

Generali Investments Global Solutions Fund

*Fonds Commun de Placement*

Luxembourg

## **Prospectus**

**1st February 2021**

## INTRODUCTION

Generali Investments Global Solutions Fund (hereinafter also referred to as the "**Fund**") is a "*fonds commun de placement*" ("**FCP**") with multiple sub-funds (the "**Sub-funds**") formed on 15 December 2014 under the laws of the Grand Duchy of Luxembourg, which envisages to invest in a diversified range of transferable securities and/or other liquid financial assets permitted by law, in conformity to the investment policy of each particular Sub-fund.

The Fund is an Undertaking for Collective Investment in Transferable Securities (a "**UCITS**") for the purpose of the Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU of the European Parliament and Council of 23 July 2014 as regards depositary functions, remuneration policies and sanctions as may be further amended in the future (the "**UCITS Directive**"). The Fund is registered in the Grand Duchy of Luxembourg pursuant to Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment as amended from time to time (the "**UCI Law**"). However, such registration does not imply a positive assessment by the Luxembourg supervisory authority, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), of the content of the current prospectus (the "**Prospectus**") or of the quality of the units of the Fund (the "**Units**") offered for sale. Any representation to the contrary is unauthorised and unlawful.

The Fund is managed by Generali Investments Luxembourg S.A. (the "**Management Company**"), which is licensed in accordance with the provisions of the UCI Law. Where applicable, a reference in this Prospectus to the Fund or a Sub-fund includes a reference to the Management Company acting on behalf and for the account of the Fund or a Sub-fund, as the case may be.

This Prospectus does not constitute an offer to anyone or solicitation by anyone in any jurisdiction in which such an offer or solicitation is unlawful or in which the person making such an offer or solicitation is not qualified to do so.

The distribution of this Prospectus and the offering of the Units may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to subscribe for Units pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Potential subscribers or purchasers of Units should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, conversion or sale of Units.

Any information not mentioned in this Prospectus should be regarded as unauthorised. The information contained in this Prospectus is considered to be accurate at the date of its publication. To reflect material changes, this Prospectus may be updated from time to time and potential subscribers should enquire to the Management Company as to the issue of any later prospectus.

The board of the Management Company (the "**Management Company Board**") is held responsible for the information contained in this Prospectus and has taken all reasonable care to ensure that at the date of this Prospectus the information contained herein is accurate and complete in all material respects. The directors of the Management Company (the "**Directors**") accept responsibility accordingly.

Subscriptions for Units can be accepted only on the basis of the current Prospectus. The Management Company will produce an annual report (the "**Annual Report**") containing the audited accounts and semi-annual reports (the "**Semi-annual Reports**"). Following the publication of the first of either report, the current Prospectus at that date shall be valid only if accompanied by such Annual Report or Semi-annual Report.

In addition to this Prospectus, the Management Company publishes a KIID (Key Investor Information) relating to an investment in each Sub-fund, in particular information on the profile of a typical investor and the historical performance. The KIID is available, free of charge, to each subscriber at the registered offices of the Management Company, on its website [www.general-i-investments.lu](http://www.general-i-investments.lu), the Central Administration and any Distributor and must be considered by an investor before the conclusion of the subscription contract.

The Management Company Board reserves the right to apply in the future for listing the Units on the Luxembourg Stock Exchange or any other securities exchanges.

Any reference to "EUR" or "Euro" in the Prospectus refers to the lawful currency of the European Union Member States which adopted the Euro. Any reference to "USD" in the Prospectus refers to the lawful currency of the United States of America. Any reference to "GBP" refers to the lawful currency of the United Kingdom.

## **IMPORTANT INFORMATION**

If you are in any doubt about the content of this Prospectus, you should consult your stockbroker, solicitor, accountant or other financial advisor. No person is authorised to give any information other than that contained in this Prospectus, or any of the documents referred to herein that are available for public inspection at the registered office.

The value of Units may go down as well as up. The Fund is obliged to redeem investor's Units at the relevant redemption price, which may be different from the price at which the Units were acquired by the investors.

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## **1. OVERVIEW**

### **FUND**

Generali Investments Global Solutions Fund

### **MANAGEMENT COMPANY**

Generali Investments Luxembourg S.A.  
4, Rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Mr Santo Borsellino  
Chairman  
Generali Insurance Asset Management S.p.A. Società di gestione del risparmio  
Via Machiavelli, 4  
I-34132 Trieste  
Italy  
Chairman of the Board of Directors

Mr Dominique Clair  
Chief Executive Officer  
Generali Investments Holding S.p.A.  
Via Machiavelli, 4  
34132 Trieste  
Italy

Mr Mattia Scabeni  
Chief Executive Officer  
Generali Investments Luxembourg S.A.  
4, Rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

Mrs Sophie Mosnier  
Independent Director  
41, rue du Cimetière  
L-3350 Leudelange  
Grand Duchy of Luxembourg

Mr Geoffroy Linard de Guertechin  
Independent Director  
2, rue Jean-Pierre Beicht  
L-1226 Luxembourg  
Grand Duchy of Luxembourg

## **DAY-TO-DAY MANAGERS OF THE MANAGEMENT COMPANY**

Mr Pierre Bouchoms  
General Manager  
Generali Investments Luxembourg S.A.  
4, Rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

Mr Mattia Scabeni  
Chief Executive Officer  
Generali Investments Luxembourg S.A.  
4, Rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

Mr Guillaume Grange  
Manager  
Generali Investments Luxembourg S.A.  
4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

Mr Davide Pavese  
Manager  
Generali Investments Luxembourg S.A.  
4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

## **INVESTMENT MANAGER**

Generali Investments Partners S.p.A. Società di gestione del risparmio  
Via Machiavelli, 4  
I-34132 Trieste  
Italy

## **DEPOSITARY AND PAYING AGENT**

BNP Paribas Securities Services, Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## **CENTRAL ADMINISTRATION, REGISTRAR AND TRANSFER AGENT**

BNP Paribas Securities Services, Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg

Grand Duchy of Luxembourg

**AUDITORS**

Ernst & Young  
35E, Avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**LEGAL ADVISERS IN LUXEMBOURG**

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



## 2. THE FUND

The Fund is organised in and under the laws of the Grand Duchy of Luxembourg as a mutual investment fund ("*fonds commun de placement*") with separate Sub-funds constituting each a separate portfolio of assets and liabilities. The net assets of the Fund must reach EUR 1,250,000.- within the first six months following its authorisation by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), and thereafter may not be less than this amount.

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

The Fund is managed in the interest of its unitholders by the Management Company, a public limited company ("*société anonyme*") incorporated under the laws of Luxembourg and having its registered office in Luxembourg.

The assets of the Fund are separate from those of the Management Company and from those of other funds managed by the Management Company.

The Management Company manages the assets of the Fund in accordance with the latest management regulations of the Fund (the "**Management Regulations**") effective as of 1<sup>st</sup> February 2021. The Management Regulations are deposited with the *Registre de Commerce et des Sociétés Luxembourg* (the "**Register**"), where they may be inspected and copies may be obtained. A notice advising of the deposit of the Management Regulations with the registry is published in the *Mémorial Recueil Spécial des Sociétés et Associations* (the "**Mémorial**"). The Mémorial was replaced by the *Recueil Electronique des Sociétés et Associations* ("**RESA**") as of 1 June 2016.

In accordance with the Management Regulations, the Management Company Board may issue Units in each Sub-fund. A separate pool of assets is maintained for each Sub-fund and is invested in accordance with the investment objectives applicable to the relevant Sub-fund. The net proceeds from the subscription to each Sub-fund are invested in the specific portfolio of assets constituting that Sub-fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-funds. Investors may choose which Sub-fund(s) may be most appropriate for their specific risk and return expectations as well as their diversification needs.

The Fund is one single entity; however, the right of investors and creditors regarding a Sub-fund or raised by the constitution, operation or liquidation of a Sub-fund are limited to the assets of this Sub-fund, and the assets of a Sub-fund will be answerable exclusively for the rights of the unitholders relating to this Sub-fund and for those of the creditors whose claim arose in relation to the constitution, operation or liquidation of this Sub-fund. In the relations between the Fund's unitholders, each Sub-fund is treated as a separate entity. The assets, commitments, charges and expenses that cannot be allocated to one specific Sub-fund will be charged to the different Sub-funds pro rata to their respective net assets, if appropriate due to the amounts considered.

The Management Company Board may, at any time, create additional Sub-funds. In that event the Prospectus will be updated accordingly.

### 3. THE OFFER

This is an offer to subscribe for Units issued without par value in the Fund, each Unit being linked to one of the Sub-funds. The details of each Sub-fund (including the investment policy and features of each Sub-fund) are specified in Appendix C.

On the initial subscription day (the "**Initial Subscription Day**") or during the initial subscription period (the "**Initial Subscription Period**") Units in each Sub-fund will be offered at an initial price (the "**Initial Price**") as specified for each Sub-fund in Appendix C. The Initial Price will be subject to the commissions detailed under the heading "Commissions". The reference currency (the "**Reference Currency**") of each Sub-fund is the currency in which the Net Asset Value of each Sub-fund is denominated, as specified for each Sub-fund in Appendix C. The Management Company Board may however decide to calculate the Net Asset Value per Unit of one or more Sub-funds/Class(es) of Units in addition to the Reference Currency in another denomination currency (the "**Other Denomination Currency**") as further detailed for the respective Sub-funds/Classes of Units in Appendix C. The NAV calculated in an Other Denomination Currency is the equivalent of the NAV in the Reference Currency of the Sub-fund converted at the prevailing exchange rate.

The launch of a Sub-fund takes place on the Initial Subscription Day or the last day of the Initial Subscription Period as specified for each Sub-fund in Appendix C (the "**Launch Date**"). If no subscriptions are accepted on this date, the Launch Date will be the next following Valuation Day on which the first subscriptions for the relevant Sub-fund will have been accepted at the Initial Subscription Price. Where specified in Appendix C for a given Sub-fund, the Management Company may decide to open an offer period after the Launch Date (the "**Offer Period**") during which Units may be offered at the Net Asset Value, subject to the commissions detailed under the heading "Commissions".

### 4. INVESTMENT OBJECTIVES AND POLICIES

The main objective of the Fund is to seek capital appreciation by investing in a range of diversified transferable securities and/or other liquid financial assets permitted by law through the constitution of different professionally managed Sub-funds.

Each Sub-fund is managed in accordance with the investment powers and restrictions (the "**Investment Powers and Restrictions**") specified in Appendix A, and may use financial derivatives in accordance with the restrictions of Appendix A or use the financial techniques and instruments (the "**Financial Techniques and Instruments**") specified in Appendix B.

The investment objective and policy of each Sub-fund are described in Appendix C.

## **5. RISKS**

### **5.1 Risk Management**

The Management Company employs a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Sub-funds and it employs a process allowing for accurate and independent assessment of the value of OTC derivative instruments. The Management Company must furthermore communicate to the supervisory authority regularly and in accordance with the rules the supervisory authority shall define, the types of derivatives instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with derivative instrument transactions.

### **5.2 Risk factors**

#### **5.2.1 General**

Despite the possibility for the Fund to use option, futures and swap contracts and to enter into forward foreign exchange transactions with the aim to hedge exchange rate risks, all Sub-funds are subject to market or currency fluctuations, and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.

#### **5.2.2 Exchange Rates**

The Reference Currency of each Sub-fund is not necessarily the investment currency of the Sub-fund concerned. Investments are made in those currencies that best benefit the performance of the Sub-funds in the view of the Investment Manager.

Changes in foreign currency exchange rates may affect the value of Units held in the Sub-funds.

Unitholders investing in a Sub-fund other than in its Reference Currency should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

#### **5.2.3 Interest Rates**

The value of fixed income securities held by the Sub-funds generally will vary inversely with changes in interest rates and such variation may affect Unit prices accordingly.

#### **5.2.4 Liquidity Risk**

Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Sub-fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-fund to raise sufficient cash to meet

a redemption request due to its inability to dispose of investments. In principle, each Sub-fund will only make investments for which a liquid market exists or which can otherwise be sold, liquidated or closed at any time within a reasonable period of time. However, in certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, a Sub-fund may invest in financial instruments traded OTC, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for a Sub-fund and/or compromise the ability of the Sub-fund to meet a redemption request.

#### 5.2.5 Credit Risk

Sub-funds investing in fixed income instruments will be exposed to the creditworthiness of the issuers of the instruments and their ability to make principal and interest payments when due in accordance with the terms and conditions of the instruments. The creditworthiness or perceived creditworthiness of an issuer may affect the market value of fixed income instruments. Issuers with higher credit risk typically offer higher yields for this added risk, whereas issuers with lower credit risk typically offer lower yields. Generally, government debt is considered to be the safest in terms of credit risk, while corporate debt involves a higher credit risk. Related to that is the risk of downgrade by a rating agency. Rating agencies are private undertakings providing ratings for a variety of fixed income instruments based on the creditworthiness of their issuers. The agencies may change the rating of issuers or instruments from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the market value of the affected instruments.

#### 5.2.6 Equity Securities

The value of a Sub-fund that invests in equity securities will be affected by changes in the stock markets and changes in the value of individual portfolio securities. At times, stock markets and individual securities can be volatile and prices can change substantially in short periods of time. The equity securities of smaller companies are more sensitive to these changes than those of larger companies. This risk will affect the value of such Sub-Funds, which will fluctuate as the value of the underlying equity securities fluctuates.

#### 5.2.7 Investments in other UCI and/or UCITS

The value of an investment represented by a UCI in which the Fund invests, may be affected by fluctuations in the currency of the country where such UCI invests, or by foreign exchange rules, the application of the various tax laws of the relevant countries, including withholding taxes, government changes or

variations of the monetary and economic policy of the relevant countries. Furthermore, it is to be noted that the Net Asset Value per Unit will fluctuate mainly in light of the net asset value of the targeted UCIs.

#### 5.2.8 Duplication of fees

There shall be duplication of management fees and other operating fund related expenses, each time the Fund invests in other UCIs and/or UCITS. The maximum proportion of management fees charged both to the Fund itself and to the UCIs and/or UCITS in which the Fund invests shall be disclosed in the Annual Report of the Fund.

#### 5.2.9 Emerging Markets

Potential investors should note that investments in emerging markets carry risks additional to those inherent in other investments. In particular, potential investors should note that investment in any emerging market carries a higher risk than investment in a developed market; emerging markets may afford a lower level of legal protection to investors; some countries may place controls on foreign ownership; and some countries may apply accounting standards and auditing practices which do not necessarily conform with internationally accepted accounting principles.

#### 5.2.10 Russia

A Sub-fund may be invested in securities listed on the Moscow Exchange (including the Moscow Interbank Currency Exchange and the Russian Trading System stock exchange). Investments in Russia involve significant risks including political, economic, legal, currency, inflation and taxation risks. There is a risk of loss due to lack of adequate systems for transferring, pricing, accounting for and safekeeping or record keeping of securities.

In particular, investments in Russia are subject to increased risks concerning property and the ownership of Russian securities. It may be that the ownership and holding of securities is documented only by registration in the books of the issuers or those keeping the register (who are neither agents of, or are responsible to, the depositary). No certificate representing the ownership of securities issued by Russian companies will be held by the Depositary, or by a local correspondent of the Depositary, or by a central depositary. Due to market practices and the absence of effective regulations and controls, a Sub-fund could lose its status as owner of the securities issued by Russian companies due to fraud, theft, destruction, negligence, loss or disappearance of the securities in question.

Moreover, owing to market practices, it may be that the Russian securities must be deposited in Russian institutions that do not have adequate insurance to cover the risks linked to theft, destruction, loss or disappearance of these deposited securities.

#### 5.2.11 Derivatives

Each of the Sub-funds may use derivative instruments, such as options, futures and swap contracts, and enter into forward foreign exchange transactions to the extent allowed in Appendices A and B of this Prospectus. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. Participation in the options or futures markets, in swap contracts and in foreign exchange transactions involves investment risks and transaction costs to which the Sub-funds would not be subject if they did not use these strategies.

If the Sub-funds Investment Manager's predictions of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Sub-fund may leave the Sub-fund in a less favourable position than if such strategies were not used.

Risks inherent in the use of options, foreign currency, swaps and futures contracts and options on futures contracts include, but are not limited to (a) dependence on the Investment Manager's ability to predict correctly movements in the direction of interest rates, securities prices and currency markets; (b) imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (d) the possible absence of a liquid secondary market for any particular instrument at any time; and (e) the possible inability of a Sub-fund to purchase or sell a portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for a Sub-fund to sell a portfolio security at a disadvantageous time.

Where a Sub-fund enters into swap transactions it is exposed to a potential counterparty risk. In case of insolvency or default of the swap counterparty, such event would affect the assets of the Sub-fund.

#### 5.2.12 OTC derivative instruments

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of

the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly report to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-funds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the

Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association ("**ISDA**").

#### 5.2.13 Warrants

With regard to investment in warrants investors should note that the gearing effect of investment in warrants and the volatility of warrant prices make the risk attached to the investment in warrants higher than in the case with investment in equities.

Please see Appendix A of the Prospectus "Investment Powers and Restrictions" and Appendix B of the Prospectus "Financial Techniques and Instruments" for more information.

#### 5.2.14 Counterparty risks

Counterparty risk refers to the risk of loss for a Sub-fund resulting from the fact that the counterparty to a transaction entered into by the Sub-fund may default on its contractual obligations. There can be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Sub-fund. This risk may arise at any time the assets of a Sub-fund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a Sub-fund has deposited cash with a financial institution, invests into debt securities and other fixed income instruments, enters into OTC derivatives, or enters into securities lending, repurchase and reverse repurchase and buy-sell back transactions. Rule 144A Securities and Regulation S Securities.

SEC Rule 144A provides a safe harbour exemption from the registration requirements of the US Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. Regulation S provides an exclusion from registration requirements of the US Securities Act of 1933 for offerings made outside the United States by both U.S. and foreign issuers. A



securities offering, whether private or public, made by an issuer outside of the United States in reliance on Regulation S need not be registered. The advantage for investors may be higher returns due to lower administration charges. However, dissemination of secondary market transactions is limited and might increase the volatility of the security prices and, in extreme conditions, decrease the liquidity of a particular security.

#### 5.2.15 Contingent capital securities (CoCos)

In the framework of new banking regulations, banking institutions are required to increase their capital buffers and have therefore issued certain types of financial instrument known as subordinated contingent capital securities (often referred to as “CoCo” or “CoCos”). The main feature of a CoCo is its ability to absorb losses as required by banking regulations, but other corporate entities may also choose to issue them.

Under the terms of a CoCo, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCo issuer which could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. These triggering events may include (i) a deduction in the issuing bank’s capital ratio below a pre-set limit, (ii) a regulatory authority making a subjective determination that an institution is “non-viable” or (iii) a national authority deciding to inject capital. Furthermore, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the CoCos.

Upon such occurrence, there is a risk of a partial or total loss in nominal value or conversion into the common stock of the issuer which may cause a Sub-fund as a CoCo bondholder to suffer losses (i) before both equity investors and other debt holders which may rank *pari passu* or junior to CoCo investors and (ii) in circumstances where the bank remains a going concern.

The value of such instrument may be impacted by the mechanism through which the instruments are converted into equity or written-down which may vary across different securities which may have varying structures and terms. CoCo structures may be complex and terms may vary from issuer to issuer and bond to bond.

CoCos are valued relative to other debt securities in the issuer’s capital structure, as well as equity, with an additional premium for the risk of conversion or write-down. The relative riskiness of different CoCos will depend on the distance between the current capital ratio and the effective trigger level, which once reached would result in the CoCo being automatically written-down

or converted into equity. CoCos may trade differently to other subordinated debt of an issuer which does not include a write-down or equity conversion feature which may result in a decline in value or liquidity in certain scenarios.

It is possible in certain circumstances for interest payments on certain CoCos to be cancelled in full or in part by the issuer, without prior notice to bondholders. Therefore, there can be no assurances that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter, and bondholders shall accordingly have no right to claim the payment of any foregone interest which may impact the value of the relevant Sub-fund.

Notwithstanding that interest not being paid or being paid only in part in respect of CoCos or the principal value of such instruments may be written down to zero, there may be no restriction on the issuer paying dividends on its ordinary shares or making pecuniary or other distributions to the holders of its ordinary shares or making payments on securities ranking *pari passu* with the CoCos resulting in other securities by the same issuer potentially performing better than CoCos.

Coupon cancellation may be at the option of the issuer or its regulator but may also be mandatory under certain European directives and related applicable laws and regulations. This mandatory deferral may be at the same time that equity dividends and bonuses may also be restricted, but some CoCo structures allow the bank at least in theory to keep on paying dividends whilst not paying CoCo holders. Mandatory deferral is dependent on the amount of required capital buffers a bank is asked to hold by regulators.

CoCos generally rank senior to common stock in an issuer's capital structure and are consequently higher quality and entail less risk than the issuer's common stock; however, the risk involved in such securities is correlated to the solvency and / or the access of the issuer to liquidity of the issuing financial institution.

Shareholders should be aware that the structure of CoCos is yet to be tested and there is some uncertainty as to how they may perform in a stressed environment. Depending on how the market views certain triggering events, as outlined above, there is the potential for price contagion and volatility across the entire asset class. Furthermore, this risk may be increased depending on the level of underlying instrument arbitrage and in an illiquid market, price formation may be increasingly difficult.

#### 5.2.16 Securities lending, repurchase and reverse repurchase transactions

Securities lending, repurchase or reverse repurchase and buy-sell back transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending, repurchase or reverse repurchase and buy-sell back transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Fund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realisation of collateral, as described below.

Securities lending, repurchase or reverse repurchase and buy-sell back transactions also entail liquidity risks due, inter alia, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Sub-fund may also incur operational risks such as, inter alia, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

The Sub-funds may enter into securities lending, repurchase or reverse repurchase and buy-sell back transactions with other companies in the same group of companies as the Investment Manager, the Management Company or the Depositary. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase and buy-sell back transactions concluded with a Sub-fund in a commercially reasonable manner and will at all times have regard to their obligations under applicable laws. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution principles. However, investors should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

#### 5.2.17 Collateral Management

Counterparty risk arising from investments in OTC derivatives and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-fund may not be collateralised. If a counterparty defaults, the Sub-fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-fund to meet redemption requests.

A Sub-fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments

made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-fund to the counterparty as required by the terms of the transaction. The Sub-fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-fund.

