually require ad hoc structuring activities and exchange of confidential information between the Investment Manager and the Counterparty.

When credit ratings published by credit rating agencies are used, such credit agencies shall be established in the European Union and registered in accordance with the Regulation N° 462/2013 of the European Parliament and of the Council amending Regulation N° 1060/2009 on credit rating agencies.

General Information

1. **Sub-Fund's Reference Currency**

   Euro

2. **Performance Commission**

   The Management Company is entitled to receive a performance commission, the existence and amount of which is defined according to the following conditions:

   The performance commission amounts to 10% of the percentage increase of the Net Asset Value per Unit of each Class with respect to the applicable High Water Mark, applied to the smallest value between the annual average Net Asset Value of the same Class of the Sub-Fund and the Net Asset Value of this Class at the end of the calendar year.

   For each Class, the applicable High Water Mark is defined as the highest Net Asset Value per Unit recorded at the end of any previous calendar year to which is added the performance of the Hurdle Rate of the current calendar year.

   The Hurdle Rate applicable corresponds to the performance of the Bloomberg Barclays Euro Treasury Bills® Index expressed in Euro + 3.20% p.a.

   The Bloomberg Barclays Euro Treasury Bills® Index is composed of Euro-denominated zero-coupon bonds, listed on European stock exchanges with trading volumes in excess of 5 billion Euros on such securities. This Index includes Treasury Bills that have a remaining maturity of less than twelve months and fifteen days and 1 billion Euros or more of outstanding face value.

   Performance commission accrued on each Class of this Sub-Fund is capped at 1.50% p.a. of the average Net Asset Value of the same Class.

   A performance commission is accrued on each Valuation Day when the respective Net Asset Value per Unit of each Class of the Sub-Fund is higher than the High Water Mark.

   The performance commission, if any, is paid on a yearly basis, on the first Valuation Day of the following calendar year.

   The Hurdle Rate can be expressed in, converted in or hedged against its local currencies or the currency the Classes of Units of the Sub-Fund are expressed in, in order to reflect the characteristic of each Class of Unit of the Sub-Fund. The High Water Mark and the performance of the Units are calculated considering the reinvestment of dividends, if any.

   With regard to the first calendar year, a performance commission will be paid if the performance of each Class of the Sub-Fund – calculated on the basis of the last Net Asset Value per Unit of each Class and the initial price of the same Class of the Sub-Fund – outperforms the Hurdle Rate applied on a prorata temporis basis.

The Management Company reserves the right to levy anticipatively on the Sub-Fund's net assets the performance fee accruals, if any, related to the nets assets redeemed.

3. **Global exposure**

   The method used to calculate the global exposure for this sub-fund is the Commitment Approach.

4. **Investment Manager**

   Epsilon SGR S.p.A.

5. **Investor Profile**

   This Sub-Fund may be appropriate for investors who seek income and long term capital appreciation accepting market volatility.

The Sub-Fund is opened for subscriptions as of 25 November 2016 at an initial price of 100 EUR. On 25 November 2016, it will receive as a contribution the assets and liabilities of the Sub-Funds Eurizon EasyFund – GT Asset Allocation and Eurizon EasyFund – Trend.

Objectives

The objective of the Sub-Fund is to achieve a positive return measured in EUR by gaining exposure, directly or through financial derivatives instruments, like swaps, forwards, options and futures to (i) equity and equity-related instruments, (ii) debt and debt-related instruments of any kind, including for example bonds, convertible bonds into shares, covered bonds and money market instruments, denominated in any currency, (iii) commodities, as well as (iv) volatility.

No guarantee is given to investors in this Sub-Fund with respect to the objective actually being reached.

Investment Policy

The Sub-Fund is managed using a set of diversified strategies aiming at delivering absolute returns, independently from the dynamics of the financial markets. In particular, the allocation will focus on discretional and quantitative strategies, such as but not limited to, price momentum, volatility adjusted trend following indicators, tactical asset allocation models, market neutral models and carry-yield enhancement strategies. In addition, the allocation between strategies and asset classes may be based on relative risk contributions and the total risk budget may be determined using risk mitigation techniques.

The exposure to equity and equity-related instruments is managed dynamically. Generally, such exposure to equity markets will be obtained through financial indices which selection will be based on quantitative models - such as, but not limited to, risk budgeting and momentum techniques (based on historical performance and volatility) - designed to select international equity market indices with high appreciation prospects that comply with the requirements set out in the art. 9 of the Grand-Ducal Regulation of 8 February 2008 and in the art. 44 of the Law of 17 December 2010 on undertakings for collective investment, that provide an exposure to European, North American and Emerging Countries markets.

