

# **BEST CHOICE**

SICAV with variable capital under the Luxembourg law

## **Prospectus**

March 2013

*Application forms can be obtained on request from the SICAV registered office  
(15 Avenue J.F. Kennedy, L-1855 Luxembourg)*

## WARNING

**Before considering subscribing for shares, you are recommended to read this prospectus (the "Prospectus") carefully.**

The SICAV shares are offered on the basis of the information shown in the Prospectus and the Key Investor Information Document(s) (the "KIID(s)") and the documents referred to therein, which are available from the registered offices of the SICAV and the Management Company. The information contained in the Prospectus may be supplemented, if applicable, by the SICAV latest annual report and subsequent half-yearly reports. Copies of these documents can be obtained free of charge from the registered office of the SICAV or of the Management Company. This information is also available on [www.optima.be](http://www.optima.be).

Investors should not rely on information or declarations concerning the SICAV, other than that appearing in this Prospectus and in the corresponding KIID(s). Investors shall bear the risks of subscriptions made on the basis of information other than that shown in this Prospectus or in the KIID(s) or in contradiction with the latter.

Investors intending to purchase shares in the SICAV should familiarise themselves with (a) the laws in force in their own country regarding the purchase of shares, (b) any exchange control restrictions that may apply and (c) income tax and other taxes due in the event of the purchase, conversion or redemption of shares.

**If investors have any doubts about the information contained in this Prospectus or about the risks linked to an investment in the SICAV shares or about the tax or legal consequences of investing in the SICAV shares, they are recommended to consult their financial, legal or tax adviser, as applicable, in order to determine whether it is appropriate to invest in the SICAV in the light of their personal situation.**

The board of directors of the SICAV (the "Board of Directors") has endeavoured to ensure the veracity and accuracy of the content of this Prospectus as regards all important points on the date hereof and to avoid any omission of essential facts which might invalidate the representations or opinions expressed in this Prospectus. The Board of Directors of the SICAV warrants that the information contained in this Prospectus is accurate on the date of its publication.

This Prospectus may be updated. Accordingly, subscribers are recommended to ascertain from the SICAV or the Management Company whether a more recent prospectus exists.

The Board of Directors reserves the right to limit the acquisition, ownership or transfer of shares in accordance with article 10 of the SICAV articles of association. For more details on this subject, investors are recommended to consult the articles of association.

This Prospectus may not be used for offers or for the purpose of soliciting sales in any country or in any circumstances where such offers or soliciting are not authorised. In particular, no steps, as covered by the law of 1940 on American investment companies, its amendments or any other law relating to transferable securities, have been taken to register the SICAV or its units with the Securities and Exchange Commission. Consequently this document may not be introduced, transmitted or distributed in the United States of America or in their territories or possessions or issued to a "US person", as defined by Regulation S of the US Securities Act of 1933, as amended. The shares of the SICAV may be neither offered nor sold to "US persons". Any breach of these restrictions may be a violation of American securities laws. The Board of Directors shall compulsorily redeem shares purchased or held by US persons, including investors who became "US persons" after the acquisition of the shares.

Certain personal data concerning investors may be collected, recorded, transferred, processed and used by the SICAV, the Management Company, the central administration and distributors/nominees. Such data may be used in particular in the framework of identification obligations pursuant to laws to combat money laundering or the financing of terrorism. Such information shall not be transmitted to unauthorised third parties. In applying for the SICAV shares, all investors accept that their personal data may be processed in this way.

The SICAV is subject to the provisions of the law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time (the "Law of 2010").

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## I. GENERAL DESCRIPTION OF THE SICAV

<b>Name of the SICAV</b>	<b>BEST CHOICE</b>
<b>Registered Office</b>	15 Avenue J.F. Kennedy, L-1855 Luxembourg
<b>Legal form</b>	An open-ended Investment Company with multiple sub-funds incorporated under the laws of Luxembourg, subject to Part I of the Law of 2010
<b>Authorisation</b>	The SICAV is registered on the official list of undertakings for collective investment in transferable securities ("UCITS") in Luxembourg and is authorised, pursuant to Directive 2009/65/EC, to market the SICAV sub-funds in certain European Union Member States. The fact that the SICAV is registered on the official list drawn up by the supervisory authority may not be interpreted in any circumstances or in any way whatsoever as a positive assessment by the supervisory body of the shares offered for sale.
<b>Date of incorporation</b>	On 19 December 2012 for an unlimited duration.
<b>Minimum capital</b>	EUR 1,250,000, to be reached within 6 months following the authorization of the SICAV.
<b>Consolidation currency</b>	EUR
<b>End of financial year</b>	31 December of every year
<b>Number of sub-funds</b>	Three sub-funds, each representing a body of specific assets and commitments and each corresponding to a distinct investment policy. The Board of Directors may subsequently launch other sub-funds whose investment policy and offering terms shall be communicated at the appropriate time via an update to this Prospectus.
<b>Name of the sub-funds</b>	<b>Best Choice Dynamic</b> <b>Best Choice Balanced</b> <b>Best Choice Conservative</b> The investment policy and other characteristics of each sub-fund are set out in the information sheets in section IV.

## II. ORGANISATION OF THE SICAV

### **Board of Directors**

Philip De Hulsters  
CCO and Executive Director of Optima Bank  
Chairman of the Board of Directors

Jan De Paepe  
Secretary General and Executive Director of Optima Bank  
Director

Bernard Delatte  
Treasurer of Optima Bank  
Director

### **Promoter**

Optima Bank NV/SA  
Keizer Karelstraat 75  
B-9000 Gent, Belgium

### **Management Company**

FundPartner Solutions (Europe) SA  
15 Avenue J.F. Kennedy, L-1855 Luxembourg

Board of directors of the Management Company  
Marc Pictet, Partner, Pictet & Cie, Geneva  
Marc Briol, Executive Vice-President, Pictet & Cie, Geneva  
Pierre Etienne, Senior Vice-President (Lux), Pictet & Cie (Europe) S.A.  
Peter Wintsch, Executive Vice-President, Pictet & Cie, Geneva

Day to day Managers of the Management Company  
Michèle Berger, Executive Vice President, FundPartners Solutions (Europe) S.A.  
Pascal Chauvaux, Senior Vice-President, FundPartners Solutions (Europe) S.A.  
Cédric Haenni, Vice-President, Pictet & Cie

### **Investment Manager**

Inversis Gestion SA  
Edificio Plaza Aeropuerto  
Avda. de la Hispanidad, 6  
28042 Madrid, Spain

### **Custodian Bank**

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

### **Paying, domiciliary, administrative and transfer agent**

FundPartner Solutions (Europe) SA  
15 Avenue J.F. Kennedy, L-1855 Luxembourg

### **Auditor**

Ernst & Young  
7, Rue Gabriel Lippman  
Parc d'activité Syrdall 2  
L-5365 Munsbach

**Supervisory authority**

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER  
110, route d'Arlon, L-1150 Luxembourg  
[www.cssf.lu](http://www.cssf.lu)

**Appointed Distributors**

In Belgium: Optima Bank NV/SA, Keizer Karelstraat 75, B-9000 Gent, Belgium

In Spain: Inversis Banco SA, Edificio Plaza Aeropuerto, Avda. de la Hispanidad, 6, 28042 Madrid, Spain.

**Financial services agent in Belgium**

In Belgium: Optima Bank NV/SA, Keizer Karelstraat 75, B-9000 Gent, Belgium

### III. THE SICAV OBJECTIVES AND RELATED RISKS

#### THE SICAV OBJECTIVES

The SICAV objective is to offer shareholders the possibility to participate in the active professional management of diversified portfolios of eligible financial assets. The portfolio of each sub-fund is managed in accordance with its investment policy defined in Section IV and reflects the investment style and convictions of the sub-fund's portfolio manager(s).

In accordance with the conditions and limits set out in Annex 1, eligible financial assets may consist of transferable securities, money market instruments, shares in UCITS and/or Undertakings for Collective Investment ("UCI"), bank deposits, derivative financial instruments and/or other eligible financial assets.

#### RISKS ASSOCIATED WITH AN INVESTMENT IN THE SICAV

The assets of each sub-fund are subject to financial market fluctuations and the risks inherent in any investment in financial assets. The diversification of the portfolios of the sub-funds and the conditions and limits set out in Annex I are intended to manage and limit these risks without however excluding them. The SICAV cannot guarantee that the objectives of the sub-funds will be achieved and that investors will recover the amount of their initial investment.

Investments made by the SICAV in units of UCIs (including investments by certain sub-funds of the SICAV in shares of other sub-funds of the SICAV) expose the SICAV to the risks arising from the financial instruments that these UCIs hold in their portfolio and which are described below. Some risks are however specific to the ownership by the SICAV of UCIs units. Some UCIs may use either derivative instruments or resort to borrowing for leverage purposes. The use of leverage increases the volatility of the price of these UCIs and therefore the risk of capital losses. Most UCIs also provide for the possibility to suspend repurchases temporarily in special, exceptional circumstances. Consequently, investments in UCIs shares can entail a higher liquidity risk than a direct investment in a portfolio of transferable securities. On the other hand, investments in UCIs shares provide the SICAV with access, in a more flexible and effective way, to different professional management styles and investment diversification. A sub-fund which invests mainly via UCIs, will ensure that its portfolio in UCIs has suitable liquidity characteristics to enable it to meet its own repurchase obligations.

The risks associated with investments in shares and other securities classified as shares include price fluctuations, which can sometimes be substantial, extended price falls depending on economic circumstances and general policies or the specific situation of each issuer, and even the loss of the capital invested in the financial asset if the issuer defaults (market risk).

It is to be noted that some warrants, as well as options, although likely to generate a bigger gain than shares because of their leverage, are characterised by significantly higher price volatility than that of the underlying asset or financial index. These instruments can in fact lose all their value.

