



TAGES INTERNATIONAL FUNDS

Société d'Investissement à Capital Variable

PROSPECTUS

14 January 2021

VISA 2021/162027-8727-0-PC

L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2021-01-27
Commission de Surveillance du Secteur Financier

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IMPORTANT INFORMATION

General

Subscriptions to Tages International Funds SICAV's Shares are only valid if they are made in accordance with the provisions of the current Prospectus and the key investor information document(s) accompanied by the most recent annual report available and, in addition, by the most recent half-year report if this was published after the most recent annual report. No one may make use of information other than that appearing in the present Prospectus or the key investor information document and in the documents mentioned therein as being available for consultation by the public.

In addition to the General Section, investors must refer to the relevant Supplement(s) attached at the end of the Prospectus. Each Supplement sets out the specific objectives, policy and other features of the relevant Sub-fund to which the Supplement relates as well as risk factors and other information specific to the relevant Sub-fund.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, conversion or redemption of Shares other than those contained in this Prospectus and the key investor information document(s) and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company. Neither the delivery of this Prospectus or of the key investor information document(s) nor the offer, placement, subscription or issue of any of the Shares will under any circumstances create any implication or constitute a representation that the information given in this Prospectus and in the key investor information document(s) is correct as of any time subsequent to the date hereof.

The Company is established in Luxembourg and has obtained the authorisation of the competent Luxembourg authority. This authorisation should in no way be interpreted as approval by the Luxembourg authority of either the contents of the Prospectus or the quality of the shares of the Company or of the quality of the investments that it holds. The Company's operations are monitored by the competent Luxembourg authority.

The members of the Board, whose name appear under the Section "General Information", accept joint responsibility for the information and statements contained in this Prospectus and in the key investor information document(s) issued for each Sub-fund. They have taken all reasonable care to ensure that the information contained in this Prospectus and in the key investor information document(s) is, to the best of their knowledge and belief, true and accurate in all material respects and that there are no other material facts the omission of which makes misleading any statement herein, whether of fact or opinion at the date indicated on this Prospectus.

Investors may, subject to applicable law, invest in any Sub-fund offered by the Company. Investors should choose the Sub-fund that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek independent advice in that regard. A separate pool of assets will be maintained for each Sub-fund and will be invested in accordance with the Investment Policy applicable to the relevant Sub-fund in seeking to achieve its Investment Objective. The Net Asset Value and the performance of the Shares of the different Sub-funds and Classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise.

There is no guarantee or assurance that the stated Investment Objective of a Sub-fund will be achieved.

An investment in the Company involves investment risks including those set out herein under Section 21 of the General Section. In addition, investors should refer to the Section " Risk Profile " of the Supplement of the relevant Sub-fund (if any) in order to assess – and inform themselves on – the specific risks associated with an investment in such Sub-fund.

The Company is allowed to invest in financial derivative instruments. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. A more detailed description of the risks relating to the use of derivatives may be found under Section 21 of the General Section. The Supplement relating to each Sub-fund will give more precise information on the types of derivatives, if any, which may be used by a Sub-fund for investment purposes.

The Company does not allow any practices associated to Market Timing (as defined below). The Company hereby expressly maintains its rights to reject orders for subscription and conversion of an investor suspected by the Company to employ such practices and may take, if needed, all the necessary measures in order to protect the other investors of the Company against such practices.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Prospectus, the Supplements and the Articles.

Definitions

Unless the context otherwise requires, or as otherwise provided in this Prospectus, capitalised words and expressions will bear the respective meanings ascribed thereto under the Section "Definitions".

Selling Restrictions

The distribution of this Prospectus and the offering or purchase of Shares is restricted in certain jurisdictions. This Prospectus and the key investor information document(s) do not constitute an offer of or invitation or solicitation to subscribe for or acquire any Shares in any jurisdiction in which such offer or solicitation is not permitted, authorised or would be unlawful. Persons receiving a copy of this Prospectus or of the key investor information document(s) in any jurisdiction may not treat this Prospectus or key investor information document(s) as constituting an offer, invitation or solicitation to them to subscribe for or acquire Shares notwithstanding that, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement. It is the responsibility of any persons in possession of this Prospectus or of the key investor information document(s) and any persons wishing to apply for or acquire Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective investors should review this Prospectus and the key investor information document(s) carefully, in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal and regulatory requirements within their own countries of residence or nationality for the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of Shares; and (iv) any other consequences of such activities. Investors that have any doubt about the contents of

this document should consult their stockbroker, bank manager, solicitor, accountant, tax, or other financial adviser.

Luxembourg - The Company is registered pursuant to Part I of the 2010 Act. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the assets held in the various Sub-funds of the Company. Any representations to the contrary are unauthorised and unlawful.