Collateral received by a Sub-fund will be held by the Depositary or its delegate. In either case, there may be a risk of loss, where such assets are held in custody, resulting from events such as the insolvency or negligence of the Depositary or its delegate.

#### 5.2.18 FATCA and CRS

Under the terms of the amended Luxembourg law dated 24 July 2015 implementing the Model 1 Intergovernmental Agreement between the Government of the Grand Duchy of Luxembourg and the Government of the United States of America to Improve International Tax Compliance and with respect to the United States information reporting provisions commonly known as the Foreign Account Tax Compliance Act (FATCA) (the “**FATCA Law**”), and the amended Luxembourg Law dated 18 December 2015 on the Common Reporting Standard implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory exchange of information in the field of taxation and setting forth to the OECD’s multilateral competent authority agreement on automatic exchange of financial account information signed on 29 October 2014 in Berlin, with effect as of 1 January 2016 (the “**CRS Law**”), the Fund is likely to be treated as a Reporting (Foreign) Financial Institution. As such, the Fund may require all unitholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should the Fund become subject to a withholding tax and/or penalties as a result of a non-compliance under the FATCA Law and/or penalties as a result of a non-compliance under the CRS Law, the value of the Units held by all unitholders may be materially affected.

Furthermore, the Fund may also be required to withhold tax on certain payments to its unitholders who would not be compliant with FATCA (i.e. the so-called foreign passthru payments withholding tax obligation).

#### 5.2.19 Depositary risk

The assets owned by the Fund are held in custody for account of the Fund by a depositary that is also regulated by the CSSF. The Depositary may entrust the safekeeping of the Fund’s assets to sub-custodians in the markets where the Fund invests. Luxembourg law provides that the Depositary’s liability shall not be affected by the fact that it has entrusted the assets of the Fund to third parties. The CSSF requires that the Depositary ensures that there is legal separation of non-cash assets held under custody, and that records are maintained that clearly

identify the nature and amount of all assets under custody, the ownership of each asset and where the documents of title to that asset are located. Where the Depositary engages a sub-custodian, the CSSF requires that the Depositary ensures that the sub-custodian maintains these standards and the liability of the Depositary will not be affected by the fact that it has entrusted to a sub-custodian some or all of the assets of the Fund.

However, certain jurisdictions have different rules regarding the ownership and custody of assets generally and the recognition of the interests of a beneficial owner such as a Sub-fund. There is a risk that in the event the Depositary or sub-custodian becomes insolvent, the relevant Sub-fund's beneficial ownership of assets may not be recognised in foreign jurisdictions and creditors of the Depositary or sub-custodian may seek to have recourse to the Sub-fund's assets. In jurisdictions where the relevant Sub-fund's beneficial ownership is ultimately recognised, the Sub-fund may suffer a delay in recovering its assets, pending the resolution of the relevant insolvency or bankruptcy proceedings.

In respect of cash assets, the general position is that any cash accounts will be designated to the order of the Depositary for the benefit of the relevant Sub-fund. However, due to the fungible nature of cash, it will be held on the balance sheet of the bank with whom such cash accounts are held (whether a sub-custodian or a third party bank), and will not be protected from the bankruptcy of such bank. A Sub-fund will therefore have counterparty exposure risk to such bank. Subject to any applicable government guarantee or insurance arrangements in respect of bank deposits or cash deposits, where a sub-custodian or third party bank holds cash assets and subsequently becomes insolvent, the Sub-fund would be required to prove the debt along with other unsecured creditors. The Sub-fund will monitor its exposure in respect of such cash assets on an ongoing basis.

The list above refers to the most frequently encountered risks and is not an exhaustive list of all the potential risks.

All these risks are correctly identified, monitored and mitigated according to applicable laws and regulations, including CSSF's Circulars 11/512 and 14/592.

Please see Appendix A of the Prospectus "Investment Powers and Restrictions" and Appendix B of the Prospectus "Financial Techniques and Instruments" for more information.

## **6. MANAGEMENT OF THE FUND**

### **6.1 General information**

Generali Investments Luxembourg S.A., a limited liability company, *société anonyme*, having its registered office at 4, Rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg, is the Management Company to the Fund in accordance with the provisions of the UCI Law.

The Management Company results from the demerger with Generali Fund Management S.A. on 1 July 2014. The Management Company is incorporated for an unlimited duration under the laws of Luxembourg on 1 July 2014 by notarial deed deposited with the Register and published in the Mémorial (now RESA) on 22 July 2014. The Management Company has been registered under number B 188432 with the Register.

As at the date of this Prospectus, its share capital amounts to EUR 1,921,900.-. The shareholder of the Management Company is Generali Investments Holding S.p.A..

The Management Company will manage the assets of the Fund in compliance with the Management Regulations in its own name, but for the sole benefit of the unitholders of the Fund.

In compliance with the provisions of Chapter 15 of the UCI Law and applicable laws and regulations, the effective conduct of the business of the Management Company has been granted to at least two day-to-day managers as mentioned in the Prospectus.

The Management Company also acts as Management Company for other investment funds. The names of these other funds will be published in the Annual Reports of the Fund.

## 6.2 Functions

In compliance with the provisions of Chapter 15 of the UCI Law and with the Management Regulations, the Management Company provides the following services:

- Determination of the investment policy of each Sub-fund within the objectives and the restrictions set forth in the Management Regulations;
- Portfolio management of the Sub-funds;
- Central administration, including *inter alia*, the calculation of the Net Asset Value, the procedure of registration, conversion and redemption of the Units and the general administration of the Fund;
- General co-ordination, distribution of the Units of the Fund and marketing services.

In accordance with applicable laws and regulations, in compliance with the Management Regulations, the Management Company is empowered to delegate, under its control and responsibility, all or part of its duties and powers to any person or entity, which it may consider appropriate. It being understood that the Prospectus shall the case being be amended accordingly.

For the time being the duties of portfolio management, distribution and central administration, which include the registrar and transfer agency duties have been delegated as further detailed here-below.

## 6.3 Remuneration policy

The Management Company has designed and implemented a remuneration policy which is consistent with and promotes sound and effective risk management by having a

business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile of the Fund. The Management Company's remuneration policy integrates governance, balanced pay structure between fixed and variable components as well as risk and long-term performance alignment rules, in a multi-year framework, that are designed to be consistent with the business strategy, objectives, values and interests of the Management Company and the Fund and the unitholders in the Fund, and includes measures to avoid conflicts of interest.

Details of the Management Company's up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available at <https://www.generali-investments.lu/lu/en/institutional/legal-information/> and a paper copy of such remuneration policy is available to investors free of charge upon request at the registered office of the Management Company.

## **7. INVESTMENT MANAGER**

For the definition of the investment policy and the management of each of the Sub-funds, the Management Company may be assisted by one or several investment managers.

Pursuant to an investment management agreement dated 1 October 2018, the Management Company has expressly delegated to Generali Investments Partners S.p.A. Società di gestione del risparmio (the "**Investment Manager**") the discretion, on a daily basis but subject to the overall control and responsibility of the Management Company, to purchase and sell securities as agent for the Management Company and otherwise to manage the assets of the Sub-funds on behalf of the Fund. This agreement may be terminated by either party upon three months' prior written notice. The Investment Manager will be paid by the Management Company out of the management fees as from to time agreed between themselves.

The Investment Manager may under the conditions of article 110 of UCI Law delegate the performance of its functions to a regulated investment/asset management company of the Generali group or, with the prior consent of the Management Company, to a third party. If functions are delegated to third parties the Prospectus has to be updated accordingly.

The Investment Manager may delegate investment advisory functions to one or more investment advisors in its sole discretion and without the prior approval of the Management Company. In such a case, the Investment Manager will notify such delegation to the Management Company for information purposes only. The Investment Manager will cover solely expenses related directly or indirectly to such delegation. The Investment Manager may, after receipt of an investment advice from an investment advisor to which investment advisory functions have been delegated, decide, but is not required, to act on that advice.

## 8. DEPOSITARY AND PAYING AGENT

The Management Company has appointed BNP Paribas Securities Services, Luxembourg Branch as the Fund's depositary, within the meaning of the UCI Law, and paying agent pursuant to the Depositary and Paying Agent Agreement. The Depositary and Paying Agent Agreement has been entered into for an unlimited period of time.

BNP Paribas Securities Services Luxembourg is a branch of BNP Paribas Securities Services SCA, a wholly-owned subsidiary of BNP Paribas SA. BNP Paribas Securities Services SCA is a licensed bank incorporated in France as a *Société en Commandite par Actions* (partnership limited by shares) under No.552 108 011, authorised by the *Autorité de Contrôle Prudentiel et de Résolution (ACPR)* and supervised by the *Autorité des Marchés Financiers (AMF)*, with its registered office is at 3, Rue d'Antin - 75002 Paris, which as Depositary is acting through its Luxembourg Branch whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, and is supervised by the CSSF.

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in Art 34(1) of the UCI Law), (ii) the monitoring of the cash flows of the Company (as set out in Art 34(2) of the UCI Law) and (iii) the safekeeping of the Company's assets (as set out in Art 34(3) of the UCI Law).

- Under its oversight duties, the Depositary is required to: ensure that the sale, issue, repurchase, redemption and cancellation of Units effected on behalf of the Fund are carried out in accordance with the UCI Law and the Management Regulations,
- ensure that the value of the Units is calculated in accordance with the UCI Law and the Management Regulations,
- carry out the instructions of the Management Company unless they conflict with the UCI Law or the Management Regulations,
- ensure that, in transactions involving the Fund's assets, the consideration is remitted to the Fund within the usual time limits;
- ensure that the Fund's income is allocated in accordance with the UCI Law and the Management Regulations.

The overriding objective of the Depositary is to protect the interests of the unitholders, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Fund/Management Company maintains other business relationships with BNP Paribas Securities Services, Luxembourg Branch in parallel with an appointment of BNP Paribas Securities Services, Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to

- Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value



calculation, transfer agency, fund dealing services) where BNP Paribas Securities Services or its affiliates act as agent of the Fund/Management Company, or

- Selection of BNP Paribas Securities Services or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of unitholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- identifying and analysing potential situations of conflicts of interest;
- recording, managing and monitoring the conflict of interest situations either in:
  - relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new "Chinese wall" (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned unitholders, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - implementing a deontological policy;
  - recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Funds' interests; or

setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Fund and the unitholders are fairly treated.

The Depositary may delegate to third parties the safe-keeping of the Fund's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary and Paying Agent Agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards,

including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from crystalizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available on the website <http://securities.bnpparibas.com/solutions/depositary-bank-trustee-services.html>. Such list may be updated from time to time. Updated information on the Depositary's custody duties, a list of delegations and sub-delegations, and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

Updated information on the Depositary's duties and the conflict of interests that may arise is available to investors upon request.

The Management Company may release the Depositary from its duties with 90 days written notice to the Depositary. Likewise, the Depositary may resign from its duties in relation to the Fund with 180 days written notice to the Management Company. In that case, a new depositary must be designated within two (2) months of the termination of the Depositary's contract to carry out the duties and assume the responsibilities of the Depositary, as defined in the agreement signed to this effect.

As paying agent, the Depositary is responsible for the payment of dividends (if any) to the unitholders.

## **9. CENTRAL ADMINISTRATION, REGISTRAR AND TRANSFER AND LISTING AGENT**

Subject to its supervision, the Management Company has delegated its duties in relation to the central administration, listing agency and registrar and transfer agency of the Fund to BNP Paribas Securities Services Luxembourg Branch (the "**Central Administration**").

As Central Administration Agent, BNP Paribas Securities Services Luxembourg Branch is responsible for the procedure of registration, conversion and redemption of the Units, the calculation of the net asset value (the "**Net Asset Value**" or "**NAV**") and the general administration of the Fund.

## **10. DISTRIBUTOR**

The Management Company may, decide to appoint distributors/nominees (the "**Distributors**") for the purpose of assisting in the distribution of the Units of the Fund in the countries in which they are marketed. Certain Distributors may not offer all of the Sub-funds/Classes of Units/Categories (as defined under the heading "Classes of Units") to their investors. Investors are invited to consult their Distributors for further details.

Distribution and nominee agreements (the "**Distribution and Nominee Agreements**") will be signed between the Management Company and the different Distributors.

In accordance with the Distribution and Nominee Agreements, the Nominee shall be recorded in the register of unitholders and not the clients who have invested in the Fund. The terms and conditions of the Distribution and Nominee Agreements shall stipulate, amongst other things, that a client who has invested in the Fund via a nominee may at all times require that the Units thus subscribed be transferred to his name, as a result of which the client shall be registered under his own name in the register of unitholders with effect from the date on which the transfer instructions are received from the Nominee.

Subscribers may subscribe for Units applying directly to the Management Company without having to act through one of the Distributors.

## **11. MANAGEMENT REGULATIONS**

By acquiring Units in the Fund, every unitholder approves and fully accepts that the Management Regulations shall govern the relationship between the unitholders, the Management Company and the Depositary.

The Management Regulations may be amended by the Management Company at any time, in whole or in part with the prior approval of the Depositary. Amendments will become effective as per the date as indicated in said amendments.

While managing the assets of the Fund, the Management Company, or its appointed agents, shall, as provided in the Management Regulations, comply with the restrictions mentioned in Appendices A and B of the Prospectus.

## **12. FORM OF UNITS**

All Units are issued in uncertificated registered form (the register of unitholders is conclusive evidence of ownership).

The Management Company treats the registered owner of a Unit as the absolute and beneficial owner thereof.

Units are freely transferable (with the exception that Units may not be transferred to a Prohibited Person or a US Person, as defined under the heading "Subscription Procedure") and may be converted at any time for Units of another Sub-fund within the same Class. In addition, Units may be converted for Units of another Category within the same Class. For any conversion of Units, a conversion commission, as described under the heading "Commissions", may be charged. Upon issue, Units are entitled to

participate equally in the profits and dividends of the Sub-fund attributable to the relevant Class in which the Units have been issued, as well as in the liquidation proceeds of such Sub-fund.

Units do not carry any preferential or pre-emptive rights and each Unit, irrespective of the Class to which it belongs or its Net Asset Value. Units are issued without par value and must be fully paid for subscription.

No general meetings of unitholder shall be held and no voting rights shall be attached to the Units.

However, the Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund if the investor is registered himself and in his own name in the unitholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain unitholder rights directly against the Fund. Investors are advised to take advice on their rights.

Upon the death of a unitholder, the Management Company reserves the right to require the provision of appropriate legal documentation in order to verify the rights of all and any successors in title to Units.

Fractions of Units will be issued to one thousandth of a Unit.

### **13. ISSUE OF UNITS**

In the absence of any specific instructions, Units will be issued at the Net Asset Value per Unit of the relevant Class in the Reference Currency. Upon written instructions by the unitholder, Units may also be issued in the Other Denomination Currency, if available.

Fractions of Units to three decimal places will be issued, the Fund being entitled to receive the adjustment.

No Units of any Class will be issued by the Fund during any period in which the determination of the Net Asset Value of the Units of that Sub-fund is suspended by the Management Company, as noted under the heading "Temporary Suspension of Determination of Net Asset Value per Unit".

The Management Company Board may decide that for a particular Sub-fund no further Units will be issued after the Initial Subscription Period or the Launch Date or after the Offer Period as further specified for the respective Sub-fund in Appendix C.

### **14. CLASSES OF UNITS**

In respect of each Sub-fund, the Management Company Board may decide to issue one or more classes of Units ("**Class**" or "**Classes**"), which may differ inter alia in the fee structure, the type of targeted investor, the distribution policy, the currency applying to them and/or such other features as may be determined by the Management Company Board from time to time.

Certain Classes of Units are available to retail investors while other Classes of Units may be available only to institutional investors as such term is interpreted by the supervisory authority and any applicable laws and regulations from time to time in Luxembourg. These Classes of Units may be sub-divided into accumulation of income or distribution of income categories (the "**Categories**").

The Class(es) of Units and their Categories for each Sub-fund are indicated in Appendix C.

Units of different Classes/Categories within each Sub-fund may be issued, redeemed and converted at prices computed on the basis of the net asset value per Unit as detailed under the heading "Net asset value", within the relevant Sub-fund, as defined in the Management Regulations.

The currency in which the Classes of Units are denominated may differ from the Reference Currency of a Sub-fund (as specified for each Sub-fund in Appendix C). The Management Company may, at the expense of the relevant Class of Units, use instruments such as forward currency contracts to hedge the exposure of the investments denominated in other currencies than the currency in which the relevant Class of Units is denominated.

The amounts invested in the various Classes of Units of each Sub-fund are themselves invested in a common underlying portfolio of investments. The Management Company Board may decide to create further Classes of Units with different characteristics, and in such cases, this Prospectus will be updated accordingly.

## **15. SUBSCRIPTION OF UNITS**

### **15.1 Subscription procedure**

Subscription of the Units may be performed either by means of a single payment as described below under the heading "Single Payment" or, if available in the country of subscription, through a Pluri-annual Investment Plan as described below under the heading "Pluri-annual Investment Plan". Moreover, the Fund may issue Units as consideration for a contribution in kind of securities in compliance with the conditions set forth by Luxembourg law, in particular the obligation to obtain a valuation report from the Auditor. The transaction costs incurred in connection with the acceptance by the Management Company of a contribution in kind will be borne directly by the incoming unitholder.

The Management Company may restrict or prevent the ownership of Units in the Fund by any person, firm, partnership or corporate body, if in the sole opinion of the Management Company such holding may be detrimental to the interests of the existing unitholders or of the Fund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the Fund may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred. Such persons, firms, partnerships or corporate bodies shall be determined by the Management Company Board ("**Prohibited Persons**").

As the Fund is not registered under the United States Securities Act of 1933, as amended (the “**US Securities Act of 1933**”), nor has the Fund been registered under the United States Investment Company Act of 1940, as amended, its Units may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to citizens or residents thereof (hereinafter referred to as “**US Persons**”). Accordingly, the Management Company may require any subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be, a Prohibited Person or a US Person.

The Management Company retains the right to offer only one or several Classes of Units for subscription in any particular jurisdiction in order to conform to local law, custom, business practice or the Fund's commercial objectives.

As soon as subscriptions are accepted, subscribers will be given a personal identification number (the “**Identification Number**”) on acceptance of their initial subscription, and this, together with the unitholder's personal details, is proof of their identity to the Fund. The Identification Number should be used by the unitholder for all future dealings with the Management Company acting on behalf of the Fund, correspondent bank or paying agent, the Central Administration and any Distributor appointed from time to time.

Any changes to the unitholder's personal details and any loss of Identification Number must be notified immediately either to the Central Administration or to the relevant Distributor, who will if necessary, inform the Central Administration in writing. Failure to do so may result in the delay of an application for redemption. The Management Company reserves the right to require an indemnity or other verification of title or claim to title countersigned by a bank, stockbroker or other party acceptable to it before accepting such changes.

Subscription instructions accompany this Prospectus and may also be obtained from the Central Administration or a Distributor.

#### 15.1.1 Single payment

An investor's first subscription for Units must be made in writing or by fax to the Central Administration in Luxembourg or to a Distributor as indicated on the subscription form (the “**Subscription Form**”). Subsequent subscriptions for Units may be made in writing or by fax to the Central Administration or to a Distributor. The Management Company reserves the right to reject, in whole or in part, any subscription without giving any reason therefore.

Joint subscribers must each sign the Subscription Form unless a power of attorney is provided which is acceptable to the Management Company.

The minimum initial investment for each Class of Units of each Sub-fund is specified in Appendix C. The Management Company Board may, at its discretion, waive or modify such minimum limits.

Subscriptions for Units in any Sub-fund received by the Central Administration on the Luxembourg Business Day preceding the Valuation Day (as defined

under the heading "Net Asset Value") before the relevant Sub-fund's subscription deadline, as described in the Appendix C for each Sub-fund (the "**Sub-fund Subscription Deadline**"), will be processed on that Valuation Day using the Net Asset Value per Unit determined on such Valuation Day based on the latest available prices in Luxembourg (as described under the heading "Net Asset Value").

Any subscriptions received by the Central Administration after this deadline will be processed on the next Valuation Day on the basis of the Net Asset Value per Unit determined on such Valuation Day.

Different time limits may apply if subscriptions for Units are made through a Distributor. No Distributor is permitted to withhold subscription orders to personally benefit from a price change. Investors should note that they might be unable to purchase or redeem Units through a Distributor on days that such Distributor is not open for business. Certain Distributors may be authorised to offer Units via Internet, also assisted by other sub-distributors, in accordance with applicable laws and regulations in the relevant countries of distribution. The Management Company will however not accept any direct subscriptions via Internet.

#### 15.1.2 Pluri-annual Investment Plan

In addition to the single payment subscription procedure described above (hereinafter referred as "**Single Payment subscription**"), investors may also subscribe through pluri-annual investment plans (hereinafter referred to as "**Plan**").

Subscriptions performed by way of a Plan may be subject to other conditions (i.e. number, frequency and amounts of payments, details of commissions) than Single Payment subscriptions provided these conditions are not less favourable or more restrictive for the Fund.

The Management Company Board may notably decide that the amount of subscription may be inferior to the minimum amount of subscription applicable to Single Payment subscriptions.

Terms and conditions of a Plan offered to the subscribers are fully described in separate leaflets offered to subscribers in countries, if any, where a plan is available. The last version of the Prospectus, the Semi-annual and Annual Reports are attached to such leaflets, or such leaflets describe how the Prospectus, the Semi-annual and Annual Reports might be obtained.

Terms and conditions of a Plan do not interfere with the right of any subscribers to redeem their Units as defined under the heading "Redemption of Units".

The fees and commissions deducted in connection with the Plan may not constitute more than a third of the total amount paid by the investors during the first year of saving.

## 15.2 Payment procedure

Payment for Units must be received by the Depositary no later than three Luxembourg Business Days (as defined under the heading "Net Asset Value") following the applicable Valuation Day (except specific payment procedure as detailed in Appendix C).

In the absence of specific instructions, the currency of payment for Units of each Class will be the Reference Currency. Upon written instructions by the unitholder, the currency of payment for Units may also be the Other Denomination Currency, if available. In addition, a subscriber may with the agreement of the Central Administration, effect payment in any other freely convertible currency. The Central Administration will arrange for any necessary currency transaction to convert the subscription monies from the currency of subscription (the "**Subscription Currency**") into the Reference Currency or the Other Denomination Currency (if available) of the relevant Sub-fund. Any such currency transaction will be effected with the Depositary or a Distributor at the subscriber's cost and risk. Currency exchange transactions may delay any issue of Units since the Central Administration may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

Subscription instructions accompany this Prospectus and may also be obtained from the Central Administration or a Distributor.