Investments in convertible bonds are sensitive to price changes in the underlying equities ("equity component" of the convertible bond), while offering a certain form of protection for part of the capital ("bond floor" of the convertible bond). The level of capital protection decreases in line with the size of the share component. The corollary of this is that when a convertible bond's market value has increased substantially following an increase in the underlying share price, its risk profile will be closer to that of a share. On the other hand, when a convertible bond's market value has fallen to the level of its bond floor following a fall in the underlying share price, its risk profile, from this point, will be closer to that of a traditional bond.

Convertible bonds, like all other type of bonds, are subject to the risk that the issuer cannot meet its obligations as regards paying interest and/or repaying the principal at maturity (credit risk). The perception by the market of an increase in the probability of this risk occurring for a given issuer results in a sometimes very significant decline in the bond's market value and therefore in the protection offered by the bond

content of the convertible bond. Bonds are in addition exposed to the risk of a drop in their market value following an increase in benchmark interest rates (interest rate risk).

Investments made in a currency different from the reference currency of the shares concerned have a foreign exchange risk: at constant prices, the market value of an investment denominated in a currency different from that of the shares, expressed in the currency of the shares concerned may fall following an unfavourable change in the exchange rate between the two currencies.

Investments in so-called "emerging" markets and in small-cap companies may be less liquid and subject to greater volatility than investments in so-called "traditional" markets and large-cap companies.

During periods of political instability, monetary crises (credit crises in particular) and economic crises, financial markets are generally characterised by a significant fall in market prices, increased volatility and deterioration in liquidity conditions. This greater volatility and deterioration in liquidity conditions will in general be more likely to affect the so-called "emerging" markets, financial assets issued by small-cap companies and small bond issues. When exceptional events occur, the SICAV may be led to realise assets at a price which does not reflect their intrinsic value (liquidity risk) and investors may incur the risk of heavy losses.

In addition, the higher the risk level, the more investors must have a long-term investment timescale and be ready to accept the risk of a substantial capital loss. A sub-fund with a high risk level must not in general represent a substantial part of the investor's assets, unless the investor has substantial assets and is willing to accept the risk of a significant capital loss.

**In the event of any doubts about the risks relating to an investment in the SICAV shares, or about whether a sub-fund is an appropriate investment given the investor's personal situation, investors should consult their financial adviser in order to determine whether it is suitable for them to invest in the SICAV.**

## RISK MANAGEMENT PROCESS

The Management Company, on behalf of the SICAV will employ a risk-management process that enables it with any appointed Investment Manager to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each sub-fund. The Management Company or the Investment Manager, on behalf of the SICAV will employ, if applicable, a process for accurate and independent assessment of the value of any OTC financial derivative instruments.

## INVESTMENT OBJECTIVES AND POLICIES AND RISK PROFILE OF THE SUB-FUNDS

The investment objective and policy determined by the Board of Directors as well as the risk profile and the type of investors of each sub-fund are described in the information sheets in Section IV.

Investors should note that while some sub-funds have an investment policy which may appear to be fairly similar they differ depending on the investment styles and specific convictions of their manager(s). When used in the description of the sub-funds, the term "manager" defines the person(s) within the Management Company or, if applicable, the Investment Manager that is (are) responsible for the management of the sub-fund's portfolio.

Investors wanting to ascertain the historical performances of the sub-funds should consult the corresponding KIID. Investors should note that these data may in no event be considered as an indicator of the future performance of the various sub-funds of the SICAV.

## **IV. DESCRIPTION OF THE SICAV SUB-FUNDS – INFORMATION SHEETS**

### ***BEST CHOICE DYNAMIC***

#### **PRESENTATION OF THE BEST CHOICE DYNAMIC SUB-FUND**

#### **INVESTMENT POLICY, RISKS AND PROFILE OF INVESTORS**

##### **The sub-fund's objective**

The sub-fund's principal objective is to achieve long-term capital growth for investors.

##### **Investment policy**

The investment policy of the sub-fund aims to increase the investor's capital and to provide an adequate rate of return on the investment.

In order to achieve its investment objective, the sub-fund will mainly invest in other UCIs (including UCITS), in accordance with the General Investment Restrictions (Annex 1), (hereafter the "Target Funds" ) that primarily invest in or offer an exposure to a broad range of asset classes: equities and equity related securities, and/or debt securities, and/or money market instruments, and/or cash, and/or currencies, and/or commodities, and/or real estate. Thus, the sub-fund is a fund of funds.

On an ancillary basis, the sub-fund may also invest in securities, in line with the Law of 2010 and the General Investment Restrictions (Annex 1), such as, but not limited to debt securities, money market instruments, structured products.

The sub-fund can choose between a very wide range of investment funds in order to compose a portfolio that offers the ideal mix of risk and return. The composition of the portfolio depends on the market expectations of the Investment Manager and will reflect the recommended asset composition at any time for investors with a certain risk profile.

Risks are reduced by investing in a range of Target Funds which themselves also have to comply with risk diversification requirements.

Following the dynamic allocation, the sub-fund could invest up to 100% of its net assets in Target Funds (which primarily invest in or offer an exposure to equities and/or equity related securities), including exchange traded funds (ETF).

In order to avoid any doubt:

- The main returns and risks of the portfolio may come from its equity related exposure;
- The sub-fund could also invest up to 100% of its net assets in Target Funds which primarily invest in or offer an exposure to equities and/or equity related securities);
- The sub-fund may be exposed, directly or indirectly (through Target Funds), to emerging market countries.

The sub-fund may use financial derivative instruments for hedging and investment purposes, in accordance with the Chapter "Financial Techniques and Instruments" (Annex 1)

If the Investment Manager considers this to be in the best interest of the shareholders, the sub-fund may also, hold, up to 100% of its net assets, liquidities, such as cash deposits, money market UCIs and money market instruments.

Subject to these constraints, the various types of eligible financial assets as well as the limits and conditions applying to holdings of such assets are specified in Annex 1.

## Risk profile

The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in financial assets. The sub-fund will be exposed in particular to equities and other financial assets whose performance is linked to equities. The risks associated with such investments sometimes entail significant price fluctuations.

To the extent the sub-fund may invest, directly or indirectly, in emerging market countries, it may further be subject to risks related to such type of investments.

## Investor profile

The sub-fund is intended for investors that want to benefit from an active, non-index linked, but diversified management approach, focusing on international equities, as part of a dynamic asset management style.

As most of the sub-fund's portfolio can be exposed to equity markets, investors must be ready to accept the risk of a capital loss, even at the end of the recommended investment period.

## Minimum investment - time frame

Given the risks inherent in the sub-fund's investment policy, the recommended time frame is not less than 3 to 4 years.

## THE SUB-FUND'S SHARES

Class	Currency	Entry fee/distribution commission	Exit and conversion fee	Minimum initial investment	ISIN code
A	EUR	Maximum 2 %	0	EUR 5000	LU0871880943

## Dividend Policy

No dividend will be paid for class A shares. The proportion of income and capital gains to be allocated to the capitalisation shares will be capitalised and allocated to the shares in question.

## MARKETING OF SHARES

### Subscription, Repurchase, Conversion of shares

From 15 January 2013 to 30 April 2013 up to 16:00 (Luxembourg time), class A shares will be offered for initial subscription at a unit price of EUR 100. The amount of subscriptions must be paid in cash no later than 3 May 2013.

Should the SICAV not receive any subscription by the end of the initial subscription period, the Board of Directors may decide to postpone the initial subscription period. Detailed information about timing of the initial offer period and the launch date of class A shares may be obtained free of charge and upon request from the registered office of the SICAV and of the Distributor no later than on the eve of the projected beginning of the initial offer period or the launch date (as applicable).

Subscription, redemption and conversion applications received by the Transfer Agent on the basis of a complete application form before 13:00 (Luxembourg time) on the working day in Luxembourg preceding the Valuation Day shall be processed, if they are accepted, on the basis of the net asset value ("NAV") as determined on the Valuation Day in question. Applications received after that time shall be processed on the next Valuation Day.

The net subscription price for each share is payable three working days after the Valuation Day.

The share repurchase price shall be paid three working days after the Valuation Day, subject to all the documents attesting to the repurchase having been received by the Transfer Agent.

### **Calculation and publication of the NAV**

The NAV shall be determined as at each Monday which is a working day in Luxembourg, as well as any other day as may be determined by the Board of Directors generally from time to time (a "Valuation Day"). If the relevant Monday is not a working day in Luxembourg (a "Working Day" ), the Valuation Day will be the next Working Day.

The NAVs, the issue and repurchase prices shall be made public on the Working Day following the Valuation Day at the registered office of the SICAV, as well as at the registered office of the Management Company.

## **TAX ARRANGEMENTS**

### **Taxation of the SICAV**

No duties or taxes are payable in Luxembourg, except for a subscription tax of 0.05% per annum calculated on the net assets of the sub-fund at the end of every quarter. The SICAV is not liable for the subscription tax on the part of its assets invested in UCIs subject to the subscription tax.

### **Tax position of shareholders**

Shareholders are recommended to consult their tax adviser about the laws and regulations in force in their country of origin, residence or domicile.

## **GLOBAL EXPOSURE**

The sub-fund's global risk exposure is monitored by using the commitment approach. The sub-fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100 % of its net assets.

## ***BEST CHOICE BALANCED***

### PRESENTATION OF THE BEST CHOICE BALANCED SUB-FUND

#### INVESTMENT POLICY, RISKS AND PROFILE OF INVESTORS

##### **The sub-fund's objective**

The sub-fund's principal objective is to achieve long-term capital growth for investors.

##### **Investment policy**

The investment policy of the sub-fund aims to preserve and increase the investor's capital and to provide an adequate rate of return on the investment.

In order to achieve its investment objective, the sub-fund will mainly invest in other UCIs (including UCITS), in accordance with the General Investment Restrictions (Annex 1) (hereafter the "Target Funds" ) that primarily invest in or offer an exposure to a broad range of asset classes: shares, bonds, cash or other transferable securities. Thus, the sub-fund is a fund of funds.

On an ancillary basis, the sub-fund may also invest in securities, in line with the Law of 2010 and the General Investment Restrictions (Annex 1), such as, but not limited to debt securities, money market instruments, structured products.