European Union – The Company qualifies as a UCITS and may apply for recognition under the UCITS Directive, for marketing to the public in certain EEA Member States, subject to registration. The registration of the Company does not constitute a warranty by any supervisory authority as to the performance or the quality of the Shares issued by the Company. Any representation to the contrary is unauthorised and unlawful.

USA – The Company has not been registered under the US Investment Company Act, as amended, or any similar or analogous regulatory scheme enacted by any other jurisdiction except as described herein. In addition, the shares of the Company have not been registered under the US Securities Act, as amended, or under any similar or analogous provision of law enacted by any other jurisdiction except as described herein. The Shares have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any other regulatory agency in the United States, nor has the SEC or any other regulatory agency in the United States passed upon the accuracy or adequacy of this Prospectus or the merits of the Shares. Any representation to the contrary is a criminal offence. The United States Commodity Futures Trading Commission has not reviewed or approved this offering or any offering memorandum for the Company. The shares of the Company may not be and will not be offered for sale, sold, transferred or delivered in the United States of America, its territories or possessions or to any US Person (as defined below), except in a transaction which does not violate the securities laws of the United States of America.

Subscribers to Shares may be required to declare that they are not a US Person and are not subscribing to shares on behalf of any US Person. Subscribers are advised to seek professional advice on the laws and regulations (such as those on taxation and exchange controls) that apply to the subscription and to the purchase, holding and selling of shares in their place of origin, residence or domicile.

Switzerland– The distribution of Shares in Switzerland will be exclusively made to, and directed at, qualified investors (the "**Qualified Investors**"), as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended ("**CISA**") and its implementing ordinance (the "**Swiss Distribution Rules**"). Accordingly, the Company has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA).

1. Representative

The representative in Switzerland is ARM Swiss Representatives SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland.

2. Paying agent

The paying agent in Switzerland is Banque Cantonale de Genève (BCGE), quai de l'Île 17, 1204 Geneva, Switzerland.

3. Location where the relevant documentation can be obtained

This Prospectus, the Articles and annual and semi-annual report, as applicable, can be obtained free of charge from the representative in Switzerland.

4. Place of performance and jurisdiction

The place of performance and jurisdiction is the registered office of the representative in Switzerland with regards to the Shares distributed in and from Switzerland.

5. Payment of retrocessions

Neither the Company nor the Management Company or their agents pay any retrocessions to third parties as remuneration for distribution activity in respect of Shares of the Company in or from Switzerland.

6. Payment of rebates

Neither the Company nor the Management Company or their agents, pay any rebates aiming at reducing fees and costs incurred by the investor in respect of distribution activity in or from Switzerland.

Prevailing language

The distribution of this Prospectus and the key investor information document(s) in certain countries may require that these documents be translated into the official languages of those countries. Should any inconsistency arise between the translated versions of this Prospectus, the English version will always prevail.

Data protection

In the course of business, the Company and the Management Company will collect, record, store, adapt, transfer and otherwise process information by which prospective investors may be directly or indirectly identified. The Company jointly with the Management Company are the data controller within the meaning of Data Protection Legislation and undertake to hold any personal data provided by investors in accordance with Data Protection Legislation.

The Company and the Management Company and/or any of its delegates or Service Providers may process prospective investor's personal data (including, but not limited to the name, address and invested amount of each investor) for any one or more of the following purposes and legal bases:

1. to operate the Company, including managing and administering a Shareholder's investment in the Company on an on-going basis which enables the Company, the Management Company and/or any of its delegates or Service Providers and investors to satisfy their contractual duties and obligations to each other;
2. to comply with any applicable legal, tax or regulatory obligations on the Company and the Management Company and/or any of its delegates or Service Providers under any applicable laws and anti-money laundering and counter-terrorism legislation and to preserve the interests of the Company and its investors;
3. for any other legitimate business interests of the Company and the Management Company or a third party to whom personal data is disclosed, where such interests are not overridden by the interests of the investor, including for statistical analysis and market research purposes; or
4. for any other specific purposes where investors have given their specific consent and where processing of personal data is based on consent, the investors will have the right to withdraw it at any time.

The Company and the Management Company and/or any of its delegates or Service Providers may disclose or transfer personal data, whether in the European Union or elsewhere (including entities situated in countries outside of the EEA), to other delegates, duly appointed agents and service providers of the Company and the Management Company (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.

The Company and the Management Company and/or any of its delegates and Service Providers will not transfer personal data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place or the transfer is in reliance on one of the derogations provided for under GDPR. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand and Uruguay. Further countries may be added to this list by the European Commission at any time. The US is also deemed to provide an adequate level of protection where the US recipient of the data is privacy shield-certified. If a third country does not provide an adequate level of data protection, then the Company and the Management Company and/or any of its delegates and Service Providers will ensure it puts in place appropriate safeguards such as the model clauses (which are standardised contractual clauses, approved by the European Commission).