If timely payment for Units (as detailed under the heading "Subscription Procedure") is not made (or a completed Subscription Form is not received for an initial subscription), the relevant issue of Units may be cancelled, and a subscriber may be required to compensate the Fund and/or any relevant Distributor for any loss incurred in relation to such cancellation.

## 15.3 Notification of transaction

A confirmation statement will be sent to the subscriber (or his nominated agent if so requested by the subscriber) by ordinary post as soon as reasonably practicable after the relevant Valuation Day, providing full details of the transaction. Subscribers should always check this statement to ensure that the transaction has been accurately recorded.

If any subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be returned without delay to the subscriber by post or bank transfer at the subscriber's risk without any interest.

## 15.4 Rejection of subscriptions

The Management Company may reject any subscription in whole or in part, in that case, the subscription monies or the balance outstanding will be returned without delay to the subscriber by post or bank transfer at the subscriber's risk without any interest and the Management Company Board may, at any time and from time to time and in its absolute discretion without liability and without notice, discontinue the issue and sale of Units of any Class in any one or more Sub-funds.



## 15.5 Money laundering prevention

Pursuant to the Luxembourg law and regulations relating to the fight against money-laundering and the prevention of the use of the financial sector for money laundering purposes and the circulars of the CSSF, obligations have been imposed *inter alia* on UCI as well as on professionals of the financial sector to prevent the use of UCI for money laundering purposes. Within this context a procedure for the identification of investors has been imposed. Namely, the Subscription Form of an investor must be accompanied, in the case of individuals, by a certified copy of the subscriber's passport or identification card and, in the case of legal entities, by a certified copy of the subscriber's articles of incorporation and, where applicable, an extract from the commercial register or a copy of such other documents as may be accepted in the relevant country of the Financial Action Task Force (*Groupe d'Action Financière* (the "**GAFI**")) as verification of the identity and address of the individual or legal entity in accordance with applicable GAFI rules.

This identification procedure must be complied with by the Central Administration (or the relevant competent agent of the Central Administration) in the case of direct subscriptions to the Management Company, and in the case of subscriptions received by the Management Company from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under Luxembourg laws for the prevention of money laundering.

It is generally accepted that professionals of the financial sector resident in a EU or European Economic Area ("**EEA**") member country (with the exception of the Principality of Liechtenstein) or in a country that has ratified the conclusions of the GAFI are deemed to be intermediaries having an identification obligation equivalent to that required under the laws of the Grand Duchy of Luxembourg.

The Central Administration may request any such additional documents as it deems necessary to establish the identity of investors or beneficial owners. In case of any lack of cooperation of an unitholder, the Fund would be obliged to block such unitholder's account until the receipt of the information and documents required by the Fund and/or the Central Administration. Any costs (including account maintenance costs) which are related to such non-cooperation will be borne by such unitholder.

Any information provided to the Management Company in this context is collected for anti-money laundering compliance purposes only.

## 16. REDEMPTION OF UNITS

### 16.1 Procedure for Redemption

Unitholders wishing to have all or some of their Units redeemed by the Fund may apply to do so by fax or by letter to the Central Administration or to a Distributor.

The application for redemption of any Units must include:

- either (i) the monetary amount the unitholder wishes to redeem after deduction of any applicable Redemption Commission; or (ii) the number of Units the unitholder wishes to redeem, and
- the Class and Sub-funds from which such Units are to be redeemed.

In addition, the application of redemption should include the following, if applicable:

- instructions on whether the unitholder wishes to redeem its Units at the Net Asset Value denominated in the Reference Currency or, if available, in the other Denomination Currency, and
- the currency in which the unitholder wishes to receive its redemption proceeds.

In addition, the application for redemption must include the unitholder's personal details together with his Identification Number. Failure to provide any of the aforementioned information may result in delay of such application for redemption whilst verification is being sought from the unitholder.

Applications for redemption must be duly signed by all unitholders, save in the case of joint registered unitholders where an acceptable power of attorney has been provided to the Management Company.

Applications for redemption from any Sub-fund received by the Central Administration on the Luxembourg Business Day preceding the Valuation Day before the relevant Sub-fund redemption deadline, as set out in Appendix C for each Sub-fund (the "**Sub-fund Redemption Deadline**"), will be processed on that Valuation Day using the Net Asset Value per Unit determined on such Valuation Day based on the latest available prices in Luxembourg (as described under the heading "Net Asset Value"). Any applications for redemption received by the Central Administration after the Sub-fund Redemption Deadline will be processed on the next Valuation Day on the basis of the Net Asset Value per Unit determined on such Valuation Day.

Different time limits may apply if applications for redemption are made to a Distributor. In such cases, the Distributor will inform the unitholder concerned of the redemption procedure relevant thereto, together with any time limit by which the application for redemption must be received. No Distributor is permitted to withhold redemption orders received to personally benefit from a price change. Unitholders should note that they might be unable to redeem Units through a Distributor on days that such Distributor is not open for business.

The Management Company shall ensure that an appropriate level of liquidity is maintained in each Sub-fund so that, under normal circumstances, repurchase of Units of a Sub-fund may be made by the Valuation Day.

## 16.2 Redemption plan

Each unitholder may give instructions to the Management Company for the planned redemption of Units subject to the terms and conditions described in the leaflets offered to subscribers in countries, if any, where a plan is available. Instructions must contain

the personal data of the unitholder and instructions for the payment of the redemption price, together with his Identification Number.

### 16.3 Payment procedure

Payment for Units redeemed will be effected no later than five Luxembourg Business Days after the relevant Valuation Day for all Sub-funds (except specific payment procedure as detailed in Appendix C), provided that all the documents necessary to the redemption have been received by the Management Company and unless legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible or impracticable to transfer the redemption amount to the country in which the application for redemption was submitted.

In the absence of any specific instructions, redemptions will be processed in the Reference Currency of the relevant Sub-fund/Class of Units. Unitholders may choose, in writing, at the time of giving the redemption instructions to receive the redemption proceeds in an Other Denomination Currency, if available, or (with the agreement of the Central Administration) in any other freely convertible currency (the "**Redemption Currency**"). In the latter case, the Central Administration will arrange the currency transaction required for conversion of the redemption monies from the Reference Currency or Other Denomination Currency of the relevant Sub-fund/Class of Units into the relevant Redemption Currency. Such currency transaction will be effected with the Depositary or a Distributor at the relevant unitholder's cost.

On payment of the Redemption Price, the corresponding Units will be cancelled immediately in the Fund's unitholder register. Any taxes, commissions and other fees incurred in the respective countries in which the Units are sold will be charged to the unitholders.

In the context of determining unrealised capital gain/losses, the Management Company Board may authorize the unitholders to simultaneously redeem and subscribe the same number of Units of a certain Class of a certain Sub-fund with respect to the same Valuation Day. Such transactions shall be recorded on behalf of the relevant Class of the relevant Sub-fund as transactions with no cash transfer to or from the unitholder but for which a compensation has occurred.

However, the unitholders should consult their own tax advisers, as to the overall tax consequences in their own particular circumstances, of these simultaneously redemption and subscription orders of the same number of Units with respect to the same Valuation Day.

### 16.4 Notification of transaction

A confirmation statement will be sent by ordinary post to the unitholder detailing the redemption proceeds due thereto as soon as reasonably practicable after determination of the Redemption Price of the Units being redeemed. Unitholders should check this statement to ensure that the transaction has been accurately recorded. The redemption proceeds will be net of any applicable Redemption Commission. In calculating the

redemption proceeds, the Management Company will round down to two decimal places, the Fund being entitled to receive the adjustment.

In the event of an excessively large volume of applications for redemption, the Management Company may decide to delay execution of such applications until the corresponding assets of the Fund have been sold without unnecessary delay.

#### 16.5 Compulsory redemption

If the Management Company discovers at any time that Units are owned by a US Person or a Prohibited Person, either alone or in conjunction with any other person, whether directly or indirectly, the Management Company Board may at its discretion and without liability, compulsorily redeem the Units at the Redemption Price as described above after giving notice of at least ten days, and upon redemption, the US Person or the Prohibited Person will cease to be the owner of those Units. The Management Company may require any unitholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Units is or will be a US Person or a Prohibited Person.

### 17. CONVERSION OF UNITS

#### 17.1 Conversion procedure

Conversions of Units between different Classes of the same Sub-fund are not possible.

Unless otherwise provided in the Appendix C, for specific Sub-funds, unitholders may convert all or part of their Units of one Sub-fund (the "**Original Sub-fund**") into Units of the same Class of one or more other Sub-funds (the "**New Sub-fund**") by application in writing or by fax to the Central Administration or to a Distributor, stating which Units are to be converted into which Sub-funds.

The application for conversion must include either the monetary amount the unitholder wishes to convert or the number of Units the unitholder wishes to convert. In addition, the application for conversion must include the unitholder's personal details together with his Identification Number.

The application for conversion must be duly signed by the unitholder, save in the case of joint unitholders where an acceptable power of attorney has been provided to the Management Company.

Failure to provide any of this information may result in delay of the application for conversion.

Applications for conversion between any Sub-funds received by the Central Administration on Luxembourg Business Day preceding the Valuation Day before the relevant Sub-fund conversion deadline, as set out in Appendix C for each Sub-fund which is 2 p.m. in Luxembourg (the "**Sub-fund Conversion Deadline**"), will be processed on that Valuation Day using the Net Asset Value per Unit determined on such

Valuation Day based on the latest available prices in Luxembourg (as described under the heading "Net Asset Value").

Different time limits may apply if applications for conversion are made to a Distributor. In such cases, the Distributor will inform the unitholder of the conversion procedure relevant to that unitholder, together with any time limit by which the application must be received. Unitholders should note that they might be unable to convert Units through a Distributor on days that such Distributor is not open for business.

Any applications for conversion received by the Central Administration after the Sub-fund Conversion Deadline on Luxembourg Business Day preceding the Valuation Day, or on any day preceding the Valuation Day that is not a Luxembourg Business Day, will be processed on the next Valuation Day on the basis of the Net Asset Value per Unit determined on such Valuation Day.

The above described conversion procedure for the conversion of Units of a Sub-fund into Units of the same Class of one or more other Sub-funds is applicable *mutatis mutandis* for the conversion of Units of a Category (the "**Original Category**") of a Class of a Sub-fund into Units of another Category (the "**New Category**") of the same Class and Sub-fund.

The rate at which all or part of the Units in respectively an Original Sub-fund or an Original Category are converted into Units in a New Sub-fund or in a New Category is determined in accordance with the following formula:

$$A = \frac{(B \times C \times D) \times (1 - E)}{F}$$

F

where:

A is the number of Units to be allocated respectively in the New Sub-fund or in the New Category;

B is the number of Units of respectively the Original Sub-fund or the Original Category to be converted;

C is the Net Asset Value per Unit of the relevant Class of Units of respectively the Original Sub-fund or the Original Category determined on the relevant Valuation Day;

D is the actual rate of foreign exchange on the day concerned in respect of the Reference Currency of respectively the Original Sub-fund or the Original Category and the Reference Currency of respectively the New Sub-fund or the New Category, and is equal to 1 in relation to conversions between Sub-funds denominated in the same Reference Currency;

E is the Conversion Commission percentage payable per Unit; and

F is the Net Asset Value per Unit of the relevant Class of Units of respectively the New Sub-fund or the New Category determined on the relevant Valuation Day, plus any taxes, commissions or other fees.

## 17.2 Notification of transaction

Following such conversion of Units, the Management Company will inform the unitholder in question of the number of Units of the New Sub-fund or of the New Category obtained by conversion and the price thereof. Fractions of Units in the New Sub-fund or in the New Category to three decimal places will be issued, the Fund being entitled to receive the adjustment.

## 18. TEMPORARY SUSPENSION OF SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS

No Units will be issued by the Fund and the right of any unitholder to require the redemption or conversion of its Units of the Fund will be suspended during any period in which the determination of the Net Asset Value of the relevant Sub-fund is suspended by the Management Company pursuant to the powers contained in the Management Regulations and as detailed under the heading "Temporary Suspension of Determination of Net Asset Value per Unit".

Notice of suspension will be given to subscribers and to any unitholder tendering Units for redemption or conversion. Withdrawal of a subscription or of an application for redemption or conversion will only be effective if written notification by letter or by fax is received by the Central Administration before termination of the period of suspension, failing which subscription, redemption and conversion applications not withdrawn will be processed on the first Valuation Day following the end of the suspension period, on the basis of the Net Asset Value per Unit determined on such Valuation Day.

## 19. LATE TRADING AND MARKET TIMING

### 19.1 Late trading

The Fund determines the price of its Units on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Unit at which Units will be bought or sold (exclusive of any Subscription or Redemption Commission as defined hereafter). Subscription applications have to be received and will be accepted for each Sub-fund only in accordance with the Sub-fund Deadline.

### 19.2 Market timing

The Fund is not designed for investors with short-term investment horizons. Activities which may adversely affect the interests of the Fund's unitholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of the Fund as an excessive or short term trading vehicle are not permitted.

While recognising that unitholders may have legitimate needs to adjust their investments from time to time, the Management Company in its discretion may, if it deems such activities adversely affect the interests of the Fund or the Fund's unitholders, take action as appropriate to deter such activities.

Accordingly if the Management Company determines or suspect that a unitholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that

unitholder's subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Fund and its unitholders.

## **20. PROCEDURE FOR SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS REPRESENTING 10% OR MORE OF THE ASSETS OF ANY SUB-FUND**

If the Management Company determines that it would be detrimental to the existing unitholders of the Fund to accept a subscription for Units of any Sub-fund that represents more than 10% of the net assets of such Sub-fund, then it may postpone the acceptance of such subscription and, in consultation with the incoming unitholder, may require him to stagger his proposed subscription over an agreed period of time.

If any application for redemption or conversion is received in respect of any one Valuation Day, which either singly or when aggregated with other such applications so received, represents more than 10% of the net assets of any one Sub-fund, the Management Company reserves the right, in its sole and absolute discretion and without liability (and in the reasonable opinion of the Management Company Board that to do so is in the best interests of the remaining unitholders), to scale down pro rata each application with respect to such Valuation Day so that not more than 10% of the net assets of the relevant Sub-fund be redeemed or converted on such Valuation Day.

To the extent that any application for redemption or conversion is not given full effect on such Valuation Day by virtue of the exercise by the Management Company of its power to pro-rate applications, such application shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the unitholder in question in respect of the next Valuation Day and, if necessary, subsequent Valuation Days, until such application shall have been satisfied in full.

With respect to any application for redemption or conversion received in respect of such Valuation Day, to the extent that subsequent applications shall be received in respect of following Valuation Days, such later applications shall be postponed in priority to the satisfaction of applications relating to such first Valuation Day, but subject thereto shall be dealt with as set out above.

## **21. COMMISSIONS**

### **21.1 Subscription commission**

The subscription price (the "**Subscription Price**") of each Class of Units of each Sub-fund on the Initial Subscription Day or during the Initial Subscription Period will be equal to the Initial Price (as set out in Appendix C), plus a subscription commission if applicable (the "**Subscription Commission**") (as set out in Appendix C) in favour of any Distributor or of each Class of Units of each Sub-fund. Thereafter (including, where relevant, during an Offer Period), the Subscription Price of each Class of Units of each Sub-fund will be equal to the Net Asset Value per Unit (as described under the heading "Subscription Procedure"), plus any applicable Subscription Commission, if applicable as set out in Appendix C, in favour of any Distributor. The balance of the subscription payment, after deduction of the applicable Subscription Commission, will be applied to the purchase of Units.

Any taxes, commissions and other fees incurred in the respective countries in which Fund Units are sold will also be charged, if any, to the unitholders.

#### 21.2 Redemption commission

Holdings of Units of any Class may be redeemed in whole or in part on the Luxembourg Business Day preceding the Valuation Day at the redemption price (the "**Redemption Price**") on the basis of the Net Asset Value per Unit determined on such Valuation Day less a redemption commission if applicable as set out in Appendix C for each Sub-fund (the "**Redemption Commission**") in favour of any Distributor or of each Class of Units of each Sub-fund or an anti-dilution fee if applicable, as set out in Appendix C for each Sub-fund (the "**Anti-dilution Fee**").

In addition and where specifically provided in Appendix C for a specific Sub-fund, a Redemption Commission may be charged in favour of the relevant Sub-fund. Such Redemption Commission may, under certain circumstances and subject to the principle of equal treatment between investors, be waived by the Management Company Board for all unitholders redeeming their Units with respect to the same Valuation Day.

#### 21.3 Conversion commission

For the conversion, a conversion commission of up to as set out in Appendix C for each Sub-fund may be charged in favour of any Distributor. This charge shall be automatically deducted when the number of Units in the New Sub-fund is calculated.

The above mentioned conversion commission is applicable *mutatis mutandis* to the conversion of Units in the Original Category of a Class of a Sub-fund into Units in the New Category of the same Class and Sub-fund.

#### 21.4 Fund charges

The Sub-funds bear the following costs and taxes:

- all taxes levied at the Sub-funds' expenses on the Fund's assets, its income and expenses;
- a management fee (the "**Management Fee**") as set out in Appendix C, calculated daily on the basis of the Sub-funds' net assets on the previous Valuation Day. Unless otherwise provided in Appendix C for a specific Sub-fund, this Management Fee may be used to pay investment managers, any Distributors on a quarterly basis in arrears and calculated daily on the basis of the Sub-funds' net assets on the previous Valuation Day;
- a fee up to 0.08 % p.a., calculated daily on the basis of the Sub-funds' net assets on the previous Valuation Day for all administrative activities carried out by the Management Company (in particular (i) the domiciliation of the Fund, (ii) front-office services, (iii) coordination between the service providers, (iv) contact with regulatory authorities) ("**Management Company Administrative Fee**"), payable to the Management Company quarterly in arrears;



- a remuneration for the Central Administrative Agent and the Depositary up to 0.03% p.a., in accordance with usual market practice, calculated daily on the basis of the Sub-funds' net assets on the previous Valuation Day payable quarterly in arrears;
- usual brokers and bank fees, in particular stock provisions incurred for transactions over units of investment funds and other assets of the relevant Sub-fund as well as hedging transactions over currencies and securities;
- fees of the auditor;
- usual bank fees, including usual bank costs for the safekeeping of units of foreign investment funds in a foreign country;
- compliance monitoring fees;
- costs for the publications to the Units' holders;
- promotion costs as well as costs incurred in connection with the offering and the sale of Units;
- costs for the preparation and the filing and the publication of the Management Regulations and other documents regarding the Sub-funds, including the notice for registration, the Prospectus, KIID and written statements to all supervisory authorities and stock-exchanges (including local securities broker associations), that must be undertaken in connection with the Sub-fund or to offer the Sub-fund's Units, printing costs and publication costs of the annual and Semi-annual Reports to unitholders in all languages necessary, printing costs and publication costs of all other reports and documents required under applicable laws or regulations of the mentioned authorities, fees of foreign representatives, as well as all administration fees and all costs related to securities lending transactions (agency fees and transactions costs);
- all costs connected with the purchase and the sale of assets, excepting subscription fees and redemption fees for units of target funds that are managed by the Management Company or by another company to which the Management Company is bound by an important (direct or indirect) participation;
- The Investment Manager may be entitled to a performance fee in relation to certain Sub-funds, as indicated in Appendix C.

The performance fee is calculated on the basis of the Net Asset Value per Unit after deducting all expenses, fees (but not the performance fee) and adjusting for subscriptions, redemptions and distributions during the relevant performance period so that these will not affect the performance fee payable.

In the event that an investor redeems Units prior to the end of the financial year, any accrued but unpaid performance fee relating to those Units shall be paid to the Investment Manager at the last Valuation Day of the relevant quarter.

If the Investment Management Agreement with an Investment Manager entitled to a performance fee is terminated before the end of any performance period, the

performance fee in respect of such performance period will be calculated and paid as if the date of termination was the end of the relevant performance period;

- In addition, and subject to applicable laws and regulations, the Management Company and/or the Investment Manager may be entitled to receive soft commissions in the form of supplemental goods and services such as consultancy and research, information-technology material associated with specialist software, performance methods and instruments for setting prices, subscriptions to financial information or pricing providers. Brokers who provide supplemental goods and services to the Management Company and/or the Investment Manager may receive orders for transactions by the Management Company. The following goods and services are expressly excluded from the soft commissions: travel, accommodation costs, entertainment, current goods and services connected with the management, the offices, the office equipment, staff costs, clerical salaries and all financial charges. Soft commission services so received by the Management Company and/or the Investment Manager will be in addition to and not in lieu of the services required to be performed by the Management Company and/or the Investment Manager and the fees of the Management Company and/or the Investment Manager will not be reduced as a result of the receipt of such soft commissions. The Management Company and/or the Investment Manager, in using a broker who provides soft commission services, will do so only on the basis that the broker is not a physical person and will execute the relevant transactions on a best execution basis and that there will be no comparative price disadvantage in using that broker. The Management Company and/or the Investment Managers or anyone connected to them shall not personally benefit from any financial return on the commissions collected by brokers or dealers. The Investment Manager will provide the Management Company with the details of the soft commissions effectively received on an annual basis. This information will be inserted in the Annual Reports of the Fund;
- Placement fee: The Distributor may receive a placement fee as set out in Appendix C (the “**Placement Fee**”) out of the assets of relevant the Sub-fund.

Subject to applicable laws and regulations, the Distributors may reallocate a portion of their fees to distributors, dealers, other intermediaries or entities, with whom they have a distribution agreement, or to or for the benefit of a holder or prospective holder of Units.

The Distributors may also on a negotiated basis enter into private arrangements (so called “co-operation agreements” with the Investment Manager being a party to such agreements) with a distributor, dealer, other intermediary, entity, holder or prospective holder of Units (or an agent thereof) under which the Distributors are authorised to make payments to or for the benefit of such distributor, dealer, other intermediary, entity, holder or prospective holder of Units which represent a retrocession of or a rebate on all or part of the fees paid by the Fund to the Investment Manager.

Additionally, subject to applicable laws and regulations, the Investment Manager may reallocate a portion of its management fees to distributors, dealers, other intermediaries

or entities that assist the Investment Manager in the performance of its duties or provide services, directly or indirectly, to the Sub-funds or their unitholders.