Such selection of international equity market indices may vary during the investment cycle of the Sub-Fund. The exposure to the equity markets may therefore vary over time according to the price dynamics of the markets and the macro/micro-economic outlook.

The Sub-Fund could gain exposure to single stock investments selected on the basis of a multifactor approach aiming at identifying companies with the greatest potential for appreciation, compared to other companies, the market as a whole or the industry in which they operate.

The exposure to debt and debt related instruments is managed tactically and may vary according to the interest rates dynamics of the financial markets.

Debt instruments in which the Sub-Fund invests can be issued by governments and their public agencies, supranational institutions, credit institutions or other corporate issuers with an Investment Grade credit rating at the time of purchase.

Investments in debt instruments issued by issuers located in Emerging Countries or with a Non-Investment Grade credit rating at the time of purchase will not exceed 40% of the Sub-Fund's net assets. In any case the Sub-Fund will not be invested in debt instruments with an Extremely Speculative Grade credit rating.

The exposure to currencies is actively managed by seeking exposure to currencies of countries that are expected to appreciate in the short/medium term base on quantitative and qualitative analysis. The Investment Manager will adopt a flexible approach to invest on eligible currencies using several strategies such as, but not limited to, carry trade, momentum trade and relative value trade strategies.

The Investment Manager may adopt risk overlay techniques in order to reduce the Sub-Fund's volatility, including through the purchase and selling of options.

The financial indices used to obtain exposure to commodities through financial derivatives instruments will comply with European and Luxembourg applicable laws, regulations and guidelines. No direct investments in commodities are allowed. The exposure to commodities will not exceed 10% of the Sub-Fund's net assets.

Exposure to commodities is subject to special risks as described in the section "Specific Risks" of the Prospectus.

The duration of the portfolio may vary over time and will generally not exceed 5 years. The duration may reach negative value in some circumstances.

On an ancillary basis, the Sub-Fund may hold any other instruments such as but not limited to UCITS (up to 10%) and cash, including deposits with credit institutions, within the limits allowed by the law and indicated in the section "Investments and Investment Restrictions".

Investments in asset-backed securities and in mortgage-backed securities are allowed only through UCITS. No direct investments in such instruments are allowed.

The Investment Manager may take steps to maximize the Sub-Fund's realized gains by implementing taking profit strategies also by means of derivatives financial instruments.

The Sub-Fund may use financial techniques and instruments within the limits and under the conditions described in the section "Techniques and Instruments" and in Appendix B. Derivative financial instruments, whether negotiated on a regulated market that operates regularly and that is recognized and open to the public or dealt on over-the-counter markets, will be aimed at covering risks, ensuring efficient portfolio management and/or investing according to the Investment Policy.

Investors are advised to consider the additional risks associated with the use of derivative financial instruments, as described in the section "Specific Risks" of the Prospectus.

When credit ratings published by credit rating agencies are used, such credit agencies shall be established in the European Union and registered in accordance with the Regulation N° 462/2013 of the European Parliament and of the Council amending Regulation N° 1060/2009 on credit rating agencies.

General Information

1. **Sub-Fund's Reference Currency**
   Euro

2. **Performance Commission**
   The Management Company is entitled to receive a performance commission, the existence and amount of which is defined according to the following conditions:

   The performance commission amounts to 20% of the percentage increase of the Net Asset Value per Unit of each Class with respect to the applicable High Water

Mark, applied to the smallest value between the annual average Net Asset Value of the same Class of the Sub-Fund and the Net Asset Value of this Class at the end of the calendar year.

For each Class, the applicable High Water Mark is defined as the highest Net Asset Value per Unit recorded at the end of any previous calendar year to which is added the performance of the Hurdle Rate of the current calendar year.

The Hurdle Rate corresponds to the performance of the Bloomberg Barclays Euro Treasury Bills® Index expressed in Euro + 1.50% p.a.

The Bloomberg Barclays Euro Treasury Bills® Index is composed of Euro-denominated zero-coupon bonds, listed on European stock exchanges with trading volumes in excess of 5 billion Euros on such securities. This Index includes Treasury Bills that have a remaining maturity of less than twelve months and fifteen days and 1 billion Euros or more of outstanding face value.

The performance commission accrued on each Class of this Sub-Fund will be capped at 1.20% p.a. of the average Net Asset Value of the same Class.