The Company and the Management Company and/or any of its delegates or Service Providers will not keep personal data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Company and the Management Company and/or any of its delegates or Service Providers shall have regard to any applicable statutes of limitation and any statutory obligations to retain information, including anti-money laundering, counter-terrorism, tax legislation. The Company and the Management Company and/or any of its delegates or Service Providers will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where processing is carried out on behalf of the Company and the Management Company, the Company and the Management shall jointly engage a data processor, within the meaning of Data Protection Legislation, which provides sufficient guarantees to implement appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Company jointly with the Management Company will enter into a written contract with the data processor which will set out

the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to process personal data only in accordance with the documented instructions from the Company and the Management Company.

Where specific processing is based on an investor's consent, that investor has the right to withdraw at any time. Investors have the right to request access to their personal data kept by the Company and the Management Company and/or any of its delegates or Service Providers, and the right to rectification or erasure of their data and to restrict or object to processing of their data, subject to any restrictions imposed by Data Protection Legislation.

Investors are required to provide their personal data for statutory and contractual purposes. Failure to provide the required personal data or an objection to processing may result in the Company and Management Company being unable to permit, process, or release the investor's investment in the Company and this may result in the Company terminating its relationship with the investor.

Each Shareholder has a right of access to his/her/its personal data and may ask for a rectification thereof in cases where such data is inaccurate or incomplete.

By subscribing to the Shares, each investor consents to such processing of its personal data. This consent is formalised in writing in the subscription form used by the relevant intermediary.

GENERAL INFORMATION

Registered office

60, Avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Members of the board of directors

Saul Benjamin
Bertrand Gibeau
Paul de Quant

Investment Manager

Tages Capital LLP
39 St James's Street,
London, SW1A 1JD
United Kingdom

Management Company

Montlake Management Limited
23 St. Stephen's Green,
Dublin 2
Ireland

Administrative Agent

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

Depository

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

Auditor

KPMG Luxembourg, Société coopérative
39, Avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Legal advisers

In Luxembourg

NautaDutilh Avocats Luxembourg S.à.r.l.
2, rue Jean Bertholet
L-1233 Luxembourg
Grand Duchy of Luxembourg

In the United Kingdom

Sidley Austin LLP
Woolgate Exchange
25 Basinghall Street
London, EC2V 5HA
United Kingdom

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In this Prospectus, the following terms have the following meanings:

1915 Act means the Luxembourg act of 10 August 1915 on commercial companies, as amended;

2010 Act means the Luxembourg act of 17 December 2010 relating to undertakings for collective investment, as amended;

Accumulation Class means a Class for which it is not intended to make distributions, as set out in the relevant Supplement;

Adjusted Price means the Net Asset Value per Share adjusted on the relevant Transaction Day in accordance with Section 14 of the General Section;

Administrative Agent means BNP Paribas Securities Services, Luxembourg Branch, in its capacity as central administration, registrar and transfer agent, domiciliary agent of the Company;

Administration Agreement means the agreement between the Company, the Management Company and the Administrative Agent as amended, supplemented or otherwise modified from time to time;

Affiliate means:

- (a) in the case of a company:
 - (i) any company which is its direct or indirect holding company or subsidiary or a direct or indirect subsidiary of that holding company; or
 - (ii) a company (or a direct or indirect subsidiary of a company) or other legal entity which controls or is controlled by the person concerned;
- (b) in the case of an individual, the spouse or direct descendants and ascendants of any kind, and any company directly or indirectly controlled by such person and his associates within the meaning of paragraph (a) of this definition; or
- (c) in the case of an entity other than a company, the members and any entity directly or indirectly controlled by such person and his associates within the meaning of paragraph (a) of this definition,

except, in all cases, any entity in which the Company holds an investment;

Articles means the articles of incorporation of the Company as the same may be amended, supplemented or otherwise modified from time to time;

Auditor means KPMG Luxembourg, Société coopérative;

Authorised Payment Currency means the currencies in which, in addition to the Reference Currency, subscriptions and redemptions for Shares in a particular Class may be made. Unless otherwise specified in respect of a Sub-fund in the relevant Supplement, the Authorised Payment Currency will be Euro;

Board means the board of directors of the Company;

Business Day means, unless otherwise defined in respect of a specific Sub-fund in the relevant Supplement, each Luxembourg Banking Day;

Circular 04/146 means the CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;

Circular 08/356 means the CSSF circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments;

Circular 14/592 means the CSSF circular 14/592 relating to the ESMA Guidelines on ETF and other UCITS issues;

Class means a class of Shares issued in any Sub-fund;

Clearstream means Clearstream Banking, *société anonyme*;