The Investment Manager may also on a negotiated basis enter into private arrangements (so called “co-operation agreements”) with a distributor, dealer, other intermediary, entity, holder or prospective holder of Units (or an agent thereof), under which the Investment Manager is authorised to make payments to or for the benefit of such distributor, dealer, other intermediary, entity, holder or prospective holder of Units which represent a retrocession of or a rebate on all or part of the fees paid by the Fund to the Investment Manager.

It follows from the above that the effective net fees deemed payable by a holder of Units who is entitled to receive a rebate under the arrangements described above may be lower than the fees deemed payable by a holder of Units who does not participate in such arrangements. Such arrangements reflect terms privately agreed between parties other than the Management Company acting on behalf of the Fund, and for the avoidance of doubt, the Management Company cannot, and is under no duty to, enforce equality of treatment between unitholders by other entities, including those service providers of the Fund that the Management Company has appointed.

Unless otherwise provided in Appendix C for a specific Sub-fund, all fees are calculated and accrued on each Valuation Day and are payable quarterly in arrears. All taxes levied on the assets and the income of the Fund (in particular, but not limited to, the “*taxe d’abonnement*” and any stamp duties payable), fees for legal and auditing services, costs of any proposed listings and of maintaining such listings, promotion, printing, reporting and publishing expenses (including reasonable marketing and advertising expenses) of prospectuses, Key Investor Information, addenda, explanatory memoranda, registration statements, global note if any, Annual Reports and Semi-annual Reports, all reasonable out-of-pocket expenses of the directors of the Management Company, all taxes levied on the assets, registration fees and other expenses payable to governmental and supervisory authorities in any relevant jurisdictions, insurance costs, costs of extraordinary measures carried out in the interests of unitholders (in particular, but not limited to, arranging expert opinions and dealing with legal proceedings) and all other operating expenses, including fees payable to trustees, fiduciaries, correspondent banks and local paying agents and any other agents employed by the Management Company acting on behalf of the Fund, the cost of buying and selling assets, customary transaction fees and commissions charged by custodian banks or their agents (including free payments and receipts and any reasonable out-of-pocket expenses, i.e. stamp taxes, registration costs, scrip fees, special transportation costs, etc.), customary brokerage fees and commissions charged by banks and brokers for securities transactions and similar transactions, in case of guaranteed or structured Sub-funds, fees charged by a guarantor or derivative counterparty, interest and postage, telephone, facsimile, telex charges and all the costs related to securities lending transactions (agency fees and transactions costs) shall be borne by the Fund.

The allocation of costs and expenses to be borne by the Fund will be made pro rata to the net assets of each Sub-fund in accordance with the Management Regulations.

The set-up costs of the Fund, that amount to around EUR 50,000.- were initially assumed by the Management Company, and then invoiced during the first business year to the Sub-funds existing on the establishment of the Fund. Costs for the set-up of new Sub-funds will be assumed by each such new Sub-fund and written-off during, as contemplated under applicable Luxembourg law, the first five years of the Sub-fund's existence. In case of simultaneous set-up of several Sub-funds each of them assumes the costs on a pro-rata-basis.

## 22. NET ASSET VALUE

The net asset value per Unit of each Class of Units in each Sub-fund shall be determined on each valuation day (the “**Valuation Day**”) as set out in Appendix C.

If the Valuation Day is not a fully working day in Luxembourg when the banks are open for business (“**Luxembourg Business Day**”), the Net Asset Value per Unit of each Class of Units in each Sub-fund shall be determined on the next Luxembourg Business Day.

The Net Asset Value per Unit of each Class of Units in each Sub-fund will be expressed in the Reference Currency of the Sub-fund. The Management Company Board may however decide to calculate the Net Asset Value per Unit for certain Sub-funds/Classes of Units in the Other Denomination Currency as further detailed for the respective Sub-funds/Classes of Units in Appendix C. The NAV calculated in the Other Denomination Currency is the equivalent of the NAV in the Reference Currency of the Sub-Fund converted at the prevailing exchange rate.

The Net Asset Value per Unit of each Class of Units in each Sub-fund with respect to any Valuation Day is determined by dividing the value of the total assets of that Sub-fund properly allocable to such Class less the liabilities of such Sub-fund properly allocable to such Class by the total number of Units of such Class outstanding on such Valuation Day.

The Subscription Price and the Redemption Price of the different Classes of Units will differ within each Sub-fund as a result of the differing fee structure and/or distribution policy for each Class.

The valuation of the Net Asset Value per Unit of each Class of Units in each Sub-fund shall be made in the following manner:

The assets of the Fund, in relation to each Sub-fund, shall be deemed to include:

- (i) All cash on hand or on deposit, including any interest accrued thereon;
- (ii) All bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- (iii) All bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned by the Fund or contracted for by the Management Company on behalf of the Fund (provided that the

Management Company may make adjustments in a manner not inconsistent with paragraph (a) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);

- (iv) All stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- (v) All interest accrued on any interest bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- (vi) The preliminary expenses of the Fund, including the cost of issuing and distributing Units of the Fund, insofar as the same have not been written off;
- (vii) The liquidating value of all forward contracts, swaps and all call or put options the Fund has an open position in;
- (viii) Units or shares issued by open-ended investment funds;
- (ix) All other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be determined as follows:

- (a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received, is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- (b) The value of financial assets listed or dealt in on a Regulated Market (as defined in Appendix A) or on any other regulated market will be valued at their latest available prices, or, in the event that there should be several such markets, on the basis of their latest available prices on the main market for the relevant asset;
- (c) In the event that the assets are not listed or dealt in on a Regulated Market, or on any other regulated market or if, in the opinion of the Management Company, the latest available price does not truly reflect the fair market value of the relevant assets, the value of such assets will be defined by the Management Company based on the reasonably foreseeable sales proceeds determined prudently and in good faith by the Management Company;
- (d) Units or shares issued by open-ended investment funds shall be valued at their last available net asset value or in accordance with item (b) where such securities are listed.
- (e) The liquidating value of futures, forward or options contracts not dealt in on Regulated Markets, or other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the Management Company, on a basis consistently applied for each different variety of contracts.

The liquidating value of futures, forward or options contracts dealt in on Regulated Markets, or other regulated markets shall be based upon the last available settlement prices of these contracts on Regulated Markets, stock exchange or other regulated markets on which the particular futures, forward or options contracts are dealt in by the Management Company on behalf of the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Management Company may deem fair and reasonable;

- (f) the Net Asset Value per Unit of any Sub-fund of the Fund may be determined by using an amortised cost method for all investments with a known short term maturity date. This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortisation cost, is higher or lower than the price such Sub-fund would receive if it sold the investment. The Management Company will continually assess this method of valuation and recommend changes, where necessary, to ensure that the relevant Sub-fund's investments will be valued at their fair value as determined in good faith by the Management Company. If the Management Company Board believes that a deviation from the amortised cost per share may result in material dilution or other unfair results to unitholders, the Management Company Board shall take such corrective action, if any, as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;
- (g) the relevant Sub-fund shall, in principle, keep in its portfolio the investments determined by the amortisation cost method until their respective maturity date.
- (h) Interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the Management Company;
- (i) All other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Management Company;
- (j) The Management Company, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Management Company is authorised, prudently and in good faith, to follow other rules in order to achieve a fair valuation of the assets of the Fund.

If since the time of determination of the net asset value per Unit of any Class in a particular Sub-fund there has been a material change in the quotations in the markets on which a substantial portion of the investments of such Sub-fund are dealt in or quoted, the Management Company may, in order to safeguard the interests of the unitholders and the Fund, cancel the first valuation of the net asset value per Unit and carry out a second valuation. All the subscription, redemption and exchange orders received on such day will be dealt at the second net asset value per Unit.

The liabilities of the Fund shall be deemed to include:

- (i) All loans, bills and accounts payable;
- (ii) All accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- (iii) All accrued or payable administrative expenses (including the Aggregate Fees and any other third party fees);
- (iv) All known liabilities, present and future, including all matured contractual obligations for payment of money or property;
- (v) An appropriate provision for future taxes based on capital and income to the relevant Valuation Day, as determined from time to time by the Management Company, and other reserves, if any, authorised and approved by the Management Company; and
- (vi) All other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Units of the Fund. In determining the amount of such liabilities, the Management Company shall take into account all expenses payable and all costs incurred by the Fund, the Aggregate fees, fees payable to its directors (including all reasonable out-of-pocket expenses), the Management Company, investment advisors (if any), investment or sub-investment managers, accountants, the custodian bank, the administrative agent, corporate agents, domiciliary agents, paying agents, registrars, transfer agents, permanent representatives in places of registration, distributors, trustees, fiduciaries, correspondent banks and any other agent employed by the Management Company acting on behalf of the Fund, fees for legal and auditing services, costs of any proposed listings and of maintaining such listings, promotion, printing, reporting and publishing expenses (including reasonable marketing and advertising expenses and costs of preparing, translating and printing in different languages) of prospectuses, Key Investor Information, addenda, explanatory memoranda, registration statements, Annual Reports and Semi-annual Reports, all taxes levied on the assets and the income of the Fund (in particular, the "*taxe d'abonnement*" and any stamp duties payable), registration fees and other expenses payable to governmental and supervisory authorities in any relevant jurisdictions, insurance costs, costs of extraordinary measures carried out in the interests of unitholders (in particular, but not limited to, arranging expert opinions and dealing with legal proceedings) and all other operating expenses, including the cost of buying and selling assets, customary

transaction fees and commissions charged by custodian banks or their agents (including free payments and receipts and any reasonable out-of-pocket expenses, i.e. stamp taxes, registration costs, scrip fees, special transportation costs, etc.), customary brokerage fees and commissions charged by banks and brokers for securities transactions and similar transactions, interest and postage, telephone, facsimile, telex charges and all the costs related to securities lending transactions (agency fees and transactions costs). The Management Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

The net assets of the Fund are at any time equal to the total of the net assets of the various Sub-funds.

### **23. TEMPORARY SUSPENSION OF THE DETERMINATION OF THE NET ASSET VALUE PER UNIT**

The Management Company may suspend the determination of the Net Asset Value per Unit of one or more Sub-funds and the issue, redemption and conversion of any Classes of Units in the following circumstances:

- (i) during any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Fund attributable to such Sub-fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Fund attributable to such Sub-fund quoted thereon;
- (ii) during the existence of any state of affairs which constitutes an emergency in the opinion of the Management Company Board as a result of which disposal or valuation of assets of the Fund attributable to such Sub-fund would be impracticable;
- (iii) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such Sub-fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-fund;
- (iv) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Units of such Sub-fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Units cannot, in the opinion of the Management Company Board, be effected at normal rates of exchange;
- (v) when for any other reason the prices of any investments of the Fund attributable to such Sub-fund cannot promptly or accurately be ascertained; or
- (vi) upon the publication of a notice convening a general meeting of unitholders for the purpose of winding-up the Fund.



The suspension of a Sub-fund shall have no effect on the determination of the Net Asset Value per Unit or on the issue, redemption and conversion of Units of any other Sub-fund that is not suspended.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the determination of the Net Asset Value per Unit.

Notice of the beginning and of the end of any period of suspension will be published in a Luxembourg daily newspaper and in any other newspaper(s) selected by the Management Company Board, as well as in the official publications specified for the respective countries in which Fund Units are sold. The Luxembourg regulatory authority, and the relevant authorities of any Member States of the European Union in which Units of the Fund are marketed, will be informed of any such suspension. Notice will likewise be given to any subscriber or unitholder as the case may be applying for subscription, conversion or redemption of Units in the Sub-fund(s) concerned.

## **24. AUDITORS**

The auditor of the Fund is appointed by the Management Company and shall, with respect to the assets of the Fund, carry out the duties provided by the UCI Law.

## **25. DIVIDENDS**

Whether accumulation or distribution Categories have been issued in relation to a particular Sub-fund is indicated in Appendix C.

Unless otherwise provided in Appendix C with regard to any particular Sub-fund, the Management Company may declare annual or other interim distributions out from the investment income gains and realised capital gains and, if considered necessary to maintain a reasonable level of dividends, out of any other funds available for distribution. The Management Company may decide to the payment of interim dividends in the form and under the conditions as provided by law.

Notwithstanding the above, no distribution may be made as a result of which the total net assets of the Fund would fall below the equivalent in the Reference Currency of the Fund of the minimum amount as required by Luxembourg law (i.e.: EUR 1,250,000).

The part of the year's net income that has been decided to be distributed in relation of the distribution Categories will be distributed to the holders of the distribution Units in cash.

The part of the year's net income corresponding to accumulation Categories will be capitalised in the relevant Sub-fund for the benefit of the accumulation Category.

Dividends will be declared in the Reference Currency of each Sub-fund but, for the convenience of unitholders, payment may be made in a currency chosen by the investor. The exchange rates used to calculate payments will be determined by the Central Administration by reference to normal banking rates. Such currency transaction will be

effected with the Depositary at the relevant unitholder's cost. In the absence of written instructions, dividends will be paid in the Reference Currency of the Sub-fund.

Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-fund/ relevant Category of the relevant Class.

## **26. DURATION, LIQUIDATION AND MERGER/CONTRIBUTION OF THE FUND OR OF ANY SUB-FUND**

The Fund and the Sub-funds have been established for an unlimited period of time unless otherwise provided for in Appendix C. However, the Fund or any Class and/or Sub-fund may be terminated at any time by decision of the Management Company Board. The Management Company Board may, in particular decide such dissolution where the value of the net assets of the Fund or of any Class and/or Sub-fund has decreased to an amount determined by the Management Company Board to the minimum level for the Fund or for such Sub-fund to be operated in an economically efficient manner, in case of a significant change of the economic or political situation or as a matter of rationalisation.

The liquidation of the Fund or of a Class and/or Sub-fund cannot be requested by a unitholder.

The event leading to dissolution of the Fund must be announced by a notice published in the RESA. In addition, the event leading to dissolution of the Fund must be announced in at least two newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper. Such event will also be notified to the unitholders in such other manner as may be deemed appropriate by the Management Company Board.

The Management Company Board or, as the case may be, the liquidator it has appointed, will realise the assets of the Fund or of the relevant Sub-fund(s) in the best interest of the unitholders thereof, and upon instructions given by the Management Company Board, the Depositary will distribute the net proceeds from such liquidation, after deducting all liquidation expenses relating thereto, amongst the unitholders of the relevant Sub-fund(s) in proportion to the number of Units held by them.

At the close of liquidation of the Fund or of any Class and/or Sub-fund, the proceeds thereof corresponding to Units not surrendered will be kept in safe custody with the Luxembourg *Caisse de Consignation* until the prescription period has elapsed.

No Units shall be issued as from the occurrence of the event giving rise to the state of liquidation of the Fund. Units may be redeemed, provided that unitholders are treated equally.

Under the same circumstances as provided in the first paragraph above in relation to the liquidation of Class(es) and/or Sub-funds, the Management Company Board may decide to merge a Class and/or Sub-fund into another Class and/or Sub-fund or to contribute one or several Sub-fund(s) to another Luxembourg or foreign UCITS and such merger/contribution will be realised in accordance with Chapter 8 of the UCI Law. The

Management Company will decide on the effective date of the merger of the Fund with another UCITS pursuant to article 66 (4) of the UCI Law.

## **27. APPLICABLE LAW AND JURISDICTION**

The Management Regulations are governed by the laws of the Grand Duchy of Luxembourg and any dispute arising between the unitholders, the Management Company and the Depositary will be subject to the jurisdiction of the District Court of Luxembourg.

Notwithstanding the foregoing, the Management Company and the Depositary may subject themselves and the Fund, (i) to the jurisdiction of the courts of the countries in which the Units of the Fund are offered and sold with respect to claims by investors resident in such countries, and (ii) with respect to matters relating to subscription, repurchase and conversion by unitholders resident in such countries, to the laws of such countries.

The claims of the unitholders against the Management Company or the Depositary will lapse five years after the date of the event which gave rise to such claims.

## **28. GOVERNING LANGUAGE**

English shall be the governing language of the Management Regulations.

## **29. TAX STATUS IN LUXEMBOURG**

The following is a summary of certain material Luxembourg tax consequences of purchasing, owning and disposing of Units. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell Units. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. This summary does not allow any conclusion to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based on the Luxembourg law and regulations in effect and as interpreted by the Luxembourg tax authorities on the date of the Prospectus. These laws and interpretations are subject to change that may occur after such date, even with retroactive or retrospective effect.

Prospective purchasers of the Units should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing of the Units, including the application and effect of any federal, state or local taxes under the tax laws of the Grand Duchy of Luxembourg and each country of which they are residents or citizens.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), personal

income tax (*impôt sur le revenu des personnes physiques*) as well as a temporary equalisation tax (*impôt d'équilibrage budgétaire temporaire*). Corporate taxpayers may further be subject to net worth tax (*impôt sur la fortune*), as well as other duties, levies and taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, solidarity surcharge and temporary equalisation tax. Under certain circumstances, where individual taxpayers act in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

#### 29.1. The Fund

Under current law and practice, the Fund is not liable for any Luxembourg income or net wealth tax nor are distributions, redemptions or payments made by the Fund to its unitholders under the Units and distribution of liquidation proceeds subject to any Luxembourg withholding tax.

At the date of this Prospectus, the Fund is liable to a subscription tax (*taxe d'abonnement*) of 0.05 per cent per annum, such tax being payable quarterly and calculated on the aggregate net assets of the Fund valued at the end of the relevant calendar quarter unless a reduced tax rate of 0.01 per cent per annum is applicable. Furthermore, some exemptions from subscription tax are available.

The Fund's unitholders may be subject to withholding tax on dividends and interest as well as to tax on capital gains in the country of origin of the Fund's investments. As the Fund itself is a tax transparent entity in Luxembourg, it is exempt from income tax, withholding tax levied at source, if any, may not be creditable/refundable in Luxembourg.

In Luxembourg, the Fund is considered together with its Management Company as one single taxable person for value added tax ("VAT") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund/the Management Company could potentially trigger VAT and require the VAT registration of the Management Company in Luxembourg. As a result of such VAT registration, the Fund respectively the Management Company will be in a position to fulfil the duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

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

#### 29.2. Unitholders

Unitholders may not be subject to any capital gains, income or withholding tax in Luxembourg unless the unitholders are Luxembourg residents or non-resident

unitholders who or which have a permanent establishment or a permanent representative in Luxembourg.

### 29.3. CRS

Capitalised terms used in this section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

The Fund may be subject to the Common Reporting Standard for Automatic Exchange of financial account information in tax matters as set out in the CRS Law (the “**CRS**”) as set out in the CRS Law.

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund is required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain unitholders qualifying as Reportable Persons and (ii) Controlling Persons of certain non-financial entities (“**NFEs**”) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the “**Information**”), will include personal data related to the Reportable Persons.

The Fund’s ability to satisfy its reporting obligations under the CRS Law will depend on each unitholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the unitholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law.

The unitholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each unitholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Law (as defined below).

The unitholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law.

The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction.

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

Similarly, the unitholders undertake to inform the Fund within thirty (30) days of receipt of these statements, should any included personal data be not accurate. The unitholders

further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as a result of the CRS Law, the value of the Units held by the unitholders may suffer material losses.

Any unitholder that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such unitholder's failure to provide the Information or subject to disclosure of the Information by the Fund to the Luxembourg tax authorities, and the Fund may, in its sole discretion, redeem the Units of such unitholder.

#### 29.4. FATCA

Capitalised terms used in this section should have the meaning as set forth in the FATCA Law unless provided otherwise herein.

The Fund may be subject to the so-called FATCA legislation which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities.

As part of the process of implementing the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA), and other regulations promulgated thereunder ("FATCA"), the US government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model 1 Intergovernmental Agreement implemented by the FATCA Law which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified US Persons, if any, to the Luxembourg tax authorities (*administration des contributions directes*).

Under the terms of the FATCA Law, the Fund is likely to be treated as Luxembourg Reporting Financial Institution.

This status imposes on the Fund the obligation to regularly obtain and verify information on all of its unitholders. On the request of the Fund, each unitholder shall agree to provide certain information, including, in the case of a passive Non-Financial Foreign Entity ("NFFE"), information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each unitholder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

FATCA may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of its unitholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purposes set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the US Internal Revenue Service.

The unitholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each unitholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Law (as defined below).

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Units held by the unitholders may suffer material losses. The failure for the Fund to obtain such information from each unitholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of US source income and on proceeds from the sale of property or other assets that could give rise to US source interest and dividends as well as penalties.

Any unitholder that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund as a result of such unitholder's failure to provide the information and the Fund may, in its sole discretion, redeem the Units of such unitholder.

Unitholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this US withholding tax and reporting regime.

Unitholders should consult a US tax advisor or otherwise seek professional advice regarding the above requirements.

**Prospective investors should inform themselves of, and where appropriate take advice on the laws and regulations in particular those relating to taxation (but also those relating to foreign exchange controls and being Prohibited Persons) applicable to the subscription, purchase, holding, conversion and redemption of Units in the country of their citizenship, residence or domicile and their current tax situation and the current tax status of the Fund in Luxembourg.**

### **30. DATA PROTECTION**

In accordance with the applicable Luxembourg data protection law and, as of 25 May 2018, the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("Data Protection Law"), the Management Company, acting as data controller ("Data Controller"), collects, stores and processes, by electronic or other means, the data

supplied by the investor at the time of his/her/its subscription for the purpose of fulfilling the services required by the investor and complying with its legal obligations.

The data processed may include the name, contact details (including postal and/or e-mail address), banking details and the invested amount of the investor (or, when the investor is a legal person, of its contact person(s) and/or beneficial owner(s)) (“**Personal Data**”).

The investor may, at his/her/its discretion, refuse to communicate the Personal Data to the Management Company. In this event however the investor’s subscription in the Fund may be impaired.

Personal Data supplied by the investor is processed in order to enter into and execute the agreement with the Fund, for the legitimate interests of the Management Company and to comply with the legal obligations imposed on the Management Company. In particular, the Personal Data supplied by the investor is processed for the purposes of (i) subscribing and redeeming in the Fund, (ii) maintaining the shares register; (iii) processing subscriptions and withdrawals of and payments of dividends to the investor; (iv) account administration (v) sending legal information or notices to the investors, (vi) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of CRS/FATCA obligations and (vii) complying with legal or regulatory requirements, including foreign laws. Personal Data is not used for marketing purposes.