The sub-fund can choose between a very wide range of investment funds in order to compose a portfolio which offers the ideal mix of risk and return. The composition of the portfolio depends on the market expectations of the Investment Manager and will reflect the recommended asset composition at any time for investors with a certain risk profile.

Risks are reduced by investing in a range of Target Funds which themselves also have to comply with risk diversification requirements. The sub-fund will thus represent a uniquely well-diversified investment.

Following the balanced allocation, the sub-fund will generally invest less than 60% of its NAV in equity Target Funds (i.e. Target Funds which primarily invest in or offer an exposure to equities and equity related securities), including exchange traded funds (ETF).

In order to avoid any doubt:

- A small to a relatively important part of the returns and risks of the portfolio may come from its equity related exposure;
- The sub-fund could also invest up to 100% of its net assets in debt Target Funds (i.e. Target Funds which primarily invest in or offer an exposure to debt and debt related securities); and
- The sub-fund may be exposed, directly or indirectly (through Target Funds), to emerging market countries.

If the Investment Manager considers this to be in the best interest of the shareholders, the sub-fund may also, hold, up to 100% of its net assets, liquidities, such as cash deposits, money market UCIs and money market instruments.

The sub-fund may use financial derivative instruments for hedging and investment purposes, in accordance with the Chapter "Financial Techniques and Instruments" (Annex 1).

Subject to these constraints, the various types of eligible financial assets as well as the limits and conditions applying to holdings of such assets are specified in Annex 1.

## Risk profile

The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in financial assets. In particular, the sub-fund will be exposed, via various UCIs held by it, to equities, other securities considered as equities, bonds convertible into shares and equity or equity index based derivative instruments. The risks associated with such investments sometimes entail significant price fluctuations. This volatility will however be cushioned by the portfolio's fixed-income component.

To the extent the sub-fund may invest directly or indirectly in emerging market countries, it may further be subject to risks related to such type of investments.

## Investor profile

The sub-fund is intended for investors that want to benefit from the professional, diversified management of various asset classes: equities, bonds convertible into equities and fixed-rate instruments as part of a balanced asset management style.

Investors must however be ready to accept the risk of a capital loss, even at the end of the recommended investment period.

## Minimum investment - time frame

Given the risks inherent in the sub-fund's investment policy, the recommended time frame is not less than 4 to 6 years.

## THE SUB-FUND'S SHARES

Class	Currency	Entry fee/distribution commission	Exit and conversion fee	Minimum initial investment	ISIN code
A	EUR	Maximum 2 %	0	EUR 5000	LU0871893177

## Dividend Policy

No dividend will be paid for class A shares. The proportion of income and capital gains to be allocated to the capitalisation shares will be capitalised and allocated to the shares in question.

## MARKETING OF SHARES

### Subscription, Repurchase, Conversion of shares

From 15 January 2013 to 30 April 2013 up to 16:00 (Luxembourg time), class A shares will be offered for initial subscription at a unit price of EUR 100. The amount of subscriptions must be paid in cash no later than 3 May 2013.

Should the SICAV not receive any subscription by the end of the initial subscription period, the Board of Directors may decide to postpone the initial subscription period. Detailed information about timing of the initial offer period and the launch date of class A shares may be obtained free of charge and upon request from the registered office of the SICAV and of the Distributor no later than on the eve of the projected beginning of the initial offer period or the launch date (as applicable).

Subscription, redemption and conversion applications received by the Transfer Agent on the basis of a complete application form before 13:00 (Luxembourg time) on the working day in Luxembourg preceding the Valuation Day shall be processed, if they are accepted, on the basis of the net asset value ("NAV") as determined on the Valuation Day in question. Applications received after that time shall be processed on the next Valuation Day.

The net subscription price for each share is payable three working days after the Valuation Day.

The share repurchase price shall be paid three working days after the Valuation Day, subject to all the documents attesting to the repurchase having been received by the Transfer Agent.

### **Calculation and publication of the NAV**

The NAV shall be determined as at each Monday which is a working day in Luxembourg, as well as any other day as may be determined by the Board of Directors generally from time to time (a "Valuation Day"). If the relevant Monday is not a working day in Luxembourg (a "Working Day" ), the Valuation Day will be the next Working Day.

The NAVs, the issue and repurchase prices shall be made public on the Working Day following the Valuation Day at the registered office of the SICAV, as well as at the registered office of the Management Company.

## **TAX ARRANGEMENTS**

### **Taxation of the SICAV**

No duties or taxes are payable in Luxembourg, except for a subscription tax of 0.05% per annum calculated on the net assets of the sub-fund at the end of every quarter. The SICAV is not liable for the subscription tax on the part of its assets invested in UCIs subject to the subscription tax.

### **Tax position of shareholders**

Shareholders are recommended to consult their tax adviser about the laws and regulations in force in their country of origin, residence or domicile.

## **GLOBAL EXPOSURE**

The sub-fund's global risk exposure is monitored by using the commitment approach. The sub-fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100 % of its net assets.

## ***BEST CHOICE CONSERVATIVE***

### PRESENTATION OF THE BEST CHOICE CONSERVATIVE SUB-FUND

#### INVESTMENT POLICY, RISKS AND PROFILE OF INVESTORS

##### **The sub-fund's objective**

The sub-fund's main objective is to generate capital growth over time, while protecting part of the capital invested.

##### **Investment policy**

The investment policy of the sub-fund aims to preserve the investor's capital and to provide an adequate rate of return on the investment.

In order to achieve its investment objective, the sub-fund will mainly invest in other UCIs (including UCITS), in accordance with the General Investment Restrictions (Annex 1) (hereafter the "Target Funds" ) that primarily invest in or offer an exposure to a broad range of asset classes: shares, bonds, cash or other transferable securities. Thus, the sub-fund is a fund of funds.

On an ancillary basis, the sub-fund may also invest in securities, in line with the Law of 2010 and the General Investment Restrictions (Annex 1), such as, but not limited to debt securities, money market instruments, structured products.

The sub-fund can choose between a very wide range of Target Funds in order to compose a portfolio which offers the ideal mix of risk and return. The composition of the portfolio depends on the market expectations of the Investment Manager and will reflect the recommended asset composition at any time for investors with a certain risk profile.

Risks are reduced by investing in a range of sub-funds which themselves also have to comply with risk diversification requirements. The sub-fund will thus represent a uniquely well-diversified investment.

Following the conservative allocation, the sub-fund will generally invest less than 30% of its NAV in equity Target Funds (i.e. Target Funds which primarily invest in or offer an exposure to equities and equity related securities), including exchange trade funds (ETF).

In order to avoid any doubt:

- Small part of the returns and risks of the portfolio may come from its equity related exposure;
- The sub-fund will mainly invest (up to 100% of its net assets) in debt Target Funds (i.e. Target Funds which primarily invest in or offer an exposure to debt and debt related securities) and bank deposits; and
- The sub-fund may be exposed, directly or indirectly (through Target Funds) to emerging market countries.

If the Investment Manager considers this to be in the best interest of the shareholders, the sub-fund may also, hold, up to 100% of its net assets, liquidities, such as cash deposits, money market UCIs and money market instruments.

The sub-fund may use financial derivative instruments for hedging and investment purposes, in accordance with the Chapter "Financial Techniques and Instruments" (Annex 1),

Subject to these constraints, the various types of eligible financial assets as well as the limits and conditions applying to holdings of such assets are specified in Annex 1.

## Risk profile

The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in financial assets. In particular, up to a third of the sub-fund's assets will have, via the various UCIs in the portfolio, an exposure to equities or other securities considered as equities, equity-based derivatives and equity indices. The risks associated with such investments sometimes entail significant price fluctuations.

This volatility will however be reduced by the main component of the portfolio which will be composed of UCIs investing in bonds and bank deposits. These instruments are less volatile than equities but are exposed to the risks of interest rate fluctuations and default by the issuer or the counterparty. In order to control the risk of default, this part of the portfolio will be invested mainly in investment grade issuers.

To the extent the sub-fund may invest directly or indirectly in emerging market countries, it may further be subject to risks related to such type of investments.

## Investor profile

The sub-fund is intended for investors that want to protect part of their capital investment, while benefiting from the results of an active, non-index linked management approach, based on a diversified international equity portfolio and a conservative asset management style.

As part of the sub-fund's portfolio will be exposed to equity markets, investors must be ready to accept the risk of a capital loss, even at the end of the recommended investment period.

## Minimum investment - time frame

Given the risks inherent in the sub-fund's investment policy, the recommended time frame is not less than 7 to 8 years.

## THE SUB-FUND'S SHARES

Class	Currency	Entry fee/distribution commission	Exit and conversion fee	Minimum initial investment	ISIN code
A	EUR	Maximum 2 %	0	EUR 5000	LU0871896352

## Dividend Policy

No dividend will be paid for class A shares. The proportion of income and capital gains to be allocated to the capitalisation shares will be capitalised and allocated to the shares in question.

## MARKETING OF SHARES

### Subscription, Repurchase, Conversion of shares

From 15 January 2013 to 30 April 2013 up to 16:00 (Luxembourg time), class A shares will be offered for initial subscription at a unit price of EUR 100. The amount of subscriptions must be paid in cash no later than 3 May 2013.

Should the SICAV not receive any subscription by the end of the initial subscription period, the Board of Directors may decide to postpone the initial subscription period. Detailed information about timing of the initial offer period and the launch date of class A shares may be obtained free of charge and upon request from the registered office of the SICAV and of the Distributor no later than on the eve of the projected beginning of the initial offer period or the launch date (as applicable).

Subscription, redemption and conversion applications received by the Transfer Agent on the basis of a complete application form before 13:00 (Luxembourg time) on the working day in Luxembourg preceding the

Valuation Day shall be processed, if they are accepted, on the basis of the net asset value ("NAV") as determined on the Valuation Day in question. Applications received after that time shall be processed on the next Valuation Day.