Company means Tages International Funds SICAV, a public limited liability company incorporated as an investment company with variable capital under the laws of Luxembourg and registered pursuant to part I of the 2010 Act;

Control means, in relation to an entity: (a) the holding, directly or indirectly, of the majority votes which may be cast at that entity's ordinary shareholders', partners' or members' meetings or the votes necessary to direct or cause the direction of that entity's ordinary shareholders', partners' or members' meetings; and (b) any contractual relationship by virtue of which a person can direct the business activities of a company or other entity and "controlled" or "to control" will be construed accordingly;

Conversion Fee means the fee that may be paid by Shareholders in the event of a conversion of Shares as described under Section 8 of the General Section;

CRS means the OECD Common Reporting Standard;

CSSF means the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority of the financial sector;

DAC Directive means EU Council Directive 2014/107/UE on administrative cooperation in the field of direct taxation;

DAC Law means the law of 18 December 2015 implementing the EU Council Directive 2014/107/UE on administrative cooperation in the field of direct taxation;

Data Protection Legislation means the EU Data Protection Directive 95/46/EC and the EU Privacy & Electronic Communications Directive 2002/58/EC, any amendments and replacement legislation including the EU General Data Protection Regulation (EU) 2016/679, European Commission decisions, binding EU and national guidance and all national implementing legislation;

Depository means BNP Paribas Securities Services, Luxembourg Branch, in its capacity as depository of the Company;

Depository Agreement means the agreement between the Company, the Management Company and the Depository as amended, supplemented or otherwise modified from time to time;

Directive 2014/91/EU means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS;

Directors means the directors of the Company, whose details are set out in this Prospectus and/or the annual and semi-annual reports;

Distribution Class means a Class for which it is intended to make distributions, as set out in the relevant Supplement;

Distributors means any person from time to time appointed or authorised by the Company and the Management Company to distribute the Shares of one or more Sub-funds or Classes;

EEA means the European Economic Area;

Eligible Investments means eligible investments for UCITS within the meaning of Article 41 (1) of the 2010 Act;

ESMA means the European Securities and Markets Authority;

EU means the European Union;

EU Member State means a member State of the EU;

Euroclear means Euroclear Bank S.A./N.V. as the operator of the Euroclear System;

European Law means any directives, regulations, recommendations and related or similar provisions enacted by the authorities of the EU;

FATCA means the foreign account tax compliance act, a U.S. reporting and withholding tax regime, as described under Section 20.10 and following of the General Section;

First Class Institutions means first class financial institutions selected by the Company, subject to prudential supervision and belonging to the categories approved by the CSSF for the purposes of the OTC Derivative transactions and specialised in this type of transactions;

Fiscal Year means the twelve (12) month period ending on 31 December in each year;

GDPR means Regulation (EU) 2016/679 known as the General Data Protection Regulation, which comes into force on 25 May 2018;

General Section means the general section of the Prospectus that sets out the general terms and conditions applicable to all Sub-funds of the Company, unless otherwise provided in any of the Supplements;

Initial Offering Period or **Initial Offering Date** means, with respect to each Sub-fund, the first offering of Shares in a Sub-fund made pursuant to the terms of the Prospectus and the relevant Supplement;

Initial Subscription Price means the price at which Shares are issued in respect of subscriptions received during the Initial Offering Period or on the Initial Offering Date, as determined for each Sub-fund and Class in the relevant Supplement;

Initial Sub-fund means Tages PSAM Credit Fund;

Institutional Investors means investors who qualify as institutional investors according to Luxembourg Law;

Investment Adviser means such person from time to time appointed by the Management Company, with the approval of the Company, as the investment adviser to a particular Sub-fund and disclosed (if and to the extent required) in the relevant Supplement;

Investment Manager means Tages Capital LLP, unless otherwise specified in the relevant Supplement. When an investment manager is indicated in the relevant Supplement as acting in relation to a Sub-fund, Investment Manager means any investment manager appointed by the Management Company,

with the consent of the Company, to provide investment management services to the Management Company in respect of such Sub-fund or any successor thereof;

Investment Objective means the predefined investment objective of a Sub-fund as specified in the relevant Supplement;

Investment Policy means the predefined investment policy of a Sub-fund as specified in the relevant Supplement;

Investment Restrictions means the investment restrictions applicable to the Sub-funds. The investment restrictions applicable to all Sub-funds are set out under Section 3 of the General Section. Additional investment restrictions may be applicable to each Sub-fund as set out in the relevant Supplement;

Late Trading means the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (*cut-off time*) on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day;

Launch Date means the date on which the Company issues Shares relating to a Sub-fund in respect of subscriptions received during the Initial Offering Period or on the Initial Offering Date as set out in respect of each Sub-fund in the relevant Supplement;

Luxembourg means the Grand Duchy of Luxembourg;