A performance commission is accrued on each Valuation Day when the respective Net Asset Value per Unit of each Class of the Sub-Fund is higher than the High Water Mark.

The performance commission, if any, is paid on a yearly basis, on the first Valuation Day of the following calendar year.

The Hurdle Rate can be expressed in, converted in or hedged against its local currencies or the currency the Classes of Units of the Sub-Fund are expressed in, in order to reflect the characteristic of each Class of Unit of the Sub-Fund. The High Water Mark and the performance of the Units are calculated considering the reinvestment of dividends, if any.

With regard to the first calendar year, the Hurdle Rate and the performance commission, if any, are calculated on a prorata temporis basis.

With regard to the first calendar year, a performance commission will be paid if the performance of each Class of the Sub-Fund – calculated on the basis of the last Net Asset Value per Unit of each Class and the initial price of the same Class of the Sub-Fund – outperforms the Hurdle Rate – fixed on the first Valuation Day of each Class of the Sub-Fund and applied on a prorata temporis basis.

The Management Company reserves the right to levy anticipatively on the Sub-Fund's net assets the performance fee accruals, if any, related to the nets assets redeemed.

3. Global exposure

The method used to calculate the global exposure for this sub-fund is the Commitment Approach.

4. Investment Manager

Epsilon SGR S.p.A.

5. Investor Profile

This Sub-Fund may be appropriate for investors who pursue a growth orientated investment strategy and seek long term capital appreciation accepting market volatility.

Management Commission (% of Net Asset Value p.a.)

Sub-Fund	Base Class R	Base Class E	Base Class I	Base Class X
Epsilon Fund - Euro Cash	0.30%		0.14%	
Epsilon Fund - Euro Bond	0.85%		0.25%	0.35%
Epsilon Fund - Euro Q-Equity	1.80%		0.60%	0.75%
Epsilon Fund - Emerging Bond Total Return	0.80%	0.60%	0.25%	0.50%
Epsilon Fund - Emerging Bond Total Return Enhanced	1.00%	0.80%	0.40%	
Epsilon Fund - Q-Flexible	1.60%		0.50%	
Epsilon Fund - Enhanced Constant Risk Contribution	1.50%		0.75%	
Epsilon Fund - Absolute Q-Multistrategy	1.20%		0.40%	

Performance Commission

Except for the Base Classes of Units X that never bears any performance commission, Unitholders should note that in the case of the Sub-Funds "Epsilon Fund - Euro Bond", "Epsilon Fund – Euro Q-Equity", "Epsilon Fund - Emerging Bond Total Return", "Epsilon Fund - Emerging Bond Total Return Enhanced", "Epsilon Fund - Q-Flexible", "Epsilon Fund - Enhanced Constant Risk Contribution" and "Epsilon Fund - Absolute Q-Multistrategy" the Management Company is entitled to receive a performance commission, the existence and amount of which is defined in the Sub-Funds sheets. The performance commission, if any, is paid on a yearly basis, on the first Valuation Day of the following calendar year.

Not all Classes of Units will be issued in each of the existing Sub-Funds. However, investors should refer to Management Company's website (www.eurizoncapital.lu) for current details of which Classes of Units are in issue.

Appendix B

Efficient portfolio management techniques and total return swaps

Sub-Fund	Securities lending*		Repurchase and reverse repurchase agreements*		Total return swaps*	
	Expected**	Maximu-m**	Expected**	Maximum**	Expected**	Maximum**
Epsilon Fund - Euro Cash	0%	0%	0%	30%***	0%	30%
Epsilon Fund - Euro Bond	0%	30%	10%	30%	0%	30%
Epsilon Fund - Euro Q-Equity	0%	30%	10%	30%	30%	60%
Epsilon Fund - Emerging Bond Total Return	0%	30%	0%	30%	0%	30%
Epsilon Fund - Emerging Bond Total Return Enhanced	0%	30%	0%	30%	0%	30%
Epsilon Fund - Q-Flexible	0%	30%	10%	30%	30%	60%
Epsilon Fund - Enhanced Constant Risk Contribution	0%	30%	10%	30%	30%	60%
Epsilon Fund - Absolute Q-Multistrategy	0%	30%	10%	30%	30%	60%

* Investors should refer to the annual and semi-annual reports for exact and up to date information on the actual use and revenues of such transactions in the relevant Sub-Fund.

** Percentage of the Net Asset Value of the relevant Sub-Fund.

*** However, the cash received by the Sub-Fund as part of a repurchase agreement does not exceed 10 % of its assets.

www.eurizoncapital.com