The net subscription price for each share is payable three working days after the Valuation Day.

The share repurchase price shall be paid three working days after the Valuation Day, subject to all the documents attesting to the repurchase having been received by the Transfer Agent.

### **Calculation and publication of the NAV**

The NAV shall be determined as at each Monday which is a working day in Luxembourg, as well as any other day as may be determined by the Board of Directors generally from time to time (a "Valuation Day"). If the relevant Monday is not a working day in Luxembourg (a "Working Day" ), the Valuation Day will be the next Working Day.

The NAVs, the issue and repurchase prices shall be made public on the Working Day following the Valuation Day at the registered office of the SICAV, as well as at the registered office of the Management Company.

## **TAX ARRANGEMENTS**

### **Taxation of the SICAV**

No duties or taxes are payable in Luxembourg, except for a subscription tax of 0.05% per annum calculated on the net assets of the sub-fund at the end of every quarter. The SICAV is not liable for the subscription tax on the part of its assets invested in UCIs subject to the subscription tax.

### **Tax position of shareholders**

Shareholders are recommended to consult their tax adviser about the laws and regulations in force in their country of origin, residence or domicile.

## **GLOBAL EXPOSURE**

The sub-fund's global risk exposure is monitored by using the commitment approach. The sub-fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100 % of its net assets.

## **V. MANAGEMENT AND ADMINISTRATION OF THE SICAV**

### **THE BOARD OF DIRECTORS**

The Board of Directors of the SICAV is vested with the widest possible powers to act in any circumstances, on behalf of the SICAV, subject to the powers expressly reserved by law for the general meeting of shareholders.

### **THE MANAGEMENT COMPANY**

The SICAV has appointed FundPartner Solutions (Europe) SA as management company to provide it with management, administration and marketing services for an indeterminate duration.

FundPartner Solutions (Europe) is a public limited company incorporated under the laws of Luxembourg for an unlimited duration in Luxembourg on 17 July 2008. The company is authorised as a Management Company pursuant to the provisions of Chapter 15 of the Law of 2010, in accordance with Directive 2009/65/EC. It has its registered office at 15 Avenue J.F. Kennedy, L-1855 Luxembourg. Its authorised capital which is fully paid up is CHF 6,250,000 at the date of this Prospectus.

The Management Company is remunerated by the SICAV. The nature and level of the Management Company's remuneration are described in the information sheets of the sub-funds.

As of the date of this Prospectus, the Management Company has also been appointed to act as management company for other investment funds, the list of which is available at the registered office of the Management Company.

### **THE INVESTMENT MANAGER (BY DELEGATION)**

The Management Company has delegated, under its responsibility, the management of the assets of certain sub-funds to Inversis Gestion SA (the "Investment Manager") for an indeterminate duration.

The Investment Manager is a Spanish management company, authorised and regulated to act as an "investment manager" by the Comision Nacional del Mercado de Valores.

The Investment Manager is a public limited company incorporated under the laws of Spain. It was set up in Spain on 16 January 1989, for an unlimited duration. It has its registered office at Avda. de la Hispanidad, 628042 Madrid, Spain and has carried out investment services activities since it was incorporated.

The Investment Manager is remunerated by the Management Company.

### **THE CUSTODIAN BANK**

Pictet & Cie (Europe) SA has been appointed as Custodian Bank for the SICAV assets for an indeterminate duration.

Pictet & Cie (Europe) is a public limited company incorporated under the laws of Luxembourg. It was set up in Luxembourg on 3 November 1989, for an unlimited duration. It has its registered office at 15A Avenue J.F. Kennedy, L-1855 Luxembourg and has carried out banking activities since it was incorporated. Its fully paid-up capital, as at the date of this Prospectus, amounts to CHF 70,000,000.

The safe-keeping of the SICAV assets is entrusted to the Custodian Bank which shall fulfil the obligations and duties stipulated in the Law of 2010 and regulatory provisions in force.

The level of the Custodian Bank's commission is set out in the information sheets of the sub-funds.

In accordance with banking practice, the Custodian Bank may, under its responsibility and control, entrust to other banks or clearing systems, such as Clearstream, all or part of the assets deposited with it for safekeeping.

## THE PAYING, DOMICILIARY, ADMINISTRATIVE, REGISTRAR AND TRANSFER AGENT

The Management Company performs the tasks relating to the central administration of the SICAV and the domiciliary services for an unlimited duration.

Under the terms of the management company services agreement, the Management Company acts as Paying Agent, Domiciliary Agent, Administrative Agent, Registrar and Transfer Agent of the SICAV. As such, it carries out the administrative tasks required by Luxembourg law, such as keeping the SICAV's accounts and records, including the register of shareholders.

It is also responsible for the periodic calculation of the NAV per share of each sub-fund.

The Management Company is remunerated for the Paying, Domiciliary, Administrative, Registrar and Transfer Agent services.

## DISTRIBUTORS AND NOMINEES

The Management Company is responsible, on behalf of the SICAV, for marketing the latter's shares. The Management Company may appoint financial intermediaries to assist it in the distribution of the SICAV shares (hereinafter a "Distributor" or "Distributors").

The selected Distributors carry out activities of marketing, placement and sale of the shares of the SICAV; they intervene in the relation between the investors and the SICAV in collecting subscription orders of shares. Consequently, they are authorised to receive subscription, redemption and conversion applications from investors and shareholders on behalf of the SICAV and to offer shares on the conditions set out in this Prospectus. The Distributors shall transmit to the Transfer Agent the share issue, redemption and conversion applications received. Distributors may if applicable offer a nominee service to investors. In the framework of the nominee service, the Distributor shall appear in the SICAV share register and not the investor client that acquires the shares. The terms and conditions of the distribution agreement stipulate, inter alia, that an investor who has invested in the SICAV via the Distributor can, at any time, request that the shares subscribed for via the Distributor be transferred into his or her name, in which case the investor will be registered under his or her own name in the SICAV register of shareholders upon receipt of instructions to that effect from the Distributor. The investors may nevertheless invest directly in the SICAV without placing orders with the Distributor.

In consideration of the abovementioned services, the SICAV shall directly remunerate the Distributors ("distribution commission"). The nature and level of the distribution commission are described in the information sheets of the sub-funds.

At the date of the current Prospectus, the Management Company and the Board of Directors of the SICAV have appointed the following Distributors:

- In Belgium: Optima Bank NV/SA, Keizer Karelstraat 75, B-9000 Gent, Belgium
- In Spain: Inversis Banco SA, Edificio Plaza Aeropuerto, Avda. de la Hispanidad, 6, 28042 Madrid, Spain.

The updated list of Distributors is published in the SICAV annual and half-yearly reports.

## VI. THE SHARES

### CHARACTERISTICS OF THE SHARES

The SICAV capital is equal to the sum of the net assets of the various sub-funds.

Capitalisation shares do not give right to receive dividends.

For each sub-fund, shares shall be issued in registered form.

The share register is kept in Luxembourg by the Management Company, providing registrar agency services.

For shareholders who have asked to be registered in the register of shareholders by the Distributors, the Distributors will issue a confirmation of registration in the register of shareholders.

The shares must be fully paid and issued without any nominal value. Fractions of registered shares may be issued up to three decimal points. Fractions of shares do not carry voting rights at general meetings.

There is no limit on the number of shares issued.

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

The rights attached to shares are those laid down in the Luxembourg law of 10 August 1915 concerning trading companies, as amended, provided that no derogations have been granted by the Law of 2010. All the shares of the SICAV, irrespective of their value, have equal voting rights.

Any amendment of the articles of association resulting in a change in the rights of a given sub-fund must be approved by a decision of the general meeting of shareholders of the SICAV and of that of the shareholders of the sub-fund concerned.

## VII. ISSUE AND SUBSCRIPTION PRICE OF THE SHARES

### PROCEDURE FOR ISSUING SHARES

Instructions to subscribe, once given, are irrevocable, except in the case of a suspension or deferral of dealing. The Management Company in its absolute discretion reserves the right to reject any application in whole or in part. If an application is rejected, any subscription money received will be refunded within ten (10) Business Days following the applicable Valuation Day, at the cost and risk of the applicant without interest. Prospective applicants should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

Subscription applications received by the SICAV before 13:00 (Luxembourg time) on the working day in Luxembourg preceding a Valuation Day shall be processed, if they are accepted, on the basis of the NAV determined on that Valuation Day. Subscription applications received after that time shall be processed on the next Valuation Day.

Unless otherwise specified for a Sub-Fund, payment should be made by electronic bank transfer net of all bank charges (i.e. at the investor's expense) no later than 3 (three) Business Days following the relevant Valuation Day. In case of late payment or default in payment, the Management Company reserves the right to apply debit interest.

The SICAV may also accept subscriptions by way of the exchange of an existing portfolio on condition that the securities and assets of the said portfolio are compatible with the applicable investment policy and restrictions of the sub-fund concerned. To the extent legally required, for all securities and assets accepted in settlement of a subscription, a report will be drawn up by the Auditor of the SICAV in accordance with the provisions of the Luxembourg law of 10 August 1915 on trading companies as amended. The cost of this report shall be borne by the investor concerned.

The SICAV may refuse all or part of a subscription application for whatever reason, irrespective of whether it concerns an initial or additional subscription.

The SICAV reserves the right to repurchase at any time shares owned by persons who are not authorised to buy or own shares of the SICAV.

### COMBATING MONEY LAUNDERING AND TERRORIST FINANCING

The SICAV shall implement national and international measures intended to combat money laundering and terrorist financing which require subscribers to prove their identity to the SICAV. That is why, for subscriptions to be considered as valid and acceptable by the SICAV, the subscriber must attach to the subscription application form,

- in the case of a *natural person*, a copy of one of his or her identity documents (passport or ID card),  
or,
- in the case of a legal entity, a copy of its corporate documents (such as its coordinated articles of association, published balance sheets, extract from the trade register, list of authorised signatures, list of shareholders owning directly or indirectly 25% or more of the capital or voting rights, list of directors, etc.) and of the identity documents (passport or ID card) of its beneficial owners and individuals authorised to give instructions to the Transfer Agent.