Luxembourg Banking Day means a day on which banks are generally open for business in Luxembourg during the whole day (excluding Saturdays and Sundays and public holidays);

Lux IGA means the intergovernmental agreement model 1 signed by Luxembourg and the United States of America in order to implement FATCA in Luxembourg as described under Section 20.10 and following of the General Section;

Luxembourg Law means the applicable laws of the Grand Duchy of Luxembourg;

Management Company means Montlake Management Limited;

Management Company Agreement means the agreement between the Company and the Management Company as amended, supplemented or otherwise modified from time to time;

Management Company Fee means the fee to which the Management Company is entitled out of the assets of the Company as described under Section 17.4 of the General Section;

Market Timing means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, *i.e.*, an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;

Maturity Date means the date indicated in the relevant Supplement on which the outstanding Shares will be redeemed, the Sub-fund being thereafter liquidated. Unless a Maturity Date is indicated in the relevant Supplement, Sub-funds will have no Maturity Date;

Mémorial means the Luxembourg *Mémorial C, Recueil des Sociétés et Associations*;

Minimum Net Asset Value means the minimum Net Asset Value for a Sub-fund to be operated in an economically efficient manner. Unless otherwise specified in respect of a Sub-fund in the relevant

Supplement, the Minimum Net Asset Value per Sub-fund will be EUR20 million (or the equivalent in the Reference Currency of the relevant Sub-fund);

Minimum Subscription Amount means the minimum number of Shares or amount which a Shareholder or subscriber must subscribe for in a particular Class in a particular Sub-fund in which the Shareholder or subscriber does not hold Share(s) prior to such subscription. Unless otherwise specified in respect of a specific Class in a Sub-fund in the relevant Supplement, the Minimum Subscription Amount is one Share;

Minimum Subsequent Subscription Amount means the minimum number of Shares or amount which a Shareholder must subscribe for in a particular Class in a particular Sub-fund when subscribing for additional Shares of the relevant Class. Unless otherwise specified in respect of a specific Class in a Sub-fund in the relevant Supplement, the Minimum Subsequent Subscription Amount is one Share;

Money Market Instruments means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;

NAV Calculation Day means the Luxembourg Banking Day on which the Net Asset Value is calculated in respect of a specific Transaction Day. Unless otherwise provided for in respect of a specific Sub-fund in the relevant Supplement and provided that the subscription, conversion or redemption request be received on the relevant Subscription or Redemption Cut-Off time, the NAV Calculation Day will be no later than the third Luxembourg Banking Day following the relevant Transaction Day;

Net Asset Value or **NAV** means the net asset value of the Company, each Sub-fund, each Class and each Share as determined in accordance with Section 13 of the General Section;

OECD means the Organisation for Economic Co-operation and Development;

OECD Member State means any of the member States of the OECD;

OTC means over-the-counter;

OTC Derivative means any financial derivative instrument dealt over-the-counter;

Prospectus means this prospectus, as amended or supplemented from time to time;

Redemption Fee means the fee that may be levied in case of redemption of Shares of any Class in any Sub-fund, details of which are set out in the relevant Supplement;

Redemption Cut-Off Time means the deadline for the submission of redemption requests as set out in Section 9.1 of the General Section, unless otherwise specified in respect of a specific Sub-fund in the relevant Supplement;

Reference Currency means, in relation to each Sub-fund and Class, the currency in which the Net Asset Value of such Sub-fund or Class is calculated, as stipulated in the relevant Supplement;

Regulated Market means a regulated market as defined in the Council Directive 2014/65/EU dated 15 May 2014 on markets in financial instruments or any other market established in the EEA which is regulated, operates regularly and is recognised and open to the public;

Restricted Person means any person, determined in the sole discretion of the Board as being not entitled to subscribe or hold Shares in the Company or any Sub-fund or Class if, in the opinion of the Board, (i) such person would not comply with the eligibility criteria of a given Class or Sub-fund, (ii) a holding by such person would cause or is likely to cause the Company some pecuniary, tax or regulatory disadvantage or (iii) a holding by such person would cause or is likely to cause the Company

to be in breach of the law or requirements of any country or governmental authority applicable to the Company;

Retail Investor means any investor not qualifying as an Institutional Investor;

Service Agreements means the Depositary Agreement, the Administration Agreement, the Management Company Agreement, the Investment Management Agreement and any other agreement between the Company on account of one or more Sub-fund(s) and any other Service Provider;

Service Providers means the Investment Manager, the Sub-Investment Manager(s), the Investment Adviser (if any), the Depositary and the Administrative Agent and any other person who provides services to the Company from time to time, but excluding the Management Company;

SFT means securities financing transactions;

SFTR means EU Regulation 2015/2365 on transparency of securities financing transactions and of reuse of 25 November 2015;

Shareholder means any registered holder of Shares;