The “legitimate interests” referred to above are (i) the processing purposes described in point (v) of the above paragraph of this data protection section, and (ii) exercising the business of the Fund in accordance with reasonable market standards.

The Personal Data may also be processed by the Management Company’s data recipients (the “**Recipients**”) which, in the context of the above mentioned purposes, refer to the Investment Manager, the Depositary and paying agent, the Central Administration, the auditor, the Distributor, the legal advisers and their respective affiliated entity or any other third party supporting the activity of the Fund.

The Recipients may, under their own responsibility, disclose the Personal Data to their agents, delegates and/or service providers employed to provide administrative, computer or other services or facilities (the “**Sub-Recipients**”), which shall process the Personal Data for purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations. The Recipients and the Sub-Recipients may be located either inside or outside the European Union (the “**EU**”).

Where the Recipients are located outside the EU in a country which does not ensure an adequate level of protection for Personal Data, the Data Controller has entered into legally binding transfer agreements with the relevant Recipients in the form of the EU Commission approved model clauses. In this respect, the data subjects have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller. The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Data Controller), or as distinct



data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations).

The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may act as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions laid down by the Data Protection Law, the investor acknowledges his/her/its right to:

- access his/her/its Personal Data;
- correct his/her/its Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her/its Personal Data;
- restrict the use of his/her/its Personal Data;
- ask for erasure of his/her/its Personal Data;
- ask for Personal Data portability.

The investor also acknowledges the existence of his/her/its right to lodge a complaint with the National Commission for Data Protection (“**CNPD**”).

The investor may exercise the above rights by writing to the Management Company at the following address: 4, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

Personal Data shall not be retained for periods longer than those required for the purpose of their processing subject to any limitation periods imposed by law.

### **31. FINANCIAL YEAR**

The Fund’s financial year starts on 1 January of each year and ends on 31 December of each year. The first financial year started at the launch of the Fund and ended on 31 December 2015.

The consolidated accounts of the Fund shall be kept in Euro. The financial statements relating to the separate Sub-funds shall also be expressed in the Reference Currency of the relevant Sub-fund.

The Fund will issue audited Annual Reports as of 31 December and unaudited Semi-annual Reports as of 30 June. The Annual Reports will be published within four months after the end of the relevant period and the Semi-annual Reports will be published within 2 months after the end of the relevant period.

The accounts of the Management Company and of the Fund will be audited annually by an auditor appointed from time to time by the Management Company.

### **32. UNITHOLDERS' INFORMATION**

Audited Annual Reports and unaudited Semi-annual Reports will be made available for public inspection at each of the registered offices of the Management Company, the Central Administration and any Distributor respectively.

Any other financial information to be published concerning the Fund or the Management Company, including the Net Asset Value, the issue, conversion and repurchase price of the Units for each Sub-fund and any suspension of such valuation, will be made available to the public at the offices of the Management Company, the Depositary.

To the extent required by Luxembourg law or decided by the Management Company, all notices to unitholders will be sent to unitholders at their address indicated in the register of unitholders, and published in one or more newspapers and/or in the RESA.

### **33. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents will be available for inspection during normal business hours on any business day at the registered office of the Management Company:

- 1) Prospectus and Key Investor Information;
- 2) The Management Regulations;
- 3) The Articles of Incorporation of the Management Company;
- 4) The latest Annual and Semi-annual Reports of the Fund;
- 5) The Depositary and Paying Agent Agreement;
- 6) The Central Administration Agreement;
- 7) The Investment Management Agreement if any; and
- 8) The Distribution Agreement.

Copies of the documents under (1) to (4) above may be obtained without cost at the same address as well as at the website: [www.general-i-investments.lu](http://www.general-i-investments.lu).

## APPENDIX A

### INVESTMENT POWERS AND RESTRICTIONS

Definitions:

"**Directive 78/660/EEC**" shall mean Directive 78/660/EEC of 25 July 1978 based on Article 54 paragraph 3 g) of the Treaty on the annual accounts of certain types of companies, as amended.

"**Group of Companies**" shall mean companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC on the preparation of consolidated accounts or in accordance with recognised international accounting rules.

"**Money Market Instruments**" shall mean instruments normally dealt with in on the money market, which are liquid and have a value, which can be accurately determined at any time.

"**Regulated Market**" shall mean market referred to in article 4 section 14 of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

"**Regulation S Securities**" shall mean securities, qualifying as eligible Transferable Securities under the UCI Law, that are offered outside the United States of America without registration under the US Securities Act of 1933.

"**Rule 144A Securities**" shall mean securities, qualifying as eligible Transferable Securities under the UCI Law, issued pursuant to Rule 144A, promulgated under the US Securities Act of 1933, which are issued with an undertaking to register with the Securities and Exchange Commission of the United States of America.

"**Transferable Securities**" shall mean:

- Shares in companies and other securities equivalent to shares in companies;
- Bonds and other forms of securitised debt ("**debt securities**");
- Any other negotiable securities, which carry the right to acquire any such transferable securities by subscription or exchange;

excluding the techniques and instruments referred to in Appendix B.

The Management Company Board shall, based upon the principle of risk spreading, have power to determine the investment policy for the investments for each Sub-fund of the Fund.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-fund as described in the Appendix below, the investment policy shall comply with the rules and restrictions laid down hereafter:

#### 1) The Fund may invest in:

- a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;

- b) Transferable Securities and Money Market Instruments dealt in on another Regulated Market in a Member State of the European Union which operates regularly and is recognised and open to the public;
- 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 Regulated Market in a non-Member State of the European Union which operates regularly and is recognised and open to the public located within any other country of Europe, Asia, Oceania, the American continent or Africa;
- 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 referred to under a), b) and c) above or, in the case of Rule 144A Securities with an exchange agreement registered under the US Securities Act of 1933, an exchange right into Transferable Securities admitted to trading on a stock exchange or another Regulated Market referred to under a), b) and c) above; and
  - Such admission or, in the case of Rule 144A Securities with an exchange agreement registered under the US Securities Act of 1933, such exchange, is secured within one year of the issue;
- e) Shares or units of UCITS authorised according to the UCITS Directive and/or other UCI within the meaning of the points a) and b) of Article 1 paragraph 2 of the UCITS Directive, should they be situated in a Member State of the European Union or not, 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 guaranteed protection for share- or unit-holders in such other UCIs is equivalent to that provided for share- or unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - The business of the other UCI is reported in at least semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - No more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of

incorporation, invested in aggregate in shares or units of other UCITS or other UCIs;

- The Sub-funds may not invest in units of other UCITS or other UCIs for more than 10% of their assets, unless otherwise provided in respect of a particular Sub-fund in the relevant Appendix.
- f) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the Member States of the OECD and GAFI as equivalent to those laid down in Community law;
- g) Financial derivatives, including equivalent cash settled instruments, dealt in on a Regulated Market referred to under a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
- The underlying consist of instruments covered by this section 1, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-fund may invest in accordance with its investment objectives;
  - The counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF as further explained in section D), b) of Appendix B; and
  - 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 market value at the Fund's initiative;
- h) Money market instruments other than those dealt in on Regulated Markets, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- Issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in 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 under 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, second and third indent of the section 1 h) of this Appendix, and provided that the issuer (i) is a company whose capital and reserves amount at least to ten million Euro (EUR 10,000,000) and (ii) which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, (iii) 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 (iv) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

**2) Moreover, in each Sub-fund the Fund may:**

- a) Invest up to 10% of the net assets of each of the Sub-funds in Transferable Securities and Money Market Instruments other than those referred to under section 1) a) to d) and h) of this Appendix A above, including Rule 144A Securities with an exchange right registered under the US Securities Act of 1933 that has not been secured in compliance with section 1. d) above.
- b) Hold ancillary liquid assets.
- c) Borrow the equivalent of up to 10% of its net assets provided that the borrowing is on a temporary basis.
- d) Acquire foreign currencies by means of back-to-back loans.

**3) In addition, the Fund shall comply in respect of the net assets of each Sub-fund with the following investment restrictions per issuer:**

**(a) Rules for risk spreading**

For the calculation of the limits defined in points (1) to (5) and (7) below, companies belonging to the same Group of Companies shall be treated as a single issuer.

Insofar as an issuer is a legal entity with several Sub-funds where the assets of a given Sub-fund are exclusively subject to the rights of investors in such Sub-fund and of creditors with a claim arising from the creation, operation or liquidation of said Sub-fund, each Sub-fund must be considered a separate issuer for the application of the risk division rules.

- **Transferable Securities and Money Market Instruments**

- (1) A Sub-fund may not buy additional Transferable Securities and Money Market Instruments from one and the same issuer if, after their purchase:
  - (i) more than 10% of its net assets are Transferable Securities or Money Market Instruments issued by said entity;
  - (ii) the total value of the Transferable Securities and Money Market Instruments from issuers in each of which it invests more than 5% of its net assets exceeds 40% of its net assets. This limit does not apply to deposits with financial institutions subject to prudential supervision or to transactions with such institutions involving OTC derivatives.
- (2) A Sub-fund may invest in aggregate up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The 10% limit laid down in paragraph (1) is raised to a maximum of 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State of the European Union, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States are members.
- (4) The 10% limit laid down in paragraph (1) is raised to 25% for certain debt securities issued by a credit institution whose registered office is in a Member State of the European Union and which is subject by law to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest. To the extent that the Sub-fund invests more than 5% of its assets in such debt securities, issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Sub-fund's net assets.
- (5) The values mentioned in (3) and (4) above are not taken into account for the purpose of applying the 40% limit referred to under paragraph (1) (ii) above.
- (6) **Notwithstanding the limits indicated above, and in accordance with the principle of risk-spreading, each Sub-fund is authorised to invest up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the European Union, its local authorities, a non-Member State accepted by the CSSF (being at the date of this Prospectus any member state of the OECD, any member state of the Group of Twenty (G20), the Hong Kong Special Administrative Region of the People's Republic of China, and the Republic of Singapore), or public international bodies of which one or**

**more Member States of the European Union are members, provided that (i) these securities consist of at least six different issues and (ii) securities from any one issue may not account for more than 30% of the Sub-fund's net assets.**

- (7) Without prejudice to the limits laid down in (b) below, the limits laid down in (1) above are raised to maximum 20% for investment in shares and/or debt securities issued by the same body and when the Sub-fund's investment policy is aimed at duplicating the composition of a certain stock or debt securities index, which is recognised by the CSSF and meets the following criteria:

- The index's composition is sufficiently diversified;
- The index represents an adequate benchmark for the market to which it refers;
- The index is published in an appropriate manner.

The 20% limit is increased to 35% where that proves to be justified by exceptional 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 one single issuer.

- **Bank deposits**

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

- **Derivatives**

- (9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-fund's net assets when the counterparty is a credit institution referred to in f) in section 1 of this Appendix A, or 5% of its net assets in the other cases.

- (10) The Sub-fund may invest in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in (1) to (5), (8), (9), (16) and (17). When the Sub-fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits laid down in (1) to (5), (8), (9), (16) and (17).

- (11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the provisions laid down in (12) (16) and (17), and when determining the risks arising on transactions in derivatives instruments.

- (12) With regard to derivative instruments, each Sub-fund will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.



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

- **Shares or units in open-ended funds**

- (13) Each Sub-fund may not invest more than 20% of its net assets in shares or units of a single UCITS or other UCI referred to in 1) e) above.
- (14) Furthermore, investments made in UCIs other than UCITS, may not exceed, in aggregate, 30% of the net assets of the Sub-fund.
- (15) To the extent that a UCITS or UCI is composed of several Sub-funds and provided that the principle of segregation of commitments of the different Sub-funds is ensured in relation to third parties, each Sub-fund shall be considered as a separate entity for the application of the limit laid down in (13) hereabove.

When the Sub-fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked by common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, that management company or other company may not charge subscription or redemption fees on account of the Sub-fund's investment in the units of other UCITS and/or other UCI.

If the Sub-fund shall decide to invest a substantial proportion of its assets in other UCITS and/or UCIs the maximum level of management fees that may be charged to both the Sub-fund and to the UCITS and/or UCI in which it intends to invest will be disclosed in this Prospectus under the specific information regarding the concerned Sub-fund.

- **Combined limits**

- (16) Notwithstanding the individual limits laid down in (1), (8) and (9), the Sub-funds may not combine:
  - Investments in Transferable Securities or Money Market Instruments issued by;
  - Deposits made with; and/or
  - Exposures arising from OTC derivatives undertaken with a single body in excess of 20% of its net assets.
- (17) The limits set out in (1) to (5), (8) and (9) cannot be combined. Thus, investments by each Sub-fund in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with (1) to (5), (8) and (9) may not exceed a total of 35% of the net assets of the Sub-fund.

- **Restrictions with regard to control**

(18) The Fund may not acquire such amount of shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

(19) No Sub-fund may acquire more than:

- (i) 10% of the outstanding non-voting shares of the same issuer,
- (ii) 10% of the outstanding debt securities of the same issuer,
- (iii) 25% of the outstanding shares or units of the same UCITS and/or other UCI,
- (iv) 10% of the outstanding Money Market Instruments of the same issuer.

The limits set in points (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

(20) The limits laid down in (18) and (19) are waived as regards:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the European Union or its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State of the European Union;
- Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States of the European Union are members;
- Shares held in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in securities of issuing bodies having their registered office in that State, where under the legislation of that State, such holding represents the only way in which the relevant Sub-fund can invest in the securities of issuing bodies of that State and provided that the investment policy of the company complies with regulations governing risk diversification and restrictions with regard to control laid down herein;
- Shares held in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of the shares at the shareholders request exclusively on its or their behalf.

**4) Furthermore, the following restrictions will have to be complied with:**

- (i) No Sub-fund may acquire either precious metals or certificates representing them.
- (ii) No Sub-fund may acquire real estate, except when such acquisition is essential for the direct pursuit of its business.
- (iii) No Sub-fund may issue warrants or other instruments giving holders the right to purchase Units in such Sub-fund.
- (iv) Without prejudice to the possibility of a Sub-fund to acquire debt securities and to hold bank deposits, a Sub-fund may not grant loans or act as guarantor on behalf of third parties. This restriction does not prohibit the Sub-fund from acquiring Transferable Securities, Money Market Instruments or other financial instruments that are not fully paid-up.
- (v) A Sub-fund may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

**5) Notwithstanding the above provisions:**

- (i) Each of the Sub-funds needs not necessarily to comply with the limits referred to herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of such Sub-fund's portfolio concerned. Each Sub-fund has 6 months from its date of authorisation to achieve compliance with paragraph 3 (a).
- (ii) If the limits referred to above are exceeded for reasons beyond the control of a Sub-fund or as a result of the exercise of subscription rights, such Sub-fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
- (iii) The Fund has access to employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolios of the Sub-funds. The Fund employs a process allowing for accurate and independent assessment of the value of the OTC derivatives.
- (iv) Information relating to the quantitative limits that apply in the risk management of the Fund, to the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields may be provided to investors upon request.

## APPENDIX B

### FINANCIAL TECHNIQUES AND INSTRUMENTS

#### (A) General provisions

Where specified in Appendix C of this Prospectus for a given Sub-fund, for the purpose of efficient portfolio management and/or hedging purposes and/or investment purposes, the Fund may arrange for such Sub-fund to make use of techniques and instruments relating to Transferable Securities and Money Market Instruments or other types of underlying assets in compliance with applicable laws and regulations, including CSSF's Circular 08/356 relating to the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, amended from time to time (the "**CSSF's Circular 08/356**"), CSSF's Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues (the "**CSSF's Circular 14/592**"), and Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("**SFTR**").

Such techniques and instruments must be economically appropriate and must be realised in a cost-effective way.

The relating risks of these transactions will be adequately captured by the Management Company's risk management process.

The techniques and instruments referred to in this paragraph include, among others, the purchase and sale of call and put options and the purchase and sale of future contracts or the entering into swaps relating to foreign exchange rates, currencies, securities, indices, interest rates or other admissible financial instruments as further described herein below. The Sub-funds shall use instruments dealt in on a Regulated Market referred to under a), b) and c) of section 1 of Appendix A above or dealt in over-the-counter in accordance with the conditions set out in Appendix A. In general, when these transactions involve the use of derivatives, the conditions and restrictions set out in Appendix A must also be complied with.

In addition, such techniques and instruments include the following efficient portfolio management techniques: securities lending and borrowing transactions, repurchase or reverse repurchase agreements, and buy-sell back or sell-buy back transactions ("**EMT**").

"Efficient portfolio management" allows techniques and instruments to be used for the purpose of reducing risks and/or costs and/or increasing capital or income returns with a level of risk which is consistent with the risk profile and risk diversification requirements of the relevant Sub-fund. "Investment purposes" refers to the use of techniques and instruments to fulfil the investment objectives of the relevant Sub-fund. "Hedging purposes" refers to combinations of positions on derivative instruments and/or positions in cash realised for the purpose of reducing risks linked to derivatives and/or securities held by the relevant Sub-fund.

In no case whatsoever must the recourse to transactions involving derivatives or other techniques and instruments cause the Fund to depart from the investment objectives set out in the Prospectus.

**(B) Efficient portfolio management techniques (“EMT”)**

Where specified in Appendix C for a given Sub-fund, the Fund may use EMT, in accordance with the conditions set out in this Appendix B and the investment objective and policy of the Sub-fund, as set out in Appendix C to this Prospectus. The use of EMT should not result in a change of the declared investment objective of any Sub-fund or substantially increase the risk profile of such Sub-fund.

***1. Securities lending transactions***

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

Where specified in Appendix C for a given Sub-fund, the Fund may lend the securities included in the portfolio of that Sub-fund to a borrower using the securities lending program organised by BNP Paribas Securities Services. BNP Paribas Securities Services will be acting as principal and exclusive borrower.

The Fund must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardize the management of the Sub-fund’s assets in accordance with its investment policy.

The expected and maximum portion the Net Asset Value of the Sub-funds that could be subject to securities lending transactions are disclosed in Appendix C.

The Management Company receives a fee of 15% of the gross revenue paid by the borrower for the monitoring of the securities lending program. The remainder of the gross revenue, that is 85%, is received by the lending Sub-funds.

The Fund may also engage for each Sub-fund in securities borrowing transactions provided that these transactions comply with the following rules:

- (1) The Fund is authorised to borrow securities within a standardised system organised by a recognised securities clearing institution or a first rate financial institution specialised in this type of transaction.
- (2) The Fund cannot sell any securities borrowed during the period of the borrowing agreement unless hedging has been arranged by means of financial instruments that will enable the Fund to return the securities borrowed when the agreement expires.

- (3) Borrowing transactions may not extend beyond a period of 30 days, nor may they exceed 50% of the aggregate market value of the securities in the portfolio of the Sub-fund concerned.
- (4) The Fund may engage in securities borrowing only in the following exceptional circumstances. First, when the Fund is committed to selling certain securities in its portfolio at a time when these securities are in the process of being registered with a government agency and are therefore not available. Second, when securities lent were not returned at the specified time. Third, to avoid the situation whereby a delivery of securities as promised cannot be made in the event that the Depository did not fulfil its obligation to complete delivery of the said securities.

## ***2. Sale with right of repurchase transactions / reverse repurchase and repurchase agreement transactions and buy-sell back transactions***

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements (“**Repo**”) for the party selling the securities or instruments, and reverse repurchase agreements (“**Reverse Repo**”) for the counterparty buying them.

Buy-sell back transactions consist of transactions, not being governed by a Repo or a Reverse Repo as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty selling them.

Where specified in Appendix C for a given Sub-fund, the Fund may enter into Repo, Reverse Repo and/or buy-sell back transactions as buyer or seller of securities or instruments subject to the provisions of this section.

The counterparties to Repo, Reverse Repo and buy-sell back transactions must be establishments:

- authorised by a financial authority;
- subject to prudential supervision;
- and either be located in the EEA or in a country belonging to the Group of ten or have at least an investment grade rating. Considering such criteria, the legal form of the counterparties shall not be relevant;
- specialised in such transactions; and
- in accordance with the standard terms laid down by the ISDA, as applicable.

During the duration of a buy-sell back or of a Reverse Repo transaction, the Fund may not sell or pledge/give as security the securities which are the subject of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired, unless it has other means of coverage.

It must ensure that it is able, at all times, to meet its redemption obligations towards its unitholders.

Securities that are the subject of buy-sell back or Reverse Repo transactions are limited to:

- (i) short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;
- (ii) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (iv) bonds issued by non-governmental issuers offering an adequate liquidity;
- (v) shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The securities purchased through buy-sell back or Reverse Repo transactions must be in accordance with the Sub-fund investment policy and must, together with the other securities that it holds in its portfolio, globally comply with its investment restrictions.

The expected and maximum portion of the Net Asset Value of the Sub-funds that could be subject to Repo, Reverse Repo and buy-sell back transactions are disclosed in Appendix C.

Where it invests in such transactions, a Sub-fund may incur costs and fees. In particular, a Sub-fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Manager or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable.

All revenues arising from such transactions, net of any direct or indirect operating costs, shall be returned to the relevant Sub-fund.

### ***3. Common provisions to EMT***

In order to limit the exposure of a Sub-fund to the risk of default of the counterparty under an EMT, the Sub-fund will receive cash or other assets as collateral, as further specified in section C below.

Assets received under an EMT are held by the Depositary or its delegate in accordance with section 8 of this Prospectus.

The Fund's Annual Report will contain information on income from EMT for the Sub-funds' entire reporting period, together with details of the Sub-funds' direct and indirect

operational costs and fees, insofar as they are associated with the management of the corresponding Fund/Sub-fund.

The Fund's Annual Report will also provide information on the identity of entities to which such costs and fees are paid and any affiliation they may have with the Management Company, the Investment Manager or the Depositary, as applicable.

**(C) Management of collateral for OTC derivatives and EMT**

As guarantee for any EMT and OTC derivatives transactions, the relevant Sub-fund will obtain the following type of collateral covering at least the market value of the financial instruments object of EMT and OTC derivatives:

- (i) liquid assets which include not only cash and short term bank certificates, but also money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets;

Haircut comprised between 0% and 2% depending on market conditions.

- (ii) bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;

Haircut comprised between 0% and 5% depending on market conditions.

- (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

Haircut comprised between 0% and 2% depending on market conditions.