These documents must be duly certified by a public authority (for example a notary public, a consul or an ambassador) of the country of residence.

This obligation is absolute, except where the subscription form is transmitted to the SICAV by a financial intermediary submitted to anti-money laundering obligations considered as similar to those applied in

Luxembourg and where this financial intermediary is submitted to a prudential supervision considered as equivalent to the one carried out by the CSSF.

Before accepting a subscription, the SICAV or the Management Company may carry out additional investigations in accordance with national and international measures in force regarding combating money laundering and the financing of terrorism.

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

## REDEMPTION OF SHARES

All shareholders are entitled, at any time, to request the SICAV to repurchase their shares. The shares repurchased by the SICAV shall be cancelled.

Repurchase applications must be submitted in writing, by SWIFT or fax to the registered office of the SICAV. The application must be irrevocable (subject to the provisions of section VIII) and must indicate the number of shares to be repurchased and the sub-fund concerned and all necessary references to settle the repurchase.

The request must be accompanied with documents, if applicable, certifying the transfer and certificates if they have been issued.

All the shares submitted for repurchase, in the case of a request notified to the SICAV in Luxembourg before 13:00 (Luxembourg time)(Luxembourg time)on the working day preceding a Valuation Day will be repurchased at the NAV per share of the sub-fund concerned as determined as at the Valuation Day in question, without any exit fee. Repurchase applications received after that time shall be processed as at the next Valuation Day.

The share repurchase price shall be paid three working days after the Valuation Day, subject to all the documents attesting to the repurchase having been received by the SICAV.

Payment shall be made in the currency of the sub-fund repurchased or in another currency in accordance with the instructions given in the repurchase application, in which case the conversion costs shall be borne by the shareholder.

The repurchase price of the shares of the SICAV may be higher or lower than the purchase price paid by the shareholder when subscribing for the shares, depending on whether the net value has appreciated or depreciated.

In the case of important repurchase and/or conversion applications representing more than 10% of the net assets of a given sub-fund, the SICAV reserves the right to repurchase the shares only at a repurchase price as determined once it has been able to sell the necessary assets as soon as possible in the interests of the shareholders of the sub-fund as a whole, and it has received the proceeds of such sales. In such cases, a single price shall be calculated for all the repurchase, subscription and conversion applications presented at the same time for the sub-fund in question.

## CONVERSION OF SHARES

Any shareholder may request the conversion of all or part of his or her shares into shares of another sub-fund, at a price equal to the respective NAV of the different sub-fund.

Conversion applications must be submitted in writing, by SWIFT or fax to the registered office of the SICAV, stating the number of shares to be converted. The conversion application must be accompanied, as applicable, a duly completed transfer form, or any other document attesting to the transfer. To be taken into consideration, conversion applications must be transmitted to the SICAV no later than 13:00 (Luxembourg

time) on the working day preceding a Valuation Day. Conversion applications received after that time shall be processed as at the next Valuation Day.

The number of shares allotted in the new sub-fund shall be established using the following formula:

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

- A:** represents the number of shares to be allotted in the new sub-fund,
- B:** represents the number of shares to be converted in the initial sub-fund,
- C:** represents the NAV, on the applicable Valuation Day, of the shares to be converted in the initial sub-fund,
- D:** represents the NAV, on the applicable Valuation Day, of the shares to be allotted in the new sub-fund,

Fractions of shares that may result from conversion operations will be allocated up to three decimal points.

After conversion, the SICAV shall inform the shareholders of the number of new shares obtained as a result of the conversion, as well as their price.

In the case of important repurchase and/or conversion applications representing more than 10% of the net assets of a given sub-fund, the SICAV reserves the right to repurchase the shares only at a repurchase price as determined once it has been able to sell the necessary assets as soon as possible in the interests of the shareholders of the sub-fund as a whole, and it has received the proceeds of such sales. In such cases, a single price shall be calculated for all the repurchase, subscription and conversion applications presented at the same time for the sub-fund in question.

## COMBATING LATE TRADING AND MARKET TIMING

The central administration of the SICAV shall put in place adequate procedures in order to ensure that subscription, repurchase and conversion applications are received before the deadline for accepting orders in relation to the applicable Valuation Day. Subscription, repurchase and conversion instructions are executed at an unknown NAV.

The SICAV shall not authorise the practices associated with market timing, which is an arbitrage technique by which an investor subscribes for and repurchases or converts systematically shares of the SICAV over a short period of time by taking advantage of time differences and/or imperfections or shortcomings in the system for determining the NAV of the SICAV to the detriment of the SICAV other shareholders.

## VIII. NET ASSET VALUE

### DEFINITION AND CALCULATION OF THE NET ASSET VALUE

In each sub-fund, the NAV per share is determined as at each Valuation Day (as further detailed, for each sub-fund, in the relevant description sheet) by dividing the net assets of each sub-fund attributable by the total number of its shares in circulation as at the Valuation Day.

The valuation of the net assets of the various sub-funds of the SICAV shall be calculated as follows:

- 1) The assets of the SICAV shall include notably:
  - all cash at hand or bank deposits, including interest accrued but not yet received and interest accrued on bank deposits up to the Valuation Day;
  - all drafts and bills of exchange payable at sight and receivables (including the proceeds of the sale of securities in respect of which settlement has not yet been received);
  - all securities, units, shares, bonds, option or subscription rights and other investments and transferable securities which are owned by the SICAV;
  - all dividends and allotments to be received by the SICAV in cash or in securities to the extent that the SICAV was aware of such;
  - all accrued interest not yet received and all interest generated up to the Valuation Day by the securities owned by the SICAV, unless such interest is included in the principal of the securities;
  - the preliminary expenditures of the SICAV, to the extent that they have not been depreciated;
  - all other assets irrespective of their nature, including prepaid expenses.

The value of these assets shall be determined as follows:

a) The value of cash at hand and bank deposits, drafts and bills of exchange payable at sight and receivables, prepaid expenses and dividends and interest notified or due for payment but not yet received, shall be constituted by the nominal value of the said assets, unless it is unlikely that it would be possible to realise that value; in the latter case, the value shall be determined by subtracting the amount that the SICAV considers adequate in order to arrive at the real value of the assets in question.

b) The value of any security admitted to official listing on a stock exchange or any other regulated market which operates regularly and is recognised and open to the public is based on the last known price in Luxembourg on the Valuation Day and, if that security is dealt on several markets, on the basis of the last known price on the principal market on which the security is dealt in; if the last known price is not representative, the valuation shall be based on the probable sale value that the Board of Directors shall determine in good faith in accordance with the principle of prudence.

c) Securities that are not listed or are not dealt in on a stock exchange or any other regulated market which operates regularly and is recognised and open to the public shall be valued on the basis of the probable sale value estimated in good faith in accordance with the principle of prudence.

d) Money market instruments and other fixed-rate securities whose remaining term is less than 3 months may be valued on the basis of their redemption value. If, however, there is a market price for such instruments or such securities, the valuation in accordance with the method described previously shall be compared periodically with the market price and in the event of any notable discrepancy, the Board of Directors may adapt the valuation accordingly.

e) Shares or units of UCITS (including shares issued by the SICAV sub-funds that may be held by another sub-fund of the SICAV) and UCIs will be valued on the basis of the last available net asset value.

f) The closing-out value of forward, spot or options contracts which are not traded on a stock exchange or any other regulated market shall be equal to their net closing-out value determined in

accordance with the policies determined by the Board of Directors, on a basis applied consistently to each type of contract. The settlement value of futures, spot or options contracts dealt in on stock exchanges or other regulated markets will be based on the last available settlement price of these contracts on the stock exchanges and regulated markets on which these futures, spot or options contracts are traded by the SICAV; however, if a futures, spot or options contract cannot be settled on the day on which the net assets are valued, the basis used to establish the settlement value of the contract will be determined with caution and in good faith by the Board of Directors. Swaps will be valued at their market value.

g) Securities denominated in a currency other than the currency in which the class concerned is denominated shall be converted at the exchange rates prevailing on the days and at the time when the net asset value of the shares is determined.

h) The Board of Directors may, at its sole discretion, authorise the use of another valuation method if it considers that such a valuation reflects more accurately the market value of any asset owned by a sub-fund.

If after the net asset value per share has been calculated, there has been a material change in the quoted prices on the markets on which a substantial portion of the investments of the SICAV attributable to a particular sub-fund is dealt or quoted, the SICAV may, in order to safeguard the interests of the shareholders and the SICAV, cancel the first valuation and carry out a second valuation. In the case of such a second valuation, all issues, conversions or redemptions of shares dealt with by the sub-fund for such a Valuation Day must be made in accordance with this second valuation.

2) The liabilities of the SICAV shall include notably:

- all borrowings, bills of exchange due for payment and accounts due;
- all known obligations, whether or not they have become payable, including all contractual obligations that have matured which concern payments in cash or in kind;
- all reserves, authorised or approved by the Board of Directors, in particular those which had been created to cover a potential capital loss on certain investments of the SICAV;
- any other liability of the SICAV, of any nature whatsoever, except for those represented by the SICAV own resources. In order to assess the amount of these other liabilities, the SICAV shall take into account all expenses to be borne by it, as described in section XI.

For the valuation of the amount of these liabilities, the SICAV shall take into account on a pro rata temporis basis administrative and other regular or periodic expenses.

Vis-à-vis third parties, the SICAV shall be a single legal entity. However, the assets of a given sub-fund shall constitute surety only for the debts, liabilities, costs and expenses which concern that sub-fund. The assets, liabilities, charges and expenses which are not attributable to a sub-fund shall be charged in equal proportions to the various sub-funds or, if the amounts in question justify such, proportionally to their respective net assets.

In relations between shareholders, each sub-fund shall be treated as a separate entity, having its own contributions, capital gains and capital losses, costs, etc.