Shares means all shares issued by the Company from time to time, representing the total outstanding shares;

Sub-fund means a separate portfolio of assets established for one or more Classes of the Company which is invested in accordance with a specific Investment Objective. The specifications of each Sub-fund will be described in the relevant Supplement;

Sub-Investment Manager means such person from time to time appointed by the Investment Manager, with the approval of the Management Company and the Company, as the sub-investment manager to a particular Sub-fund and disclosed (if and to the extent required) in the relevant Supplement;

Subscription Cut-Off Time means the deadline for the submission of subscription and/or conversion requests as set out in Section 1.1(a) of the General Section, unless otherwise specified in respect of a specific Sub-fund in the relevant Supplement;

Subscription Fee means the fee that may be levied in case of subscription of Shares of any Class in any Sub-fund, details of which are set out in the relevant Supplement;

Supplement means each and every supplement to this Prospectus describing the specific features of a Sub-fund. Each such supplement is to be regarded as an integral part of the Prospectus;

Transaction Day means (unless otherwise defined in respect of a specific Sub-fund in the relevant Supplement) a Business Day on which subscriptions for, conversions from and redemptions of Shares can be made in order to be dealt with by the Administrative Agent on the basis of the Net Asset Value or the Adjusted Price that will be calculated on the relevant NAV Calculation Day, based upon the price as of the relevant Transaction Day;

Transferable Securities means:

- (a) shares and other securities equivalent to shares;
- (b) bonds and other debt instruments;
- (c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments;

TRS means total return swap;

UCI means an undertaking for collective investment within the meaning of the first and second indent of Article 1(2) of the UCITS Directive, whether situated in an EU Member State or not, provided that:

- (a) such UCI is authorised under laws which provide that it is subject to supervision that is considered by the CSSF to be equivalent to that laid down in European Law, and that cooperation between authorities is sufficiently ensured;
- (b) the level of guaranteed protection for Shareholders in such UCI is equivalent to that provided for Shareholders 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; and
- (c) the business of such UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;

UCITS means an undertaking for collective investment in transferable securities under the UCITS Directive;

UCITS Directive means Directive 2009/65/EC of the European Parliament and of the 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;

US Investment Company Act means the US Investment Company Act of 1940, as amended;

US Person means as defined in Regulation S under the US Securities Act, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations; and

US Securities Act means the US Securities Act of 1933, as amended.

IN THIS PROSPECTUS ALL REFERENCES TO “US DOLLARS”, “USD” AND “US\$” ARE TO THE CURRENCY OF THE UNITED STATES, ALL REFERENCES TO “EURO” AND “€” ARE TO THE UNIT OF THE EUROPEAN SINGLE CURRENCY, ALL REFERENCES TO “STERLING” AND “£” ARE TO THE CURRENCY OF THE UNITED KINGDOM AND ALL REFERENCES TO “SWISS FRANC” AND “CHF” ARE TO THE CURRENCY OF SWITZERLAND.

GENERAL SECTION

The General Section applies to all Sub-funds of the Company. The specific features of each Sub-fund and Class are set forth in the Supplements.

1. THE COMPANY

Form - Legal regime

- 1.1 The Company is an open-ended investment company organised under the laws of Luxembourg as a *société d'investissement à capital variable (SICAV)*, incorporated under the form of a public limited liability company (*société anonyme*) on 21 December 2015 and authorised under Part I of the 2010 Act. The Company is registered with the Luxembourg trade and companies register under the number B203.325. Its original Articles have been published on 3 February 2016 in the Mémorial. The Company is subject to the provisions of the 2010 Act and of the 1915 Act insofar as the 2010 Act does not derogate therefrom. In particular, it is subject to the provisions of Part I of the 2010 Act, specific to UCITS as defined in Directive 2014/91/EU amending Directive 2009/65/EC for all matters relating to the depositary functions, remuneration policies and sanctions.
- 1.2 The Shares are not currently listed on the Luxembourg Stock Exchange but the Board may decide to quote one or more Classes of a Sub-fund on the Luxembourg or any other stock exchange, regulated or alternative market.
- 1.3 There is no limit to the number of Shares which may be issued. Shares will be issued to subscribers in registered form.
- 1.4 Shares shall have the same voting rights and shall have no pre-emptive subscription rights. In the event of the liquidation of the Company, each Share is entitled to its proportionate share of the Company's assets after payment of the Company's debts and expenses, taking into account the Company's rules for the allocation of assets and liabilities.
- 1.5 The initial subscribed capital of the Company was of EUR 31,000. The minimum share capital of the Company must at all times be at least of EUR 1,250,000 which amount has to be attained within six (6) months of the Company's authorisation to operate as a UCI. The Company's share capital is at all times equal to its Net Asset Value. The Company's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.