- (iv) shares or units issued by UCITS investing mainly in bonds/shares mentioned in (v) and (vi) below;

Haircut comprised between 4% and 20% depending on market conditions.

- (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or

Haircut comprised between 4% and 20% depending on market conditions.

- (vi) shares admitted to or dealt in on a regulated market of a member state of the OECD, on the condition that these shares are included in a main index.

Haircut comprised between 5% and 20% depending on market conditions.

Collateral will be valued and exchanged, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the above haircut policy. That policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the



maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

The Fund, for each relevant Sub-fund, must make sure that it is able to claim its rights on the guarantee in case of the occurrence of an event requiring the execution thereof. Therefore, the guarantee must be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Fund is able to appropriate or realize the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities.

During the duration of the agreement, the guarantee cannot be sold or given as a security or pledged, except when the Sub-Fund has other means of coverage.

Collateral received must at all times meet with the following criteria:

(a) Liquidity: Collateral must be sufficiently liquid in order that it can be sold quickly at a robust price that is close to its pre-sale valuation.

(b) Valuation: Collateral must be capable of being valued on at least a daily basis and must be marked to market daily.

(c) Issuer credit quality: The Fund will ordinarily only accept high quality collateral.

(d) Correlation: The collateral will be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

(e) Collateral diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Sub-fund' net asset value. When a Sub-fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, a Sub-fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Sub-fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-fund' net asset value.

(f) Safe-keeping: Collateral must be held by the Depositary or its delegate.

(g) Enforceable: Collateral must be immediately available to the Fund without recourse to the counterparty, in the event of a default by that entity.

(h) Non-Cash collateral

- cannot be sold, pledged or re-invested;

- must be issued by an entity independent of the counterparty; and
- must be diversified to avoid concentration risk in one issue, sector or country.

(i) If the guarantee is given in the form of cash, such cash should only be:

- (a) placed on deposit with entities prescribed in Article 41 (1) f) of the UCI Law;
- (b) invested in high-quality government bonds;
- (c) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and that each Sub-fund is able to recall at any time the full amount of cash on accrued basis;
- (d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

Financial assets other than bank deposits and units or shares of funds acquired by means of reinvestment of cash received as a guarantee, must be issued by an entity not affiliated to the counterparty.

Financial assets may not be pledged/given as a guarantee, except when the Sub-fund has sufficient liquid assets enabling it to return the guarantee by a cash payment.

Short-term bank deposits, money market funds and bonds referred to above must be eligible investments within the meaning of Article 41 (1) of the law of the UCI Law.

Exposures arising from the reinvestment of collateral received by the Sub-fund shall be taken into account within the diversification limits applicable under the UCI Law.

If the short-term bank deposits referred to in (a) are likely to expose each Sub-fund to a credit risk vis-à-vis the trustee, the Fund must take this into consideration for the purpose of the limits on deposits prescribed by article 43 (1) of the amended law of the UCI Law.

The Fund, when receiving collateral for at least 30% of the assets of a Sub-fund, must have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- c) reporting frequency and limit/loss tolerance threshold(s); and
- d) mitigation actions to reduce loss including haircut policy and gap risk protection.

The reinvestment must, in particular if it creates a leverage effect, be taken into account for the calculation of each Sub-fund's global exposure. Any reinvestment of a guarantee

provided in the form of cash in financial assets providing a return in excess of the risk free rate, is subject to this requirement.

Reinvestments will be mentioned with their respective value in an appendix to the Annual Reports of the Fund.

The Annual Reports will also mention the following information:

- a) If the Collateral received from an issuer has exceed 20% of the NAV of a Sub-fund, and/or;
- b) If a Sub-funds has been fully collateralised in securities issued or guaranteed by a Member State.

**(D) Use of financial derivative instruments (“FDI”)**

***a) General***

A Sub-fund may use FDI such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging and/or investment and/or efficient portfolio management purposes, in accordance with the provisions of this Prospectus and the investment objective and policy of the Sub-fund, as set out in Appendix C. The use of FDI may not, under any circumstances, cause a Sub-fund to deviate from its investment objective.

FDI used by a Sub-fund may include, without limitation, the following categories of instruments.

- (A) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of an underlying asset at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.
- (B) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.
- (C) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.
- (D) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.
- (E) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.

- (F) Credit default swaps: a credit default swap or CDS is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread.
- (G) Total return swaps: a total return swap (TRS) is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.
- (H) Contracts for differences: a contract for differences (CFD) is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends. The difference in the settlements is generally made by payment in cash more than by physical delivery of underlying assets.

Each Sub-fund must hold at any time sufficient liquid assets to cover its financial obligations arising under FDI used.

Investments in FDI may be carried out provided the global risk relating to FDI does not exceed the total net assets of a Sub-fund.

In such context “global risk relating to FDI does not exceed the total net value of the portfolio” means that the global risk relating to the use of FDI shall not exceed 100% of the Net Asset Value and that the global risk for a Sub-fund shall not be higher on a long-term basis than 200% of the Net Asset Value. The global risk for the Sub-fund may be increased by 10% by way of temporary borrowings in such a way that such global risk shall never be higher than 210% of the Net Asset Value.

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

Short and long positions on the same underlying asset or on assets having an important historical correlation, may be set off.

The exposure of a Sub-fund to underlying assets referenced by FDI, combined with any direct investment in such assets, may not exceed in aggregate the investment limits set out in Appendix A of this Prospectus. However, to the extent a Sub-fund invests in FDI referencing financial indices as described in sub-section g) below, the exposure of the Sub-fund to the underlying assets of the financial indices do not have to be combined with any direct or indirect investment of the Sub-fund in such assets for the purposes of the limits set out in Appendix A of this Prospectus.

When a Transferable Security or a Money Market Instrument embeds a derivative product, the latter must be taken into account when complying with the risk diversification rules, global exposure limits and information requirements of this Prospectus applicable to FDI.

### ***b) OTC derivatives***

A Sub-fund may invest into OTC derivatives including, without limitation, TRS or other FDI with similar characteristics, in accordance with the conditions set out in this section and the investment objective and policy of the Sub-fund, as set out in Appendix C.

The counterparties to OTC derivatives transactions must be establishments:

- authorised by a financial authority;
- subject to prudential supervision;
- and either be located in the EEA or in a country belonging to the Group of ten or have at least an investment grade rating. Considering such criteria, the legal form of the counterparties shall not be relevant;
- specialised in such transactions; and
- in accordance with the standard terms laid down by the ISDA.

The identity of the counterparties will be disclosed in the Annual Report.

The Management Company uses a process for accurate and independent assessment of the value of OTC derivatives in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-fund to the risk of default of the counterparty under OTC derivatives, the Sub-fund may receive cash or other assets as collateral, as further specified in section C above.

A Sub-fund may incur costs and fees in connection with TRS or other FDI with similar characteristics, upon entering into TRS and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable.

All revenues arising from TRS or other FDI with similar characteristics, net of any direct or indirect operating costs, shall be returned to the relevant Sub-fund.

Information on income from TRS and other FDI with similar characteristics, costs and fees incurred by each Sub-fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in Appendix C.

Assets received under a TRS or other FDI with similar characteristics (other than as collateral) are held by the Depositary or its delegate in accordance with section 8 of this Prospectus.

The expected and maximum portion of the Net Asset Value of the Sub-funds that could be subject TRS or other FDI with similar characteristics are disclose in Appendix C.

### ***c) Special limits relating to credit derivatives***

Each Sub-fund may carry out transactions on credit derivatives:

- whose underlying assets comply with the investment objectives and policy of the Sub-fund,

- that may be liquidated at any time at their valuation value,
- whose valuation, realised independently, must be reliable and verifiable on a daily basis,
- for hedging purposes or not.

If the credit derivatives are concluded for another purpose than hedging, the following requirements must be fulfilled:

- credit derivatives must be used in the exclusive interest of investors by assuming an interesting return balanced against risks of the Fund and in accordance with the investment objectives,
- investment restrictions in Appendix A) shall apply to the issuer of a CDS and to the risk of the final debtor of the credit derivative (underlying), except if the credit derivative is based on an index,
- the Sub-fund must ensure an appropriate and permanent covering of the commitments relating to CDS in order to be able at any time to meet the redemption requests from investors.

Claimed strategies relating to credit derivatives are notably the following (which may, as appropriate, be combined):

- to invest quickly the newly subscribed amounts in a fund in the credit market via the sale of credit derivatives,
- in case of positive anticipation on the evolution of spreads, to take a credit exposure (global or targeted) thanks to the sale of credit derivatives,
- in case of negative anticipation on the evolution of spreads, to protect or take actions (globally or targeted) by the purchase of credit derivatives.

***d) Special limits relating to equity swaps and index swaps***

Each Sub-fund may conclude equity swaps and swaps on market index, in accordance with the investment restrictions set out in Appendix A):

- where underlying assets comply with the investment objectives and policy of the Sub-fund,
- they may be liquidated at any time at their valuation value,
- whose valuation, realised independently, must be reliable and verifiable on a daily basis,
- for hedging purposes or not.

Each index will comply with the classification of “financial index” pursuant to article 9 of the Grand Ducal Regulation of February 8, 2008 relating to certain definitions of the UCI Law and with CSSF’s Circular 14/592.

***e) Conclusion of “Contracts for Difference” (“CFD”)***

Each Sub-fund may enter into CFD.

When these CFD transactions are carried out for a different purpose than risk hedging, the risk exposure relating to these transactions, together with the global risk relating to other derivative instruments shall not, at any time, exceed the Net Asset Value of the concerned Sub-fund.

Particularly, the CFD on transferable securities, on financial index or on swaps shall be used strictly in accordance with the investment policy followed by each Sub-fund. Each Sub-fund shall ensure an adequate and permanent coverage of its commitments related to CFDs in order to face the redemption requests of unitholders.

***f) Intervention on currency markets***

Each Sub-fund may enter into transactions on derivatives on currencies (such as forward exchange, options, futures and swaps) for hedging purposes or intended to take exchange risks within its investment policy without however diverting from its investment objectives.

Moreover, Sub-funds which follow a benchmark may also purchase, or sell, forward contracts on currencies within an efficient management of its portfolio in order to maintain the same exposure on currencies as the one of the benchmark of each Sub-fund. These forward contracts on currencies must be within the limits of the benchmark of the Sub-fund in the way that an exposure in currency other than the reference currency of the Sub-fund shall not, in principle, be higher than the portion of this currency being part of the benchmark. The use of these forward contracts on currencies shall be made in the best interest of unitholders.

In addition, Sub-funds which follow a benchmark may purchase, or sell, forward contracts on currencies in order to protect itself against the risk of exchange rate fluctuation with the view to acquire future investments. The hedging purpose of these transactions presupposes the existence of a direct relationship between them and the future commitments to be covered taking into account the benchmark of the Sub-funds; consequently, the transactions made in one currency may in principle not exceed the valuation of the aggregate future commitments in that currency nor exceed the presumed period during which such future commitments will be held.

***g) Derivatives referencing financial indices***

Each Sub-fund may use financial derivative instruments to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in Appendix A to this Prospectus and instruments with one or more characteristics of those assets, as well as interest rates, foreign exchange rates or currencies, other financial indices and/or other assets, such as commodities or real estate.

For the purposes of this Prospectus, a ‘financial index’ is an index which complies, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one

single component may represent up to 35% of the index where justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner.

When a Sub-fund uses derivatives on indices, the frequency of the review and rebalancing of the composition of the underlying index of such financial derivative instruments varies per index and could generally be weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the relevant Sub-fund.

These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

Further information relating to such indices is available from the Management Company on request.



(E) **Classification of the Sub-funds pursuant to CSSF's Circular 11/512 concerning the risk transparency**

SUB-FUND	Global Exposure Determination Methodology		Leverage (for UCIs using the VaR approach)
	Commitment Approach	Absolute VaR approach	Expected Leverage (sum of the notionals' approach)
Generali Investments Global Solutions Fund - Obiettivo Cedola II	YES	NO	N/A
Generali Investments Global Solutions Fund - Bridge 2021	YES	NO	N/A
Generali Investments Global Solutions Fund - Bridge 11-2021	YES	NO	N/A
Generali Investments Global Solutions Fund – Futuro 2024 - 1	YES	NO	N/A
Generali Investments Global Solutions Fund – Futuro 2025 - 1	YES	NO	N/A

**APPENDIX C**  
**DETAILS OF EACH SUB-FUND**

**List of Sub-fund(s):**

Generali Investments Global Solutions Fund - Obiettivo Cedola II

Generali Investments Global Solutions Fund - Bridge 2021

Generali Investments Global Solutions Fund - Bridge 11-2021

Generali Investments Global Solutions Fund - Futuro 2024 - 1

Generali Investments Global Solutions Fund - Futuro 2025 - 1

## Generali Investments Global Solutions Fund - Obiettivo Cedola II

### Investment policy

- The Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at the Sub-fund's Maturity Date (as defined below). The Sub-fund will invest in a concentrated portfolio and will focus on current income plus capital preservation at the Maturity Date.
- The Sub-fund will exclusively invest in debt securities only denominated in EUR or in USD. The Sub-fund will invest in both developed and Emerging Markets debt securities. The understanding of the Emerging Markets is defined in the International Monetary Fund list and applicable at the Sub-fund Launch Date. The percentage of Emerging Markets debt securities will not exceed 20% of all debt securities.
- The percentage of non-investment grade debt securities will not exceed 60% of all the debt securities.
- The Sub-fund will not invest in debts securities rated lower than CCC+, in accordance with S&P rating or Moody's equivalent. The percentage of debt securities rated CCC+ will not exceed 15% of all debt securities. The Sub-fund will not invest in equity securities.
- The Sub-fund may invest up to 10% of its net assets in non-Euro denominated interest-bearing securities on an unhedged (currency) basis.
- The Sub-fund will not invest in ABS/MBS products.
- It is possible that the objective may not be achieved, and no guarantee can be given in this respect. Certain risks as defined in the Risk factors section of this Prospectus and below may have a negative impact on the Sub-fund's assets.
- At Maturity Date, the Sub-fund will cease to exist and will be liquidated.

### Use of derivatives and efficient portfolio management techniques

The Sub-fund may in accordance with the investment powers and restrictions set out in Appendix A and Appendix B of the Prospectus, use exchange traded and OTC financial instruments and derivatives – such as but not limited to futures, options, swaps, forwards without any limit in term of underlying geographic area or currency – for hedging purposes, for efficient portfolio management purposes and for investment purposes and these may be used to achieve both long and short positions. Any use of derivatives will be kept consistent with the investment objectives and will not lead the Sub-fund to diverge from its risk profile.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest

	<p>rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.</p> <p>Typically investments in such instruments are made to adjust the portfolio's market exposure in a more cost efficient way.</p> <p>The Sub-fund's use of, or investment in EMT and TRS will be as follows:</p> <table> <tr> <th>Type of transactions</th><th>Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-fund's net asset value indicated below. In certain circumstances this proportion may be higher.</th><th>The principal amount of the Sub-fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-fund's net asset value indicated below.</th></tr> <tr> <td>TRS and other FDI with the same characteristics</td><td>5%</td><td>10%</td></tr> <tr> <td>REPO/Reverse REPO</td><td>0%</td><td>0%</td></tr> <tr> <td>Sell-buy back transactions</td><td>0%</td><td>0%</td></tr> <tr> <td>Buy-sell back transactions</td><td>0%</td><td>0%</td></tr> <tr> <td>Securities Lending</td><td>50%</td><td>100%</td></tr> </table> <p>Where it invests in, or use, such instruments, the Sub-fund may incur fixed or variable brokerage fees and transaction costs upon entering in such instruments and/or upon increasing or decreasing its notional amount as well as upon rebalancing cost for an index that is the underlying asset of such instruments where the rebalancing frequency is determined by the provider of the relevant index. The counterparties to such instruments shall not have discretionary power over the composition or management of the investment portfolio of the Sub-fund or over the underlying assets of such instruments.</p> <p>The Sub-fund may use CDS (including CDS indices) in order to hedge the credit risk in specific credits buying protection. The Sub-fund may also use CDS either buying protection without holding the underlying assets or selling protection in order to acquire specific credits exposures (in case of default of the reference entities the settlement under the CDS transaction will be made in cash).</p>		Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-fund's net asset value indicated below. In certain circumstances this proportion may be higher.	The principal amount of the Sub-fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-fund's net asset value indicated below.	TRS and other FDI with the same characteristics	5%	10%	REPO/Reverse REPO	0%	0%	Sell-buy back transactions	0%	0%	Buy-sell back transactions	0%	0%	Securities Lending	50%	100%
Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-fund's net asset value indicated below. In certain circumstances this proportion may be higher.	The principal amount of the Sub-fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-fund's net asset value indicated below.																		
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REPO/Reverse REPO	0%	0%																		
Sell-buy back transactions	0%	0%																		
Buy-sell back transactions	0%	0%																		
Securities Lending	50%	100%																		

	Investors benefit from this type of transaction as the Sub-fund can thereby achieve better diversification of country risk and can make very short-term investments under attractive terms.
<b>Benchmark</b>	The Sub-fund is actively managed without a reference to a benchmark.
<b>Profile of the typical investor</b>	The Fund expects that the typical investor in the Sub-fund will be a long-term investor who knows and accepts the risks associated with this type of investment. The typical investor will be seeking to invest a portion of its overall portfolio in a diversified portfolio in accordance with the investment policy of the Sub-fund.
<b>Risk factors</b>	<p>The following risk factors should be considered in addition to those set out under the heading "Risks" of this Prospectus:</p> <p>General Risks:</p> <ul style="list-style-type: none"> <li>▪ Derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or money market instruments.</li> <li>▪ Fixed-income and floating rate securities as well as money market instruments may be subject to credit risk, which is an issuer's inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity.</li> <li>▪ Emerging Market securities involve greater risk than those associated with developed countries including greater currency risk, economic and political risk, settlement risk, price volatility and may have debt unrated by internationally recognised credit rating organisations. Emerging markets may afford a lower level of legal protection to investors; some countries may place controls on foreign ownership; and some countries may apply accounting standards and auditing practices which do not necessarily conform with internationally accepted accounting principles.</li> <li>▪ Below investment grade securities are considered speculative and generally involve a higher credit risk, liquidity risk, volatility risk and counterparty risk.</li> </ul> <p>Risks specific to CDS:</p> <ul style="list-style-type: none"> <li>▪ Counterparty risk, which is the risk that the counterparty of the CDS transaction will default on its obligations. As protection buyer, the counterparty risk materializes only</li> </ul>

	<p>when a credit event occurs and if the protection seller would not be able to pay the protection buyer the face value of the contract. As protection seller the counterparty risk materializes if the protection buyer is not able to pay the periodic fees under the contract. The counterparty risk is however mitigated by the fact that the Sub-fund will only enter into CDS transactions with first class financial institutions.</p> <ul style="list-style-type: none"> <li>▪ Credit risk, which is the risk carried by the protection seller that a credit event would occur in respect to the reference entity. In case of occurrence of a credit event, the capital loss for the protection seller might be substantial (and in case of the Sub-fund rise to a total loss of the Sub-fund's assets) as the protection seller would have to pay the face value of the contract to the protection buyer against being delivered by the protection buyer the obligations mentioned in the contract having a market value near to recovery rate.</li> <li>▪ Mark-to-market risk, which is the risk that a CDS investor runs by unwinding its position before the maturity of the contract. This risk is affected by the liquidity of the underlying contract. The lower the liquidity, the higher the unwinding costs.</li> <li>▪ Settlement risk, which is the risk of the protection buyer to deliver the underlying issues not held by him when entering into the CDS transaction.</li> </ul>
<b>Investment Manager</b>	Generali Investments Partners S.p.A. Società di gestione del risparmio
<b>Reference Currency</b>	EUR
<b>Launch Date of the Sub-fund</b>	April 8, 2016
<b>Initial Subscription Period</b>	<p>From February 1, 2016 until 2.00pm Luxembourg time on April 1, 2016</p> <p>No further Units will be issued after the Initial Subscription Period</p>
<b>Maturity Date</b>	April 9, 2021
<b>Initial Price</b>	100 EUR
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	None

<b>Conversion Commission</b>	N/A
<b>Conversion into or from another Sub-fund</b>	Not Authorised
<b>Class of Units</b>	Class R (for retail investors only)
<b>Minimum initial investment</b>	500 EUR
<b>Minimum subsequent holding</b>	100 EUR
<b>Distribution policy</b>	The Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at Maturity Date. During the first 4 years, the Sub-fund will distribute an annual dividend of minimum 2.3 Euro per Unit. During the final year before the Maturity Date, the Sub-fund may pay an annual or an interim dividend up to 100% of the investment income gains and realised capital gains.
<b>Redemption Deadline</b>	2.00 pm Luxembourg time
<b>Valuation frequency</b>	Weekly
<b>Valuation Day</b>	Every Monday being a Luxembourg Business Day
<b>Management Fees</b>	Up to 0.30% p.a.
<b>Performance Fee</b>	None
<b>Placement Fee</b>	Up to 2.50%  The Placement Fee will be calculated on the Sub-fund's first Valuation Day and shall serve as a compensation for the initial distribution activity. The Placement Fee is paid once at the initial Valuation Day and is amortised over the life of the Sub-fund until the Maturity Date.
<b>Anti-dilution Fee</b>	An Anti-dilution Fee of up to 2.5% of the gross redemption amount may be charged to investors redeeming units before the Sub-fund's Maturity Date.  The Anti-dilution Fee is charged to protect the Sub-fund's assets from dilution effects, taking into account the principle of equal treatment of unitholders.  Indeed, investors redeeming units before the Sub-fund's Maturity Date would leave those parts of the paid Placement Fee in the Sub-fund which are not yet fully amortised, thus harming the net asset value for investors holding the Sub-fund until the Maturity Date. As the Placement Fee is amortised over five years, the maximum Anti-dilution Fee charged to protect the Sub-fund's assets from dilution

	<p>effects caused by this factor is declining in five steps over time.</p> <p>The level of the Anti-dilution Fee is charged according to the table below:</p> <p>2.50% for the first 12-month period after the Launch Date  2.0% for the second 12-month period after the Launch Date  1.50% for the third 12-month period after the Launch Date  1.0% for the fourth 12-month period after the Launch Date  0.50% for the fifth 12-month period after the Launch Date  0% upon the Maturity Date.</p>
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## Generali Investments Global Solutions Fund - Bridge 2021

### Investment policy

- The Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at the Sub-fund's Maturity Date (as defined below). The Sub-fund will invest in a concentrated portfolio and will focus on current income plus capital preservation at the Maturity Date.
- The Sub-fund will exclusively invest in debt securities only denominated in EUR or in USD. The Sub-fund will invest in both developed and Emerging Markets debt securities. The understanding of the Emerging Markets is defined in the International Monetary Fund list and applicable at the Sub-fund Launch Date. The percentage of Emerging Markets debt securities will not exceed 20% of all debt securities.
- The percentage of non-investment grade debt securities will not exceed 60% of all the debt securities.
- The Sub-fund will not invest in debts securities rated lower than CCC+, in accordance with S&P rating or Moody's equivalent. The percentage of debt securities rated CCC+ will not exceed 15% of all debt securities. The Sub-fund will not invest in equity securities.
- The Sub-fund may invest up to 10% of its net assets in non-Euro denominated interest-bearing securities on an unhedged (currency) basis.
- The Sub-fund will not invest in ABS/MBS products.
- It is possible that the objective may not be achieved, and no guarantee can be given in this respect. Certain risks as defined in the Risk factors section of this Prospectus and below may have a negative impact on the Sub-fund's assets.
- At Maturity Date, the Sub-fund will cease to exist and will be liquidated.