3) Each share of the SICAV which is in the process of being repurchased shall be considered as an issued and existing share until the close of the Valuation Day applying to the repurchase of the share in question and its price shall, with effect from the close of business on that day and up to the payment of the price, be considered as a commitment of the SICAV.

Each share to be issued by the SICAV in accordance with subscription applications received shall be treated as being issued with effect from the close of business on the Valuation Day of its issue price and its price shall be treated as an amount due to the SICAV until it has been received by it.

4) As far as possible, any investment or disposal decided by the SICAV shall be taken into consideration.

## SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND THE ISSUE, REPURCHASE AND CONVERSION OF SHARES

The Board of Directors is authorised to suspend temporarily the calculation of the value of the net assets of one or more sub-funds of the SICAV, as well as the issue, repurchase or conversion of shares in the following cases:

1) throughout any period during which a market or stock exchange which is the principal market or stock exchange on which a substantial portion of the investments of the SICAV at a given time is listed, is closed, except for normal closing days, or during which trading is subject to important restrictions or is suspended;

2) when the political, economic, military, monetary, social situation or any event of force majeure, beyond the responsibility or control of the SICAV, make it impossible for it to dispose of its assets by reasonable and normal means, without seriously harming the interests of shareholders;

3) during any break in communications normally used to determine the price of any investment whatsoever of the SICAV or of current prices on any market or stock exchange whatsoever;

4) when foreign exchange restrictions or restrictions on the circulation of capital prevent the execution of transactions on behalf of the SICAV or when transactions involving the purchase or sale of the SICAV assets cannot be effected at normal exchange rates;

5) from the date on which the Board of Directors decides to liquidate or merge one or more sub-fund(s) or in the event of publication of a convening notice to a general meeting of shareholders at which a resolution to wind up or merge the SICAV or one or more sub-fund(s) is to be proposed;

6) in the case of suspension of the calculation of the net asset value of one or several of the funds in which the SICAV has invested a substantial portion of its assets.

7) with regard to a feeder sub-fund, when its master UCITS temporarily suspends the redemption, repayment or subscription of its units, whether on its own initiative or at the request of the competent authorities, for the same period of time as the suspension of the master UCITS;

8) in any other circumstances where failure to suspend transactions as above could give rise, for the SICAV, one of its sub-funds or its shareholders, to certain commitments, adverse financial or other effects that the SICAV, the sub-fund or its shareholders would not otherwise have suffered.

Subscribers and shareholders offering shares for repurchase or conversion shall be advised of the suspension of the calculation of the net asset value.

Subscription and repurchase or conversion applications in abeyance may be withdrawn by giving written notice provided that such notice is received by the SICAV before the end of the suspension.

Subscriptions and repurchases or conversions in abeyance shall be taken into consideration on the first Valuation Day following the end of the suspension.

## **IX. APPROPRIATION OF RESULTS**

The general meeting of shareholders shall determine the appropriation of results on a proposal of the Board of Directors.

The SICAV current income appropriation policy is to capitalise income.

## **X. TAXATION**

### **TAXATION OF THE SICAV**

The SICAV is subject in Luxembourg to an annual tax representing 0.05% of the net asset value. This tax is payable quarterly on the basis of the SICAV net assets, calculated at the end of the quarter to which the tax relates. The value of assets represented by units held in other UCIs which are already subject to the subscription tax provided for in article 174 of the Law of 2010 or by article 68 of the law of 13 February 2007 on specialised investment funds is exempt from the subscription tax.

No duties or taxes are payable in Luxembourg when the SICAV shares are issued.

Certain income of the SICAV portfolio in the form of dividends and interest payments may be subject to variable rate withholding tax in the country where they are generated.

### **TAXATION OF SHAREHOLDERS**

Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on the taxation of savings income in the form of interest payments (hereinafter the "Directive")

The Directive stipulates that with effect from 1st July 2005, paying agents (within the meaning of the Directive) established in a Member State of the European Union (or in certain dependent or associated territories of Member States) which make interest payments to natural persons (or to residual entities within the meaning of the Directive) residing in another Member State, must, depending on the country in which they are established, communicate information relating to the payment and the beneficiary to the tax authorities or deduct withholding tax. If such a payment is subject to withholding tax, the beneficiary can avoid such withholding tax by submitting a certificate of exemption or an authorisation to exchange information, depending on the options proposed by the paying agent and the country of establishment.

Payments made by a sub-fund of the SICAV in the event of the repurchase of shares in a sub-fund (or any transaction treated as a repurchase) shall fall within the scope of the Directive if more than 25% of the sub-fund's net assets are invested in such debt claims as defined in the Directive.

When payment is subject to withholding tax, the said withholding tax shall apply in principle, provided that the paying agent is in possession of such information, to the part of the payment corresponding to interest income within the meaning of the Directive. The withholding tax is 35% up to the end of the transition period (as defined in the Directive) insofar as the paying agent has information on the interest component in the distribution or repurchase.

The Directive was transposed into the laws of Luxembourg by the law of 21 June 2005.

The above provisions are based on current law and practices and are subject to change.

The SICAV recommends to potential shareholders that they should obtain information and, if necessary, advice regarding the laws and regulations applying to the subscription, purchase, holding, redemption and sale of shares in their country of origin, residence or domicile.

## XI. EXPENSES CHARGED TO THE SICAV

The appointed Custodian is entitled to receive from the SICAV, on a quarterly basis, an annual safekeeping services fee not exceeding 0.05% p.a. of the average net asset value of the relevant sub-fund, as determined during the relevant quarter. The Custodian reserves the right to apply a minimum fee per sub-fund, the amount of which is disclosed in the custodian agreement. The Management Company is entitled to receive for the services provided as management company and central administration a global fee not exceeding 0.25% p.a. of the average net asset value of the relevant sub-fund as determined during the relevant quarter. The Management Company reserves the right to apply a minimum fee per sub-fund, the amount of which is disclosed in the management company services agreement. The Distribution and Management fees will not exceed 1.60% p.a. of the average net asset value of the relevant sub-fund. All amounts charged are shown in the SICAV's financial reports.

Other costs charged to the SICAV include:

- 1) All taxes and duties which might be due on the SICAV's assets or income earned by the SICAV, in particular the subscription tax charged on the SICAV's net assets.
- 2) Brokerage fees and charges on transactions involving securities in portfolio.
- 3) Remuneration of the Custodian's correspondents.
- 4) Reasonable costs and expenses incurred by the Financial services agents.
- 5) Extraordinary costs incurred, particularly for any verification procedures or legal proceedings undertaken to protect the Shareholders' interests.
- 6) The cost of preparing, printing and filing of administrative documents, prospectuses and explanatory memoranda with all authorities, the rights payable for the registration and maintenance of the SICAV with all authorities and official stock exchanges, the cost of preparing, translating, printing and distributing periodical reports and other documents required by law or regulations, the cost of accounting and calculating the net asset value, the cost of preparing, distributing and publishing notifications to shareholders, fees for legal consultants, experts and independent auditors, and all similar operating costs.
- 7) Establishment costs estimated at a maximum EUR 100,000 which shall be amortized on a straight line basis over a period not exceeding 5 years from the date on which the SICAV commenced business and will be borne by the sub-fund(s) created at the launch of the SICAV. The Directors may, in their absolute discretion, shorten the period over which such costs and expenses are amortized. Furthermore, the Directors of the SICAV may decide, in circumstances where it would appear to be more fair to the sub-funds concerned, that the initial setting up costs of the SICAV, not yet amortized at the time a new sub-fund is launched, will be equally borne by such new sub-fund.

The fees associated with the creation of a new sub-fund will be, in principle, exclusively borne by this new sub-fund and will be amortized on a straight line basis over 5 years from the launching date. Nevertheless, the Directors may also decide that the costs associated with the opening of a new sub-fund be borne by the existing Sub-Funds.

All recurring expenditure shall be charged first to the SICAV's income, then to realized capital gains, then to the SICAV's assets. Other expenditure may be amortized over a period not exceeding five years.

Charges involved in the calculation of the net asset values of the various sub-funds shall be spread among the sub-funds proportionately to their net assets, except in cases where charges specifically involve one sub-fund, in which case they will be charged to that sub-fund.

Other costs and expenses which cannot be allotted to one specific sub-fund will be charged to the different sub-funds proportionately to their respective net assets or allocated in such way as the Directors will determine prudently and in good faith.

## **XII. FINANCIAL YEAR - MEETINGS**

### **FINANCIAL YEAR**

The financial year shall begin on 1st January and end on 31 December each year. The first financial year will end on 31 December 2013.

The annual reports will be dated 31 December and the semi-annual reports will be dated 30 June. The first semi-annual report will be dated 30 June 2013 and the first annual report will be dated 31 December 2013.

### **MEETINGS**

The annual general meeting of shareholders is held every year at the registered office of the SICAV, or any other place in Luxembourg as specified in the notice convening the meeting.

The annual general meeting shall be held on the second Thursday of April at 14:00 (Luxembourg time), or if that is not a Working Day, the next Working Day.

Notices of all general meetings shall be sent by registered letter to all shareholders to the address shown in the register of shareholders, at least 8 days before the general meeting.

To the extent required by Luxembourg law, notices shall be published in the "Memorial" (the Luxembourg Official Journal), *Recueil des Sociétés et Associations du Grand-Duché de Luxembourg*, and in the Luxemburger Wort and in any other newspaper that the Board of Directors may consider appropriate.

Such notices will indicate the time and place of the general meeting and the conditions of admission, the agenda and the requirements of Luxembourg law as regards the necessary quorum and majority. Subject to complying with the conditions stipulated in laws and regulations in force in Luxembourg, notices convening general meetings of shareholders may specify that the applicable quorum and majority shall be determined by reference to the shares issued and in circulation on a certain date and time preceding the general meeting (the "Registration Date"), it being understood that the right of a shareholder to participate in the general meeting of shareholders and the voting rights attached to the shareholder's share(s) shall be determined according to the number of shares held by the shareholder on the Registration Date.