Umbrella structure - Sub-funds and Classes

- 1.6 The Company has an umbrella structure consisting of one or several Sub-funds. A separate portfolio of assets is maintained for each Sub-fund and is invested in accordance with the Investment Objective and Investment Policy applicable to that Sub-fund. The Investment Objective, Investment Policy, as well as the other specific features of each Sub-fund (such as risk profile and duration (including limited duration)) are set forth in the relevant Supplement.
- 1.7 The rights of the Shareholders and creditors relating to a Sub-fund or arising from the setting-up, operation and liquidation of a Sub-fund are limited to the assets of that Sub-fund. The assets of a Sub-fund are exclusively dedicated to the satisfaction of the rights of the Shareholders

relating to that Sub-fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-fund.

- 1.8 Each Sub-fund is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of this Sub-fund. A purchase of Shares relating to one particular Sub-fund does not give the holder of such Shares any rights with respect to any other Sub-fund.
- 1.9 Within a Sub-fund, the Board may decide to issue one or more Classes the assets of which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency or other specific features. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.
- 1.10 The Board may, at any time, create additional Classes whose features may differ from the existing Classes and additional Sub-funds whose Investment Objectives may differ from those of the Sub-funds then existing. Upon creation of new Sub-funds or Classes, the Prospectus will be updated, if necessary, or supplemented by a new Supplement.
- 1.11 Investors should note however that some Sub-funds or Classes may not be available to all investors. The Company reserves the right to offer only one or more Classes for purchase by investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason. The Company may further reserve the right to adopt standards applicable to certain classes of investors or transactions in respect of the purchase of a particular Class of Shares or Sub-funds.

Term of the Company - Term of the Sub-funds

- 1.12 The Company will exist for an indefinite period. However, the Company will be automatically put into liquidation upon the termination of a Sub-fund if no further Sub-fund is active at that time.
- 1.13 The Sub-funds may be created with a limited duration in which case Shares for which no redemption request has been submitted in respect of the Maturity Date as set out in the relevant Supplement, will be compulsorily redeemed at the Net Asset Value per Share calculated as at such Maturity Date. The Sub-fund will be liquidated on or around the Maturity Date.

2. MANAGEMENT, ADMINISTRATION AND DISTRIBUTION

2.1 The Board

The Company shall be managed by the Board. The Board is vested with the broadest powers to perform all acts of management, administration and disposition of the Company's assets. All powers not expressly reserved by law to the general meeting of Shareholders fall within the competence of the Board.

The Board must be composed at all times of at least three Directors (including the chairman of the Board).

Any Director may be removed with or without cause or be replaced at any time by resolution adopted by the general meeting of Shareholders.

The Company may indemnify any Director or officer, and his heirs, executors and administrators against expenses reasonably incurred by him or her in connection with any action, suit proceeding to which he or she may be made a party by reason of his or her being or having been a director or officer of the Company or, at its request, of any other company of which the Company is a shareholder or creditor and from which he or she is not entitled to be indemnified, except in relation to matters as which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he or she may be entitled.

Composition of the Board

The Board is currently composed as follows:

- Saul Benjamin
- Bertrand Gibeau
- Paul de Quant

The chairman will be appointed by the Board. The chairman will not have a casting vote in case of a tied vote.

2.2 Management Company

(a) Corporate information

The Board has appointed Montlake Management Limited (the “**Management Company**”) as the management company of the Company to serve as its designated management company within the meaning of the 2010 Act pursuant to the Management Company Agreement.

The Management Company, Montlake Management Limited, is a private limited company established in Ireland on 6 February 2015 under the Irish Companies Act 2014. The Management Company is a member of the ML group of companies and is engaged in the business of providing management and administrative services to collective investment schemes.

The registered office is at 23 St. Stephen’s Green, Dublin 2, Ireland. The Management Company is approved as a UCITS management company by the Central Bank of Ireland under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011.

The Management Company has in place a remuneration policy in line with Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

The remuneration policy sets out principles applicable to the remuneration of senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions.

In particular, the remuneration policy complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

- (i) it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or Articles of Incorporation of the Company;
- (ii) if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- (iii) it is in line with the business strategy, objectives, values and interests of the Management Company and the Company and of the Shareholders, and includes measures to avoid conflicts of interest;
- (iv) fixed and variable components of total remuneration are appropriately balanced, and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The remuneration policy is determined and reviewed at least on an annual basis by the board of directors of the Management Company.

The details of the up-to-date remuneration policy of the Management Company, are available on www.mlcapi.com/mlc/remuneration-policy, and a paper copy will be made available free of charge upon request.