### Use of derivatives and efficient portfolio management techniques

The Sub-fund may in accordance with the investment powers and restrictions set out in Appendix A and Appendix B of the Prospectus, use exchange traded and OTC financial instruments and derivatives – such as but not limited to futures, options, swaps, forwards without any limit in term of underlying geographic area or currency – for hedging purposes, for efficient portfolio management purposes and for investment purposes and these may be used to achieve both long and short positions. Any use of derivatives will be kept consistent with the investment objectives and will not lead the Sub-fund to diverge from its risk profile.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

	<p>EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.</p> <p>Typically investments in such instruments are made to adjust the portfolio's market exposure in a more cost efficient way.</p> <p>The Sub-fund's use of, or investment in EMT and TRS will be as follows:</p>																				
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	<p>Where it invests in, or use, such instruments, the Sub-fund may incur fixed or variable brokerage fees and transaction costs upon entering in such instruments and/or upon increasing or decreasing its notional amount as well as upon rebalancing cost for an index that is the underlying asset of such instruments where the rebalancing frequency is determined by the provider of the relevant index. The counterparties to such instruments shall not have discretionary power over the composition or management of the investment portfolio of the Sub-fund or over the underlying assets of such instruments.</p> <p>The Sub-fund may use CDS (including CDS indices) in order to hedge the credit risk in specific credits buying protection. The Sub-fund may also use CDS either buying protection without holding the underlying assets or selling protection in order to acquire specific credits exposures (in case of default of the reference entities the</p>																				

	<p>settlement under the CDS transaction will be made in cash).</p> <p>Investors benefit from this type of transaction as the Sub-fund can thereby achieve better diversification of country risk and can make very short-term investments under attractive terms.</p>
<b>Benchmark</b>	The Sub-fund is actively managed without a reference to a benchmark.
<b>Profile of the typical investor</b>	The Fund expects that the typical investor in the Sub-fund will be a long-term investor who knows and accepts the risks associated with this type of investment. The typical investor will be seeking to invest a portion of its overall portfolio in a diversified portfolio in accordance with the investment policy of the Sub-fund.
<b>Risk factors</b>	<p>The following risk factors should be considered in addition to those set out under the heading "Risks" of this Prospectus:</p> <p>General Risks:</p> <ul style="list-style-type: none"> <li>▪ Derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or money market instruments.</li> <li>▪ Fixed-income and floating rate securities as well as money market instruments may be subject to credit risk, which is an issuer's inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity.</li> <li>▪ Emerging Market securities involve greater risk than those associated with developed countries including greater currency risk, economic and political risk, settlement risk, price volatility and may have debt unrated by internationally recognised credit rating organisations. Emerging markets may afford a lower level of legal protection to investors; some countries may place controls on foreign ownership; and some countries may apply accounting standards and auditing practices which do not necessarily conform with internationally accepted accounting principles.</li> <li>▪ Below investment grade securities are considered speculative and generally involve a higher credit risk, liquidity risk, volatility risk and counterparty risk.</li> </ul> <p>Risks specific to CDS:</p> <ul style="list-style-type: none"> <li>▪ Counterparty risk, which is the risk that the counterparty</li> </ul>

	<p>of the CDS transaction will default on its obligations. As protection buyer, the counterparty risk materializes only when a credit event occurs and if the protection seller would not be able to pay the protection buyer the face value of the contract. As protection seller the counterparty risk materializes if the protection buyer is not able to pay the periodic fees under the contract. The counterparty risk is however mitigated by the fact that the Sub-fund will only enter into CDS transactions with first class financial institutions.</p> <ul style="list-style-type: none"> <li>▪ Credit risk, which is the risk carried by the protection seller that a credit event would occur in respect to the reference entity. In case of occurrence of a credit event, the capital loss for the protection seller might be substantial (and in case of the Sub-fund rise to a total loss of the Sub-fund's assets) as the protection seller would have to pay the face value of the contract to the protection buyer against being delivered by the protection buyer the obligations mentioned in the contract having a market value near to recovery rate.</li> <li>▪ Mark-to-market risk, which is the risk that a CDS investor runs by unwinding its position before the maturity of the contract. This risk is affected by the liquidity of the underlying contract. The lower the liquidity, the higher the unwinding costs.</li> <li>▪ Settlement risk, which is the risk of the protection buyer to deliver the underlying issues not held by him when entering into the CDS transaction.</li> </ul>
<b>Investment Manager</b>	Generali Investments Partners S.p.A. Società di gestione del risparmio
<b>Reference Currency</b>	EUR
<b>Launch Date of the Sub-fund</b>	April 8, 2016
<b>Initial Subscription Period</b>	<p>From February 1, 2016 until 2.00pm Luxembourg time on April 1, 2016</p> <p>No further Units will be issued after the Initial Subscription Period</p>
<b>Maturity Date</b>	April 9, 2021
<b>Initial Price</b>	100 EUR
<b>Subscription Commission</b>	None

<b>Redemption Commission</b>	<p>Class RD: None</p> <p>Class RA: None</p> <p>Class RD2:</p> <p>Up to 0.50% until the Maturity Date</p> <p>None upon the Maturity Date</p> <p>Class RA2:</p> <p>Up to 0.50% until the Maturity Date</p> <p>None upon the Maturity Date</p> <p>Class ID:</p> <p>Up to 0.50% until the Maturity Date</p> <p>None upon the Maturity Date</p> <p>Class IA:</p> <p>Up to 0.50% until the Maturity Date</p> <p>None upon the Maturity Date</p> <p>Any Redemption Commission charged will be paid to the Sub-fund.</p>
<b>Conversion Commission</b>	N/A
<b>Conversion into or from another Sub-fund or into or from another Class</b>	Not Authorised
<b>Class of Units</b>	<p>Class RD - for retail investors only, with Placement Fee and with distribution of income</p> <p>Class RA - for retail investors only, with Placement Fee and with accumulation of income</p> <p>Class RD2 - for retail investors only, without Placement Fee and with distribution of income</p> <p>Class RA2 - for retail investors only, without Placement Fee and with accumulation of income</p> <p>Class ID - for institutional investors only, without Placement Fee and with distribution of income</p> <p>Class IA - for institutional investors only, without Placement Fee and with accumulation of income</p>

<b>Minimum initial investment</b>	<p>Class RD: 500 EUR</p> <p>Class RA: 500 EUR</p> <p>Class RD2: 500 EUR</p> <p>Class RA2: 500 EUR</p> <p>Class ID: 100,000 EUR</p> <p>Class IA: 100,000 EUR</p>
<b>Distribution policy</b>	<p>For the Classes RD, RD2 and ID, the Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at Maturity Date. During the first 4 years, the Sub-fund will distribute an annual dividend of minimum 2.2 Euro per Unit for Classes RD and RD2 and of minimum 2.8 Euro per Unit for Class ID. During the final year before the Maturity Date, the Sub-fund may pay an annual or an interim dividend up to 100% of the investment income gains and realised capital gains.</p> <p>Unitholders in the Classes RA, RA2 and IA will not receive any distributions. Instead, the income due to them will be rolled up to enhance the value of their Units.</p>
<b>Redemption Deadline</b>	2.00 pm Luxembourg time
<b>Valuation frequency</b>	Weekly
<b>Valuation Day</b>	Every Monday being a Luxembourg Business Day
<b>Management Fees</b>	<p>Class RD: up to 0.35% p.a.</p> <p>Class RA: up to 0.35% p.a.</p> <p>Class RD2: up to 0.95% p.a.</p> <p>Class RA2: up to 0.95% p.a.</p> <p>Class ID: up to 0.35% p.a.</p> <p>Class IA: up to 0.35% p.a.</p>
<b>Performance Fee</b>	None
<b>Placement Fee</b>	<p>Up to 3.00% - for classes RD and RA only</p> <p>The Placement Fee will be calculated on the first Valuation Day and shall serve as a compensation for the initial distribution activity of the Classes RD and RA. The Placement Fee is paid once at the initial Valuation Day and is amortised over the life of the Classes RD and RA until the Maturity Date.</p>

<b>Anti-dilution Fee</b>	<p>An Anti-dilution Fee of up to 3.00% of the gross redemption amount may be charged to investors of Classes RD and RA redeeming their respective units before the Maturity Date.</p> <p>The Anti-dilution Fee is charged to protect unitholders in Classes RD and RA from dilution effects, taking into account the principle of equal treatment of unitholders.</p> <p>Indeed, investors redeeming units of Classes RD and RA before the Maturity Date would leave those parts of the paid Placement Fee in the Classes RD and RA which are not yet fully amortised, thus harming the net asset value for unitholders in the Classes RD and RA until the Maturity Date. As the Placement Fee is amortised over five years, the maximum Anti-dilution Fee charged to protect the Classes RD and RA assets from dilution effects caused by this factor is declining in five steps over time.</p> <p>The level of the Anti-dilution Fee is charged according to the table below:</p> <p>3.00% for the first 12-month period after the Launch Date  2.40% for the second 12-month period after the Launch Date  1.80% for the third 12-month period after the Launch Date  1.20% for the fourth 12-month period after the Launch Date  0.60% for the fifth 12-month period after the Launch Date  0% upon the Maturity Date.</p>
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## Generali Investments Global Solutions Fund - Bridge 11-2021

### Investment policy

- The Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at the Sub-fund's Maturity Date (as defined below). The Sub-fund will invest in a concentrated portfolio and will focus on current income plus capital preservation at the Maturity Date.
- The Sub-fund will exclusively invest in debt securities only denominated in EUR or in USD. The Sub-fund will invest in both developed and Emerging Markets debt securities. The understanding of the Emerging Markets is defined in the International Monetary Fund list and applicable at the Sub-fund Launch Date. The percentage of Emerging Markets debt securities will not exceed 20% of all debt securities.
- The percentage of non-investment grade debt securities will not exceed 60% of all the debt securities.
- The Sub-fund will not invest in debts securities rated lower than CCC+, in accordance with S&P rating or Moody's equivalent. The percentage of debt securities rated CCC+ will not exceed 15% of all debt securities. The Sub-fund will not invest in equity securities.
- The Sub-fund may invest up to 10% of its net assets in non-Euro denominated interest-bearing securities on an unhedged (currency) basis.
- The Sub-fund will not invest in ABS/MBS products.
- It is possible that the objective may not be achieved, and no guarantee can be given in this respect. Certain risks as defined in the Risk factors section of this Prospectus and below may have a negative impact on the Sub-fund's assets.
- At Maturity Date, the Sub-fund will cease to exist and will be liquidated.

### Use of derivatives and efficient portfolio management techniques

The Sub-fund may in accordance with the investment powers and restrictions set out in Appendix A and Appendix B of the Prospectus, use exchange traded and OTC financial instruments and derivatives – such as but not limited to futures, options, swaps, forwards without any limit in term of underlying geographic area or currency – for hedging purposes, for efficient portfolio management purposes and for investment purposes and these may be used to achieve both long and short positions. Any use of derivatives will be kept consistent with the investment objectives and will not lead the Sub-fund to diverge from its risk profile.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.



	<p>EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.</p> <p>Typically investments in such instruments are made to adjust the portfolio's market exposure in a more cost efficient way.</p> <p>The Sub-fund's use of, or investment in EMT and TRS will be as follows:</p> <table><tr><th>Type of transactions</th><th>Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-fund's net asset value indicated below. In certain circumstances this proportion may be higher.</th><th>The principal amount of the Sub-fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-fund's net asset value indicated below.</th></tr><tr><td>TRS and other FDI with the same characteristics</td><td>5%</td><td>10%</td></tr><tr><td>REPO/Reverse REPO</td><td>0%</td><td>0%</td></tr><tr><td>Sell-buy back transactions</td><td>0%</td><td>0%</td></tr><tr><td>Buy-sell back transactions</td><td>0%</td><td>0%</td></tr><tr><td>Securities Lending</td><td>50%</td><td>100%</td></tr></table>	Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-fund's net asset value indicated below. In certain circumstances this proportion may be higher.	The principal amount of the Sub-fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-fund's net asset value indicated below.	TRS and other FDI with the same characteristics	5%	10%	REPO/Reverse REPO	0%	0%	Sell-buy back transactions	0%	0%	Buy-sell back transactions	0%	0%	Securities Lending	50%	100%
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	<p>Where it invests in, or use, such instruments, the Sub-fund may incur fixed or variable brokerage fees and transaction costs upon entering in such instruments and/or upon increasing or decreasing its notional amount as well as upon rebalancing cost for an index that is the underlying asset of such instruments where the rebalancing frequency is determined by the provider of the relevant index. The counterparties to such instruments shall not have discretionary power over the composition or management of the investment portfolio of the Sub-fund or over the underlying assets of such instruments.</p> <p>The Sub-fund may use CDS (including CDS indices) in order to hedge the credit risk in specific credits buying protection. The Sub-fund may also use CDS either buying protection without holding the underlying assets or selling protection in order to acquire specific credits exposures (in case of default of the reference entities the</p>																		

	settlement under the CDS transaction will be made in cash). Investors benefit from this type of transaction as the Sub-fund can thereby achieve better diversification of country risk and can make very short-term investments under attractive terms.
<b>Benchmark</b>	The Sub-fund is actively managed without a reference to a benchmark.
<b>Profile of the typical investor</b>	The Fund expects that the typical investor in the Sub-fund will be a long-term investor who knows and accepts the risks associated with this type of investment. The typical investor will be seeking to invest a portion of its overall portfolio in a diversified portfolio in accordance with the investment policy of the Sub-fund.
<b>Risk factors</b>	<p>The following risk factors should be considered in addition to those set out under the heading "Risks" of this Prospectus:</p> <p>General Risks:</p> <ul style="list-style-type: none"> <li>▪ Derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or money market instruments.</li> <li>▪ Fixed-income and floating rate securities as well as money market instruments may be subject to credit risk, which is an issuer's inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity.</li> <li>▪ Emerging Market securities involve greater risk than those associated with developed countries including greater currency risk, economic and political risk, settlement risk, price volatility and may have debt unrated by internationally recognised credit rating organisations. Emerging markets may afford a lower level of legal protection to investors; some countries may place controls on foreign ownership; and some countries may apply accounting standards and auditing practices which do not necessarily conform with internationally accepted accounting principles.</li> <li>▪ Below investment grade securities are considered speculative and generally involve a higher credit risk, liquidity risk, volatility risk and counterparty risk.</li> </ul> <p>Risks specific to CDS:</p> <ul style="list-style-type: none"> <li>▪ Counterparty risk, which is the risk that the counterparty of the CDS transaction will default on its obligations. As</li> </ul>

	<p>protection buyer, the counterparty risk materializes only when a credit event occurs and if the protection seller would not be able to pay the protection buyer the face value of the contract. As protection seller the counterparty risk materializes if the protection buyer is not able to pay the periodic fees under the contract. The counterparty risk is however mitigated by the fact that the Sub-fund will only enter into CDS transactions with first class financial institutions.</p> <ul style="list-style-type: none"> <li>▪ Credit risk, which is the risk carried by the protection seller that a credit event would occur in respect to the reference entity. In case of occurrence of a credit event, the capital loss for the protection seller might be substantial (and in case of the Sub-fund rise to a total loss of the Sub-fund's assets) as the protection seller would have to pay the face value of the contract to the protection buyer against being delivered by the protection buyer the obligations mentioned in the contract having a market value near to recovery rate.</li> <li>▪ Mark-to-market risk, which is the risk that a CDS investor runs by unwinding its position before the maturity of the contract. This risk is affected by the liquidity of the underlying contract. The lower the liquidity, the higher the unwinding costs.</li> <li>▪ Settlement risk, which is the risk of the protection buyer to deliver the underlying issues not held by him when entering into the CDS transaction.</li> </ul>
<b>Investment Manager</b>	Generali Investments Partners S.p.A. Società di gestione del risparmio
<b>Reference Currency</b>	EUR
<b>Launch Date of the Sub-fund</b>	November 25, 2016
<b>Initial Subscription Period</b>	<p>From October 10, 2016 until 2.00pm Luxembourg time on November 18, 2016</p> <p>No further Units will be issued after the Initial Subscription Period</p>
<b>Maturity Date</b>	November 26, 2021
<b>Initial Price</b>	100 EUR
<b>Subscription Commission</b>	None
<b>Redemption Commission</b>	Class RD: None

	<p>Class RA: None</p> <p>Class RD2:</p> <p>Up to 0.50% until the Maturity Date</p> <p>None upon the Maturity Date</p> <p>Class RA2:</p> <p>Up to 0.50% until the Maturity Date</p> <p>None upon the Maturity Date</p> <p>Class ID:</p> <p>Up to 0.50% until the Maturity Date</p> <p>None upon the Maturity Date</p> <p>Class IA:</p> <p>Up to 0.50% until the Maturity Date</p> <p>None upon the Maturity Date</p> <p>Any Redemption Commission charged will be paid to the Sub-fund.</p>
<b>Conversion Commission</b>	N/A
<b>Conversion into or from another Sub-fund or into or from another Class</b>	Not Authorised
<b>Class of Units</b>	<p>Class RD - for retail investors only, with Placement Fee and with distribution of income</p> <p>Class RA - for retail investors only, with Placement Fee and with accumulation of income</p> <p>Class RD2 - for retail investors only, without Placement Fee and with distribution of income</p> <p>Class RA2 - for retail investors only, without Placement Fee and with accumulation of income</p> <p>Class ID - for institutional investors only, without Placement Fee and with distribution of income</p> <p>Class IA - for institutional investors only, without Placement Fee and with accumulation of income</p>
<b>Minimum initial investment</b>	Class RD: 500 EUR

	<p>Class RA: 500 EUR</p> <p>Class RD2: 500 EUR</p> <p>Class RA2: 500 EUR</p> <p>Class ID: 100,000 EUR</p> <p>Class IA: 100,000 EUR</p>
<b>Distribution policy</b>	<p>For the Classes RD, RD2 and ID, the Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at Maturity Date. During the first 4 years, the Sub-fund will distribute an annual dividend of minimum 1.6 Euro per Unit for Classes RD and RD2 and of minimum 2.2 Euro per Unit for Class ID. During the final year before the Maturity Date, the Sub-fund may pay an annual or an interim dividend up to 100% of the investment income gains and realised capital gains.</p> <p>Unitholders in the Classes RA, RA2 and IA will not receive any distributions. Instead, the income due to them will be rolled up to enhance the value of their Units.</p>
<b>Redemption Deadline</b>	2.00 pm Luxembourg time
<b>Valuation frequency</b>	Weekly
<b>Valuation Day</b>	Every Monday being a Luxembourg Business Day
<b>Management Fees</b>	<p>Class RD: up to 0.35% p.a.</p> <p>Class RA: up to 0.35% p.a.</p> <p>Class RD2: up to 0.95% p.a.</p> <p>Class RA2: up to 0.95% p.a.</p> <p>Class ID: up to 0.35% p.a.</p> <p>Class IA: up to 0.35% p.a.</p>
<b>Performance Fee</b>	None
<b>Placement Fee</b>	<p>Up to 3.00% - for classes RD and RA only</p> <p>The Placement Fee will be calculated on the first Valuation Day and shall serve as a compensation for the initial distribution activity of the Classes RD and RA. The Placement Fee is paid once at the initial Valuation Day and is amortised over the life of the Classes RD and RA until the Maturity Date.</p>
<b>Anti-dilution Fee</b>	An Anti-dilution Fee of up to 3.00% of the gross redemption amount may be charged to investors of Classes RD and RA

	<p>redeeming their respective units before the Maturity Date.</p> <p>The Anti-dilution Fee is charged to protect unitholders in Classes RD and RA from dilution effects, taking into account the principle of equal treatment of unitholders.</p> <p>Indeed, investors redeeming units of Classes RD and RA before the Maturity Date would leave those parts of the paid Placement Fee in the Classes RD and RA which are not yet fully amortised, thus harming the net asset value for unitholders in the Classes RD and RA until the Maturity Date. As the Placement Fee is amortised over five years, the maximum Anti-dilution Fee charged to protect the Classes RD and RA assets from dilution effects caused by this factor is declining in five steps over time.</p> <p>The level of the Anti-dilution Fee is charged according to the table below:</p> <p>3.00% for the first 12-month period after the Launch Date  2.40% for the second 12-month period after the Launch Date  1.80% for the third 12-month period after the Launch Date  1.20% for the fourth 12-month period after the Launch Date  0.60% for the fifth 12-month period after the Launch Date  0% upon the Maturity Date.</p>
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## Generali Investments Global Solutions Fund - Futuro 2024 - 1

### Investment policy

- The Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at the Sub-fund's Maturity Date (as defined below). The Sub-fund will invest in a concentrated portfolio and will aim at generating current income plus capital preservation at the Maturity Date.
- During the Offer Period, the Sub-fund may invest up to 100% of its net assets in Money Market Instruments or bank deposits in a view to build the cash portfolio of the Sub-fund.
- After the Offer Period, the Sub-fund will essentially invest in debt securities denominated in EUR, GBP or USD either directly or through the use of derivatives such as CDS. The Sub-fund will invest in developed markets debt securities with the intention of holding them until the Maturity Date whilst actively monitoring the portfolio.
  - The net long exposure to non-investment grade debt securities will not exceed 60% of the Sub-fund's net assets.
  - The Sub-fund will not invest in the following types of securities: Contingent Convertible bonds ("CoCos"), ABS/MBS products, distressed securities, Emerging Markets debt securities, equity securities. The understanding of the Emerging Markets is defined in the International Monetary Fund list and applicable at the Sub-fund Launch Date.
  - The Sub-fund will not invest in debts securities rated lower than CCC+, in accordance with S&P rating or Moody's equivalent. In the event that the rating of a debt security is downgraded after its purchase by the Sub-fund, the Sub-fund may continue to hold such security provided that no more than 3% of the Sub-fund's net assets are held in such securities.
  - The Sub-fund may invest up to 30% of its net assets in non-Euro denominated interest-bearing securities on an unhedged (currency) basis.
  - The Sub-fund shall not invest more than 30% of its net assets into Money Market Instruments or bank deposits.
  - The Sub-fund shall not invest more than 10% of its net assets into units of UCITS or other UCIs. Such other UCIs must be compliant with the provisions set out in Article 41 (1) e) of the UCI Law.
- It is possible that the objective may not be achieved, and no guarantee can be given in this respect. Certain risks as defined in the Risk factors section of this Prospectus and below may have a negative impact on the Sub-fund's assets.
- At Maturity Date, the Sub-fund will cease to exist and will be liquidated or merged.