## **XIII. LIQUIDATION AND MERGER**

### **WINDING-UP AND LIQUIDATION OF THE SICAV**

In the event of a dissolution of the SICAV, liquidation shall be carried out by one or several liquidators (who may be physical persons or legal entities) named by the meeting of shareholders effecting such dissolution and which shall determine their powers and their compensation. The net proceeds of liquidation shall be distributed by the liquidators to the holders of shares of each sub-fund in proportion of their holding of shares of each sub-fund either in cash or, upon the prior consent of the shareholder, in kind. Any funds to which shareholders are entitled upon the liquidation of the SICAV and which are not claimed by those entitled thereto prior to the close of the liquidation process shall be deposited for the benefit of the persons entitled thereto to the *Caisse de Consignation* in Luxembourg in accordance with the Luxembourg laws. Amounts so deposited shall be forfeited in accordance with Luxembourg laws.

## LIQUIDATION AND MERGER OF SUB-FUNDS OR CLASSES

The Board of Directors may decide to liquidate one sub-fund if the net assets of such sub-fund has substantially decreased, has not reached an amount determined by the Board of Directors, as the minimum level or has fallen below 10,000,000 EUR or if a change in the economical or political situation relating to the sub-fund concerned would justify such liquidation or if the interests of the shareholders would justify it. The decision of the liquidation will be published or notified to the shareholders by the SICAV as decided from time to time by the Board of Directors, prior to the effective date of the liquidation and the publication/notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between the shareholders, the shareholders of the sub-fund concerned may continue to request redemption or conversion of their shares. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the sub-fund concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Where the Board of Directors does not have the authority to do so or where the Board of Directors determines that the decision should be put for shareholders' approval, the decision to liquidate a sub-fund may be taken at a meeting of shareholders of the sub-fund to be liquidated instead of being taken by the Board of Directors. At such sub-fund meeting, no quorum shall be required and the decision to liquidate must be approved by shareholders with a simple majority of the votes cast. The decision of the meeting will be notified to the shareholders and/or published by the SICAV.

Any merger or split of a sub-fund shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger/split to a meeting of shareholders of the sub-fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

In case of a merger of one or more sub-fund(s) where, as a result, the SICAV ceases to exist, the merger shall be decided by a meeting of shareholders for which no quorum is required and that may decide with a simple majority of votes cast. In addition the provisions on mergers of UCITS set forth in the Law of 2010 and any implementing regulation (relating in particular to the notification to the shareholders concerned) shall apply.

## XIV. INFORMATION OF SHAREHOLDERS

### PUBLICATION OF THE NET ASSET VALUE

The net asset value of each sub-fund, the issue and repurchase prices shall be made public after the calculation of the net asset value at the registered office of the SICAV.

### FINANCIAL NOTICES

Financial notices shall be published in a newspaper of the country where the SICAV is marketed as soon as such publication is required by the applicable laws and regulations of that country.

In the case of the Grand-Duchy of Luxembourg financial notices shall be published, if required, in the Luxemburger Wort.

### PERIODIC REPORTS

The SICAV shall publish annually a detailed report on its activity and the management of its assets, including the consolidated balance sheet and profit and loss account expressed in Euros, the detailed composition of the assets of each sub-fund and the Auditor's report.

In addition, it shall publish, after the end of each financial year, a report containing in particular the composition of the portfolio, changes in the composition of the portfolio over the period, the number of shares in circulation and the number of shares issued and repurchased since the last publication.

The Board of Directors of the SICAV may decide to publish interim reports.

## DOCUMENTS AVAILABLE TO THE PUBLIC

The most recent prospectus, the articles of association and annual and half-yearly financial reports of the SICAV, as well as the contracts and agreements referred to under (a) to (c), may be consulted free of charge by the public at the SICAV registered office:

- 1) The agreement between the SICAV and the Management Company.
- 2) The agreement between the Management Company and the Investment Manager.
- 3) The agreement between the SICAV and the Custodian Bank.

In addition, copies of the articles of incorporation, the most recent Prospectus, the KIIDs and the latest financial reports may be obtained free of charge, on request at the registered office of the SICAV.

In addition, the KIIDs will be available on [www.optima.be](http://www.optima.be). When issued, investors may download the KIID(s) from the above website or obtain it in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

Additional information is made available by the Management Company at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the SICAV, the policy for placing orders to deal on behalf of the SICAV with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation with the investment management and administration of the SICAV.

## QUERIES AND COMPLAINTS

Any person who would like to receive further information regarding the SICAV or who wishes to make a complaint about the operation of the SICAV should contact the SICAV, or the Management Company.

## Annex 1 General Investment Restrictions

### ELIGIBLE INVESTMENTS

Each sub-fund of the SICAV shall be regarded as a separate UCITS for the purposes of this Annex.

I.

The SICAV may invest in:

- a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;
- b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognised and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the management regulations or the instruments of incorporation of the Sicav;
- d) recently issued transferable securities and money market instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market has been provided for in the management regulations or the instruments of incorporation of the Sicav;
  - the admission is secured within one year of issue;
- e) units of UCITS authorised 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 provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs;
- f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in points a), b) and c) above and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that
  - the underlying consists of instruments covered by this paragraph I., financial indices, interest rates, foreign exchange rates or currencies, in which the UCITS may invest according to its

investment objectives as stated in the UCITS management regulations or incorporation of instruments,

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF, 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 UCITS initiative;

and/or

h) money market instruments other than those dealt in on a regulated market, if the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these investments 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 third country 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 belong, or
- issued by an undertaking any securities of which are dealt in on regulated markets referred to in points a), b) or c) 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 by the CSSF to be at least as stringent as those laid down by Community law; or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

II.

In addition the Sicav shall not:

- a) invest more than 10% of its assets in transferable securities or money market instruments other than those referred under paragraph I.;
- b) acquire either precious metals or certificates representing them.

The Sicav may hold ancillary liquid assets.

## INVESTMENT RESTRICTIONS

III.

- a) (i) The Sicav may invest no more than 10% of its assets in transferable securities or money market instruments issued by the same body.

(ii) The Sicav may not invest more than 20% of its assets in deposits made with the same body. The risk exposure to a counterparty of the UCITS in an OTC derivative transaction may not exceed 10% of its assets when the counterparty is a credit institution referred to paragraph I., point f), or 5% of its assets in other cases.

- b) Moreover the total value of the transferable securities and money market instruments held by the Sicav in the issuing bodies in each of which it invests more than 5% of its assets shall not exceed 40% of the value of its assets.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph I., the Sicav shall not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body,
  - deposits made with that body, or
  - exposures arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in paragraph III. a) (i) above may be of a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by a third country or by public international bodies of which one or more Member States belong.
- d) The limit of 10% laid down in paragraph III. a) (i) above may be of a maximum of 25% for certain bonds where they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds must 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 case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If a sub - fund invests more than 5% of its assets in the bonds referred to in this paragraph which are issued by a single issuer, the total value of such investments may not exceed 80% of the value of the assets of the sub-fund.

- e) The transferable securities and money market instruments referred to in paragraph III. c) and d) shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph b).

The limits set out in paragraphs III. a) b) c) and d) may not be combined; thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body shall not exceed in total 35% of the assets of the of any sub-fund's net assets.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Sicav may cumulatively invest up to a limit of 20% of its assets in transferable securities and money market instruments within the same group.

**By way of derogation the Sicav is authorized to invest in accordance with the principle of risk- spreading up to 100% of the net assets of any sub-fund in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a member state of the Organisation for Economic Cooperation and Development ( "OECD" ), Singapore or any member state of the Group of Twenty or public international body to which one or more Member States of the European Union belong, provided that such sub-fund must hold securities from at least six different issues and securities from one issued do not account for more than 30% of its net assets of such sub-fund. For the purpose of the foregoing, the "Group of Twenty" shall me the informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, UK, USA and the European Union.**

#### IV.

- a) Without prejudice to the limits laid down in paragraph V. the limits laid down under paragraph III. are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body when, the aim of the investment policy of the sub-fund is to replicate the composition of a certain stock or debt securities index, based on the following criteria:
- the composition of the index is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers;
  - it is published in an appropriate manner.
- b) The limit laid down in paragraph IV. a) is raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

#### V.

The Sicav may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the money market instruments of any single issuer.

The limits laid down in the second and third indents may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the money market instruments, or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities, a third country or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards shares held by the Sicav in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the SICAV can invest in the securities of issuing bodies of that State provided that the investment policy of the SICAV from the third country of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b), and c).

#### VI.

- a) The Sicav may acquire the units of UCITS and/or other UCIs referred to in paragraph I., e), provided that no more than 20% of its assets are invested in the units of a single UCITS or other UCI.

For the purpose of the application of this investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments *vis-à-vis* third parties is ensured. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of the Sicav.

- b) When a UCITS has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down under paragraph III.

- c) If the Sicav invests in the units of other UCITS and/or other UCIs (including other sub-funds of the Sicav) that are managed, directly or by delegation, by the management company itself or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge to the Sicav subscription or redemption fees on account of the investment in the units of such other UCITS and/or other UCIs.

If any sub-fund's investments in UCITS and other UCI constitute a substantial proportion of the sub-fund's assets, the total management fee (excluding any performance fee, if any) charged both to such sub-fund itself and the other UCITS and/or other UCI concerned shall not exceed 2.5% of the relevant assets. The SICAV will indicate in its annual report the total management fees charged both to the relevant sub-fund and to the UCITS and other UCI in which such sub-fund has invested during the relevant period.

- d) The SICAV may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all sub-funds combined.

## VII.

A sub-fund of the Sicav (the "Investing Sub-fund" ), subject to the conditions provided for in the prospectus, can subscribe, acquire and/or hold securities to be issued or issued by one or more other Sub-fund of the Sicav (each a "Target Sub-fund" ) without the Sicav being subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, when it is constituted in corporate form, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition, however, that:

- a. The Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund(s); and
- b. The investment policy(ies) of the Target Sub-Fund(s) whose acquisition is contemplated do(es) not allow such Target Sub-Fund(s) to invest more than 10% of its(their) net asset value in UCITS and other UCI; and
- c. Voting rights, if any, attaching to the shares of the Target Sub-Fund(s) held by the Investing Sub-Fund are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- d. In any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Sicav for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- e. There is no duplication of management/subscription or repurchase fees between those at the level of the Investing Sub-Fund(s).

## VIII.

The Sicav shall ensure for each sub-fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant sub-fund.

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

If the SICAV invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III. above. When the SICAV invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VIII.

## IX.

- a) The Sicav may not borrow for the account of any sub-fund amounts in excess of 10% of the net assets of that sub-fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the SICAV may acquire foreign currencies by means of back-to-back loans;
- b) The Sicav may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Sicav from (i) acquiring transferable securities, money market instruments or other financial instruments referred to in paragraph I., e), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities, that shall not be deemed to constitute the making of a loan.

- c) The Sicav may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.
- d) The Sicav may not acquire movable or immovable property.

## X.

- a) The Sicav need not comply with the limits laid down in the above mentioned investment restrictions when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created sub-funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.
- b) If the limits referred to in paragraph X. a) are exceeded for reasons beyond the control of the SICAV or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.

## INVESTMENT INSTRUMENTS AND TECHNIQUES

### XI.

#### GENERAL PROVISIONS

Subject to specific conditions laid down in the investment policy of each sub-fund (Section IV. "Description of the Sicav sub-funds – Information sheets" ) the Sicav may use techniques and instruments based on transferable securities and money market instruments, such as securities lending and borrowing, sale with option to repurchase transactions, and reverse repurchase and repurchase transactions, in order to ensure that the portfolio is managed efficiently, in accordance with the conditions and limits laid down in applicable laws, regulations and administrative practices, and as described below.

The net exposures (i.e. the exposures of the Sicav less the collateral received by the Sicav) to a counterparty arising from securities lending transactions or reverse repurchase / repurchase agreement transactions shall be taken into account in the 20% limit provided for under INVESTMENT RESTRICTION paragraph III. b) pursuant to point 2 of Box 27 of ESMA Guidelines 10-788.

#### FINANCIAL TECHNIQUES AND INSTRUMENTS

The SICAV is authorized for each Sub-fund to use techniques and instruments on transferable securities, money market instruments, currencies and other eligible assets for the purpose of hedging or efficient portfolio management. If a Sub-fund uses such techniques and instruments for investment purposes, detailed information on such techniques and instruments will be disclosed in the investment policy of the relevant Sub-Fund.

Each Sub-fund is therefore in particular authorized to carry out transactions involving financial derivative instruments and other financial techniques and instruments (in particular swaps on indexes, currencies and transferable securities and money market instruments, futures and options on securities, currencies or indexes), as will be described in the description of the relevant Sub-Fund.

For hedging and for any other purposes, a sub-fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Sub-fund may take exposure through any financial derivative instruments traded on a regulated market, such as but not limited to warrants, futures, options and forwards on any underlying in line with the law of 17 December 2010 as well as the investment policy of the Sub-fund, including, but not limited to, commodities (cash settled only) and precious metals, currencies (including non delivery forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited to commodities, precious metals or volatility indices), undertakings for collective investment.

The success of the strategies employed by the Sub-Funds cannot be guaranteed.

Sub-Funds using these techniques and instruments assume risks and incur costs, they would not have assumed or incurred, if they had not used such techniques.

The use of derivatives will cause a risk due to leverage. The SICAV shall ensure that the global exposure of each Sub-fund relating to financial derivative instruments does not exceed the total net assets of that Sub-Fund. The Sub-fund overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings (as indicated under Investment Restrictions VIII. a) above) so that it may not exceed 210% of any Sub-Fund's total net assets under any circumstances.

The investor's attention is further drawn to the increased risk of volatility generated by Sub-Funds using financial derivative instruments and other financial techniques and instruments for other purposes than hedging. If the Investment Manager forecast incorrect trends for securities, currency and interest rate markets, the affected Sub-fund may be worse off than if no such strategy had been used.

In using derivatives, each Sub-fund may carry out over-the-counter – OTC – transactions with highly-rated banks or brokers specialised in this area acting as counterparties.

- (1) The Sicav may, under the observance of the provisions of the circular CSSF 08/356, enter into securities lending and borrowing transactions provided it complies with the following rules:
  - (i) The Sicav may only lend or borrow securities within a standardised system organised by a recognised securities clearing institution or by a highly rated financial institution specialised in this type of transaction. The counterparty must further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.
  - (ii) In relation to its lending transactions, the Sicav shall receive a guarantee of a value which, at the conclusion and during the lifetime of the agreement, must be at least equal to 90% of the global valuation (interests, dividends and other eventual rights included) of the securities lent.

Such guarantee is given in the form of cash and/or securities issued or guaranteed by a Member State of the OECD, by its regional authorities or by supranational institutions and organisations with EU, regional or global scope, and is frozen in an account in the name of the SICAV until the lending contract expires.

- (iii) Securities lending transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the compartment concerned. This limit does not apply when the SICAV has the right to terminate the contract at any time and obtain restitution of the securities lent.
- (iv) Securities borrowing transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the compartment concerned.

- (v) The Sicav may only engage in securities borrowing transactions in the following exceptional circumstances: (x) when the SICAV is engaged in the sale of portfolio securities at a time when said securities are being registered with a government authority and therefore are not available; (y) when securities which have been lent are not returned on time; and (z) in order to avoid default of a promised delivery of securities if the Custodian fails to perform its obligation to deliver the securities in question.
- (vi) Combined risk exposure to a single counterparty arising from one or more securities lending transactions and / or repurchase transactions (as described below under (2) may not exceed 10% of the respective sub-fund assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the law of 17 December 2010 or 5% of its assets in any other cases.
- (2) The Sicav may, under the observance of the provisions of the circular CSSF 08/356, on an ancillary basis and in order to tweak its performance, enter into repurchase agreements which consist in the purchase and sale of securities whereby the terms of the agreement give the seller the right or the obligation to repurchase the securities from the purchaser at a price and a time agreed by the two parties at the conclusion of the agreement.

The Sicav may act as either purchaser or seller in repurchase transactions. However, its entering into such agreements is subject to the following rules:

- (i) The Sicav may only purchase or sell securities if its counterparty in the repurchase transaction is a highly-rated financial institution specialised in this type of transaction. The counterparty must further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.
- (ii) Throughout the duration of a repurchase agreement, the Sicav may not sell the securities that are the subject of the agreement before the counterparty has exercised its right to repurchase the securities, or before the deadline for repurchase has expired.
- (iii) It must maintain the incidence of repurchase agreements at a level that shall allow it at all times to meet its repurchase commitments.
- (iv) Combined risk exposure to a single counterparty arising from one or more securities lending transactions (as described above under (1) and / or repurchase transactions may not exceed 10% of the respective sub-fund assets when the counterparty is a credit institution referred to in article 41, paragraph (1) (f) of the law of 17 December 2010 or 5% of its assets in any other cases.
- (3) The Sicav may also, in accordance with the provisions set out below, invest in swap contracts.
  - (i) The Sicav may enter into equity swap transactions which consist of contractually paying out (or receiving) to (from) the swap counterparty:
    - i) a positive or negative performance of one security, a basket of securities, a stock exchange index, a benchmark or a financial index;
    - ii) an interest rate, either floating or fixed;
    - iii) a foreign exchange rate; or
    - iv) a combination of any of the above;

against the payment of an interest rate either floating or fixed. There is no exchange of principal in the equity swap and the Sicav will not hold any security, but the Sicav will receive all the economies of owning securities, such as dividend income. The underlying of the swap transactions entered into by the SICAV will be indicated in the description of the investment policy of each sub-fund in the Annex to this Prospectus.

The Sicav may not enter into equity swap transactions unless:

- i) its counterpart is a financial institution of good reputation specialised a.o. in this type of transaction;
- ii) it ensures that the level of its exposure to the equity swap is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions;
- iii) the underlying assets performance referred to under the equity swap agreement is in compliance with the investment policy of the relevant sub-fund entering into such transaction.

The total commitment arising from equity swap transactions of a particular sub-fund shall be the market value of the underlying assets used for such transactions at inception.

The net exposure of equity swap transactions in conjunction with all exposures resulting from the use of options, interest rate swaps and financial futures may not in respect of each sub-fund exceed at any time the Net Asset Value of such sub-fund.

The equity swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement. Typically investments in equity swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

- (ii) The SICAV may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference price. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The ISDA have produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement.

The SICAV may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection.

In addition, the SICAV may, provided it is in its exclusive interest, buy protection under credit default swaps without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with credit default swap purchased together with the amount of the aggregate of premiums paid relating to the purchase of options on transferable securities or on financial instruments for a purpose other than hedging, may not, at any time, exceed 15% of the net assets of the relevant Sub-Fund.

Provided it is in its exclusive interest, the SICAV may also sell protection under credit default swaps in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such credit default swap sold together with the amount of the commitments relating to the purchase and sale of futures and option contracts on any kind of financial instruments and the commitments relating to the sale of call and put options on transferable securities may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

The SICAV will only enter into credit default swap transactions with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA. Also, the SICAV will only accept obligations upon a credit event that are within the investment policy of the relevant Sub-Fund.

The SICAV will ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from credit default swaps and other techniques and instruments.

The aggregate commitments of all credit default swap transactions will not exceed 20% of the net assets of any Sub-Fund provided that all swaps will be fully funded.

#### STRUCTURED PRODUCTS

The Sicav may also invest in structured products, such as in particular "credit linked notes", certificates or any other transferable security whose returns are linked to, among others, an index that adheres to the procedures stipulated in article 9 of the regulations of the Grand-Duchy of Luxembourg of 8 February 2008 (including commodities indexes, precious metals indexes, volatility, etc.), currencies, interest rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment, in compliance with the regulations of the Grand-Duchy of Luxembourg of 8 February 2008.