### Use of derivatives and efficient portfolio management techniques

The Sub-fund may in accordance with the investment powers and restrictions set out in Appendix A and Appendix B of the Prospectus, use exchange traded and OTC financial instruments and derivatives – such as but not limited to futures, options, swaps, forwards in compliance with the investment policy of the Sub-fund – for hedging purposes, for efficient portfolio

	<p>management purposes and for investment purposes and these may be used to achieve both long and short positions. Any use of derivatives will be kept consistent with the investment objectives and will not lead the Sub-fund to diverge from its risk profile.</p> <p>In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.</p> <p>EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.</p> <p>Typically investments in such instruments are made to adjust the portfolio's market exposure in a more cost efficient way.</p> <p>The Sub-fund's use of, or investment in, EMT and TRS will be as follows:</p> <table border="1"> <tr> <th>Type of transactions</th><th>Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-fund's Net Asset Value indicated below. In certain circumstances this proportion may be higher.</th><th>The principal amount of the Sub-fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-fund's Net Asset Value indicated below.</th></tr> <tr> <td>TRS and other FDI with the same characteristics</td><td>5%</td><td>10%</td></tr> <tr> <td>REPO/Reverse REPO</td><td>0%</td><td>0%</td></tr> <tr> <td>Sell-buy back transactions</td><td>0%</td><td>0%</td></tr> <tr> <td>Buy-sell back transactions</td><td>0%</td><td>0%</td></tr> <tr> <td>Securities Lending</td><td>50%</td><td>100%</td></tr> </table> <p>Where it invests in, or use, such instruments, the Sub-fund may incur fixed or variable brokerage fees and transaction costs upon entering in such instruments and/or upon increasing or decreasing its notional amount as well as upon rebalancing cost for an index that is the underlying asset of such instruments where the rebalancing frequency is determined by the provider of the relevant index. The counterparties to such instruments shall not have discretionary power over the composition or management of the investment portfolio of the Sub-fund or over the underlying assets of such instruments.</p>		Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-fund's Net Asset Value indicated below. In certain circumstances this proportion may be higher.	The principal amount of the Sub-fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-fund's Net Asset Value indicated below.	TRS and other FDI with the same characteristics	5%	10%	REPO/Reverse REPO	0%	0%	Sell-buy back transactions	0%	0%	Buy-sell back transactions	0%	0%	Securities Lending	50%	100%
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Securities Lending	50%	100%																		



	<p>The Sub-fund may use CDS (including CDS indices) in order to hedge the credit risk in specific credits buying protection. The Sub-fund may also use CDS (including CDS indices and CDS index tranches) either buying protection without holding the underlying assets or selling protection in order to acquire specific credits exposures (in case of default of the reference entities the settlement under the CDS transaction will be made in cash).</p>
<b>Benchmark</b>	<p>The Sub-fund is actively managed without a reference to a benchmark.</p>
<b>Global Exposure</b>	<p>The method used to monitor the Sub-fund's global exposure is the Commitment Approach.</p>
<b>Profile of the typical investor</b>	<p>The Fund expects that the typical investor in the Sub-fund will be a long-term investor who knows and accepts the risks associated with this type of investment. The typical investor will be seeking to invest a portion of its overall portfolio in a diversified portfolio in accordance with the investment policy of the Sub-fund.</p> <p>This Sub-fund might be not suitable for investors willing redeem their Units before the Maturity Date.</p>
<b>Risk factors</b>	<p>The following risk factors should be considered in addition to those set out under the heading "Risks" of this Prospectus:</p> <p>General Risks:</p> <ul style="list-style-type: none"> <li>▪ Derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or money market instruments.</li> <li>▪ Fixed-income and floating rate securities as well as Money Market Instruments may be subject to credit risk, which is an issuer's inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity.</li> <li>▪ Below investment grade securities are considered speculative and generally involve a higher credit risk, liquidity risk, volatility risk and counterparty risk.</li> </ul> <p>Risks specific to CDS:</p> <ul style="list-style-type: none"> <li>▪ Counterparty risk, which is the risk that the counterparty of the CDS transaction will default on its obligations. As protection buyer, the counterparty risk materializes only when a credit event occurs and if the protection seller would not be able to pay the protection buyer the face value of the contract. As protection seller the counterparty risk materializes if the protection buyer is not able to pay the periodic fees under the</li> </ul>

	<p>contract. The counterparty risk is however mitigated by the fact that the Sub-fund will only enter into CDS transactions with first class financial institutions.</p> <ul style="list-style-type: none"><li>▪ Credit risk, which is the risk carried by the protection seller that a credit event would occur in respect to the reference entity. In case of occurrence of a credit event, the capital loss for the protection seller might be substantial (and in case of the Sub-fund rise to a total loss of the Sub-fund's assets) as the protection seller would have to pay the face value of the contract to the protection buyer against being delivered by the protection buyer the obligations mentioned in the contract having a market value near to recovery rate.</li><li>▪ Mark-to-market risk, which is the risk that a CDS investor runs by unwinding its position before the maturity of the contract. This risk is affected by the liquidity of the underlying contract. The lower the liquidity, the higher the unwinding costs.</li><li>▪ Settlement risk, which is the risk of the protection buyer to deliver the underlying issues not held by him when entering into the CDS transaction.</li></ul>					
Investment Manager	Generali Investments Partners S.p.A. Società di gestione del risparmio					
Reference Currency	EUR					
Launch Date of the Sub-fund	04/10/2019					
Initial Subscription Day	04/10/2019					
Offer Period	Two months as from the Launch Date of the Sub-fund.  No further Units will be issued after the end of the Offer Period.					
Maturity Date	30/12/2024					
Initial Price	100 EUR					
Subscription Commission	None					
Redemption Commission	<table><tr><th>Classes</th><th>Rate</th></tr><tr><td>IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1</td><td>Up to 1.00% until the Maturity Date  None upon the Maturity Date</td></tr></table>		Classes	Rate	IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1	Up to 1.00% until the Maturity Date  None upon the Maturity Date
Classes	Rate					
IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1	Up to 1.00% until the Maturity Date  None upon the Maturity Date					

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RA2, RD2	None																						
<b>Conversion commission</b>	N/A																						
<b>Conversion into or from another Sub-fund or into or from another Class</b>	Not Authorised																						
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<b>Minimum initial investment</b>	<table> <tr> <th>Classes</th><th>Amount</th></tr> <tr> <td>IA, ID, ID1, IA3, ID3, RA, RD, RA1, RD1, RA2, RD2</td><td>EUR 500</td></tr> <tr> <td>IA2, ID2</td><td>EUR 100,000</td></tr> </table>	Classes	Amount	IA, ID, ID1, IA3, ID3, RA, RD, RA1, RD1, RA2, RD2	EUR 500	IA2, ID2	EUR 100,000
Classes	Amount						
IA, ID, ID1, IA3, ID3, RA, RD, RA1, RD1, RA2, RD2	EUR 500						
IA2, ID2	EUR 100,000						
<b>Distribution policy</b>	<p>For the Classes ID2, ID3, RD, RD1 and RD2 the Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at Maturity Date.</p> <p>For the Class ID the Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at Maturity Date. During the first 4 years, the Sub-fund will distribute an annual dividend of minimum 1 Euro per Unit. During the final year before the Maturity Date, the Sub-fund will distribute an annual dividend of minimum 1 Euro per Unit and may pay an annual dividend up to 100% of the investment income gains and realised capital gains.</p> <p>For the Class ID1 the Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at Maturity Date. During the first 4 years, the Sub-fund will distribute an annual dividend of minimum 0.5 Euro per Unit. During the final year before the Maturity Date, the Sub-fund will distribute an annual dividend of minimum 0.5 Euro per Unit and may pay an annual dividend up to 100% of the investment income gains and realised capital gains</p> <p>Unitholders in the Classes IA, IA2, IA3, RA, RA1 and RA2 will not receive any distributions. Instead, the income due to them will be rolled up to enhance the value of their Units.</p>						
<b>Subscription/Redemption Deadline</b>	2.00 pm Luxembourg time						

Valuation frequency	Weekly	
Valuation Day	Every Monday being a Luxembourg Business Day	
Management Fees	Classes	Rate
	IA, ID, ID1	Up to 0.45% p.a.
	IA2, ID2	Up to 0.50% p.a.
	IA3, ID3	Up to 1.05% p.a.
	RA, RD, RA2, RD2	Up to 1.10% p.a.
	RA1, RD1	Up to 1.50% p.a.
Performance Fee	None	
Placement Fee	Classes	Amount
	IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1	None
	RA2, RD2	Up to 2%
The Placement Fee will be calculated on the first Valuation Day of the Classes RA2 and RD2 and shall serve as a compensation for the respective initial distribution activity for such Classes. The respective Placement Fee is paid once at the initial Valuation Day and is amortised over the life of the Classes RA2 and RD2 until the Maturity Date.		
Anti-dilution Fee	<p>An Anti-dilution Fee corresponding to a percentage of the gross redemption amount may be charged to investors of the relevant Classes mentioned in the table below and redeeming their respective Units before the Maturity Date.</p> <p>The Anti-dilution Fee is charged to protect unitholders in these Classes from dilution effects, taking into account the principle of equal treatment of unitholders.</p> <p>Indeed, Investors redeeming units of such Classes before the Maturity Date would leave those parts of the paid Placement Fee in these Classes which are not yet fully amortised, thus harming the net asset value for unitholders in such Classes until the Maturity Date. As the Placement Fee is amortised over five</p>	

	<p>years, the maximum Anti-dilution Fee charged to protect the assets of these Classes from dilution effects caused by this factor is declining in five steps over time.</p> <p>The level of the Anti-dilution Fee is charged according to the table below:</p> <table border="1" data-bbox="646 454 1394 779"> <tr> <th data-bbox="646 454 855 521">Classes</th><th data-bbox="855 454 1394 521">Amount</th></tr> <tr> <td data-bbox="646 521 855 712">IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1</td><td data-bbox="855 521 1394 712">None</td></tr> <tr> <td data-bbox="646 712 855 779">RA2, RD2</td><td data-bbox="855 712 1394 779">Up to 2%</td></tr> </table>	Classes	Amount	IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1	None	RA2, RD2	Up to 2%
Classes	Amount						
IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1	None						
RA2, RD2	Up to 2%						

## Generali Investments Global Solutions Fund - Futuro 2025 - 1

### Investment policy

- The Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at the Sub-fund's Maturity Date (as defined below). The Sub-fund will invest in a concentrated portfolio and will aim at generating current income plus capital preservation at the Maturity Date.
- During the Offer Period, the Sub-fund may invest up to 100% of its net assets in Money Market Instruments or bank deposits in a view to build the cash portfolio of the Sub-fund.
- After the Offer Period, the Sub-fund will essentially invest in debt securities denominated in EUR, GBP or USD either directly or through the use of derivatives such as CDS. The Sub-fund will invest in developed markets debt securities with the intention of holding them until the Maturity Date whilst actively monitoring the portfolio.
  - The net long exposure to non-investment grade debt securities will not exceed 60% of the Sub-fund's net assets.
  - The Sub-fund will not invest in the following types of securities: Contingent Convertible bonds ("CoCos"), ABS/MBS products, distressed securities, Emerging Markets debt securities, equity securities. The understanding of the Emerging Markets is defined in the International Monetary Fund list and applicable at the Sub-fund Launch Date.
  - The Sub-fund will not invest in debts securities rated lower than CCC+, in accordance with S&P rating or Moody's equivalent. In the event that the rating of a debt security is downgraded after its purchase by the Sub-fund, the Sub-fund may continue to hold such security provided that no more than 3% of the Sub-fund's net assets are held in such securities.
  - The Sub-fund may invest up to 30% of its net assets in non-Euro denominated interest-bearing securities on an unhedged (currency) basis.
  - The Sub-fund shall not invest more than 30% of its net assets into Money Market Instruments or bank deposits.
  - The Sub-fund shall not invest more than 10% of its net assets into units of UCITS or other UCIs. Such other UCIs must be compliant with the provisions set out in Article 41 (1) e) of the UCI Law.
- It is possible that the objective may not be achieved, and no guarantee can be given in this respect. Certain risks as defined in the Risk factors section of this Prospectus and below may have a negative impact on the Sub-fund's assets.
- At Maturity Date, the Sub-fund will cease to exist and will be liquidated or merged.

### Use of derivatives and efficient portfolio management techniques

The Sub-fund may in accordance with the investment powers and restrictions set out in Appendix A and Appendix B of the Prospectus, use exchange traded and OTC financial instruments and derivatives – such as but not limited to futures, options, swaps, forwards in compliance with the investment policy of the Sub-fund – for hedging purposes, for

efficient portfolio management purposes and for investment purposes and these may be used to achieve both long and short positions. Any use of derivatives will be kept consistent with the investment objectives and will not lead the Sub-fund to diverge from its risk profile.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.

Typically investments in such instruments are made to adjust the portfolio's market exposure in a more cost efficient way.

The Sub-fund's use of, or investment in, EMT and TRS will be as follows:

Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-fund's Net Asset Value indicated below. In certain circumstances this proportion may be higher.	The principal amount of the Sub-fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-fund's Net Asset Value indicated below.
TRS and other FDI with the same characteristics	5%	10%
REPO/Reverse REPO	0%	0%
Sell-buy back transactions	0%	0%
Buy-sell back transactions	0%	0%
Securities Lending	50%	100%

Where it invests in, or use, such instruments, the Sub-fund may incur fixed or variable brokerage fees and transaction costs upon entering in such instruments and/or upon increasing or decreasing its notional amount as well as upon rebalancing cost for an index that is the underlying asset of such instruments where the rebalancing frequency is determined by the provider of the relevant index. The counterparties to such instruments shall not have discretionary power over the composition or management of the investment portfolio of the Sub-fund or over the underlying assets of such instruments.



	<p>The Sub-fund may use CDS (including CDS indices) in order to hedge the credit risk in specific credits buying protection. The Sub-fund may also use CDS (including CDS indices and CDS index tranches) either buying protection without holding the underlying assets or selling protection in order to acquire specific credits exposures (in case of default of the reference entities the settlement under the CDS transaction will be made in cash).</p>
<b>Benchmark</b>	<p>The Sub-fund is actively managed without a reference to a benchmark.</p>
<b>Global Exposure</b>	<p>The method used to monitor the Sub-fund's global exposure is the Commitment Approach.</p>
<b>Profile of the typical investor</b>	<p>The Fund expects that the typical investor in the Sub-fund will be a long-term investor who knows and accepts the risks associated with this type of investment. The typical investor will be seeking to invest a portion of its overall portfolio in a diversified portfolio in accordance with the investment policy of the Sub-fund.</p> <p>This Sub-fund might be not suitable for investors willing redeem their Units before the Maturity Date.</p>
<b>Risk factors</b>	<p>The following risk factors should be considered in addition to those set out under the heading "Risks" of this Prospectus:</p> <p>General Risks:</p> <ul style="list-style-type: none"> <li>▪ Derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or money market instruments.</li> <li>▪ Fixed-income and floating rate securities as well as Money Market Instruments may be subject to credit risk, which is an issuer's inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity.</li> <li>▪ Below investment grade securities are considered speculative and generally involve a higher credit risk, liquidity risk, volatility risk and counterparty risk.</li> </ul> <p>Risks specific to CDS:</p> <ul style="list-style-type: none"> <li>▪ Counterparty risk, which is the risk that the counterparty of the CDS transaction will default on its obligations. As protection buyer, the counterparty risk materializes only when a credit event occurs and if the protection seller would not be able to pay the protection buyer the face value of the contract. As protection seller the counterparty risk materializes if the protection buyer is not able to pay the periodic fees</li> </ul>

	<p>under the contract. The counterparty risk is however mitigated by the fact that the Sub-fund will only enter into CDS transactions with first class financial institutions.</p> <ul style="list-style-type: none"><li>▪ Credit risk, which is the risk carried by the protection seller that a credit event would occur in respect to the reference entity. In case of occurrence of a credit event, the capital loss for the protection seller might be substantial (and in case of the Sub-fund rise to a total loss of the Sub-fund's assets) as the protection seller would have to pay the face value of the contract to the protection buyer against being delivered by the protection buyer the obligations mentioned in the contract having a market value near to recovery rate.</li><li>▪ Mark-to-market risk, which is the risk that a CDS investor runs by unwinding its position before the maturity of the contract. This risk is affected by the liquidity of the underlying contract. The lower the liquidity, the higher the unwinding costs.</li><li>▪ Settlement risk, which is the risk of the protection buyer to deliver the underlying issues not held by him when entering into the CDS transaction.</li></ul>					
Investment Manager	Generali Investments Partners S.p.A. Società di gestione del risparmio					
Reference Currency	EUR					
Launch Date of the Sub-fund	To be further determined by the Management Company.					
Initial Subscription Day	To be further determined by the Management Company.					
Offer Period	Two months as from the Launch Date of the Sub-fund.  No further Units will be issued after the end of the Offer Period.					
Maturity Date	29/12/2025					
Initial Price	100 EUR					
Subscription Commission	None					
Redemption Commission	<table><tr><th>Classes</th><th>Rate</th></tr><tr><td>IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1</td><td>Up to 1.00% until the Maturity Date  None upon the Maturity Date</td></tr></table>		Classes	Rate	IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1	Up to 1.00% until the Maturity Date  None upon the Maturity Date
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	Class RA2	For retail investors only, with Placement Fee and with accumulation of income
	Class RD2	For retail investors only, with Placement Fee and with distribution of income
<b>Minimum initial investment</b>	Classes	Amount
	IA, ID, ID1, IA3, ID3, RA, RD, RA1, RD1, RA2, RD2	EUR 500
	IA2, ID2	EUR 100,000
<b>Distribution policy</b>	<p>For the Classes ID2, ID3, RD, RD1 and RD2 the Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at Maturity Date.</p> <p>For the Class ID the Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at Maturity Date. During the first 4 years, the Sub-fund will distribute an annual dividend of minimum 1 Euro per Unit. During the final year before the Maturity Date, the Sub-fund will distribute an annual dividend of minimum 1 Euro per Unit and may pay an annual dividend up to 100% of the investment income gains and realised capital gains.</p> <p>For the Class ID1 the Sub-fund seeks to pay out sustainable annual distributions and to preserve capital at Maturity Date. During the first 4 years, the Sub-fund will distribute an annual dividend of minimum 0.5 Euro per Unit. During the final year before the Maturity Date, the Sub-fund will distribute an annual dividend of minimum 0.5 Euro per Unit and may pay an annual dividend up to 100% of the investment income gains and realised capital gains</p> <p>Unitholders in the Classes IA, IA2, IA3, RA, RA1 and RA2 will not receive any distributions. Instead, the income due to them will be rolled up to enhance the value of their Units.</p>	
<b>Subscription/Redemption Deadline</b>	2.00 pm Luxembourg time	

Valuation frequency	Weekly	
Valuation Day	Every Monday being a Luxembourg Business Day	
Management Fees	Classes	Rate
	IA, ID, ID1	Up to 0.45% p.a.
	IA2, ID2	Up to 0.50% p.a.
	IA3, ID3	Up to 1.05% p.a.
	RA, RD, RA2, RD2	Up to 1.10% p.a.
	RA1, RD1	Up to 1.50% p.a.
Performance Fee	None	
Placement Fee	Classes	Amount
	IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1	None
	RA2, RD2	Up to 2%
The Placement Fee will be calculated on the first Valuation Day of the Classes RA2 and RD2 and shall serve as a compensation for the respective initial distribution activity for such Classes. The respective Placement Fee is paid once at the initial Valuation Day and is amortised over the life of the Classes RA2 and RD2 until the Maturity Date.		
Anti-dilution Fee	<p>An Anti-dilution Fee corresponding to a percentage of the gross redemption amount may be charged to investors of the relevant Classes mentioned in the table below and redeeming their respective Units before the Maturity Date.</p> <p>The Anti-dilution Fee is charged to protect unitholders in these Classes from dilution effects, taking into account the principle of equal treatment of unitholders.</p> <p>Indeed, Investors redeeming units of such Classes before the Maturity Date would leave those parts of the paid Placement Fee in these Classes which are not yet fully amortised, thus harming the net asset value for unitholders in such Classes until</p>	

	<p>the Maturity Date. As the Placement Fee is amortised over five years, the maximum Anti-dilution Fee charged to protect the assets of these Classes from dilution effects caused by this factor is declining in five steps over time.</p> <p>The level of the Anti-dilution Fee is charged according to the table below:</p> <table border="1" data-bbox="646 562 1394 891"> <thead> <tr> <th data-bbox="646 562 855 629">Classes</th><th data-bbox="855 562 1394 629">Amount</th></tr> </thead> <tbody> <tr> <td data-bbox="646 629 855 819">IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1</td><td data-bbox="855 629 1394 819">None</td></tr> <tr> <td data-bbox="646 819 855 891">RA2, RD2</td><td data-bbox="855 819 1394 891">Up to 2%</td></tr> </tbody> </table>	Classes	Amount	IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1	None	RA2, RD2	Up to 2%
Classes	Amount						
IA, ID, ID1, IA2, ID2, IA3, ID3, RA, RD, RA1, RD1	None						
RA2, RD2	Up to 2%						