(b) Duties

The Management Company will provide, subject to the overall control of the Board and without limitation, (i) investment management services, (ii) administrative services and (iii) marketing, distribution and sales services to the Company. The rights and duties of the Management Company are further laid down in articles 101 et seq. of the 2010 Act. The Management Company must at all times act honestly and fairly in conducting its activities in the best interest of the Shareholders and in conformity with the 2010 Act, the Prospectus and the Articles.

In accordance with Article 122 (1) of the 2010 Act, a management company which pursues the activity of collective portfolio management in Luxembourg on a cross border basis shall comply with the rules of the Management Company's home member state, more particularly the Central Bank of Ireland in relation to delegation, risk management procedures, prudential rules, supervision and reporting.

The Management Company is vested with the day-to-day administration of the Company. In fulfilling its duties as set forth by the 2010 Act and related provisions and the Management Company Agreement, the Management Company is authorised, for the purpose of more efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Company and subject to the rules laid down for UCITS management companies by the Central Bank of Ireland, part or all of its

functions and duties to any third party, which, having regard to the nature of the functions and duties to be delegated, must be qualified and capable of undertaking the duties in question. The Management Company shall remain liable to the Company in respect of all matters so delegated.

The Management Company will require any such agent to which it intends to delegate its duties to comply with the provisions of the Prospectus, the Articles and the relevant provisions of the Management Company Agreement.

In relation to any delegated duty, the Management Company shall implement appropriate control mechanisms and procedures, including risk management controls, and regular reporting processes in order to ensure an effective supervision of the third parties to whom functions and duties have been delegated and that the services provided by such third party service providers are in compliance with the Articles, the Prospectus and the agreement entered into with the relevant third party service provider.

The Management Company shall be careful and diligent in the selection and monitoring of the third parties to whom functions and duties may be delegated and ensure that the relevant third parties have sufficient experience and knowledge as well as the necessary authorisations required to carry out the functions delegated to them.

The following functions have been delegated by the Management Company to third parties: investment management of certain Sub-funds, administration, marketing and distribution, as further set forth in this Prospectus and in the Supplements.

The Management Company Agreement has been entered into for an undetermined period of time and may be terminated by either party upon serving to the other a ninety (90) days' prior written notice.

2.3 Investment Manager

- (a) The Management Company, with the approval of the Company, appointed Tages Capital LLP to act as investment manager of the Company pursuant to an investment management agreement dated 23 November 2017. Tages Capital LLP was incorporated in England and Wales as a limited liability partnership on 23 May 2011 and was authorised by the Financial Services Authority (now Financial Conduct Authority) as an investment management firm on 16 January 2012 with Firm Reference Number 563369. Tages Capital LLP is controlled by Investcorp-Tages Limited. Tages Capital LLP has been incorporated for an undetermined period of time. Its financial year ends on 31 December, each year.
- (b) The Investment Manager will provide or procure each Sub-fund investment management and advisory services, pursuant to the provisions of the Investment Management Agreement and in accordance with the investment policy, objective and restrictions of the relevant Sub-fund as set out in the relevant Supplement and with the aim to achieve the Sub-fund's investment objective.
- (c) The Investment Manager may delegate some of all of its investment management duties to a Sub-Investment Manager in relation to one or more Sub-funds. Such delegation is subject to the approval of the CSSF, the Management Company and the Board.

- (d) Unless otherwise stated in the relevant Supplement, the Investment Manager is responsible for, among other matters, identifying and acquiring the investments of the relevant Sub-fund. The Investment Manager is granted full power and authority and all rights necessary to enable it to manage the investments of the relevant Sub-funds and provide other investment management services to assist the relevant Sub-fund to achieve the investment objectives and policy set out in this Prospectus and the relevant Supplement. Consequently, the responsibility for making decisions to buy, sell or hold a particular security or asset rests with the Management Company, the Investment Manager and, as the case may be, the relevant Sub-Investment Manager(s) appointed by them, subject always to the overall policies, direction, control and responsibility of the Board and the Management Company.
- (e) The Investment Manager's remuneration received in relation to each Sub-fund will be disclosed in the relevant Supplement.

2.4 Sub-Investment Manager(s)

- (a) The Investment Manager may, with the consent of the Management Company and subject to compliance with the Prospectus, appoint a Sub-Investment Manager to carry out investment management services and to be responsible for the relevant Sub-fund's investment activities within the parameters and restrictions set out in this Prospectus and the relevant Supplement.
- (b) Each Sub-Investment Manager will provide or procure to provide the relevant Sub-fund with investment advisory and investment management services, pursuant to the provisions of a sub-investment management agreement and in accordance with the investment policy, objective and restrictions of the relevant Sub-fund as set out in the relevant Supplement.
- (c) Unless otherwise specified in the relevant Supplement, the Investment Manager shall pay to the Sub-Investment Manager by way of remuneration for its services under the relevant sub-investment management agreement, a portion of its fees, as agreed between the Investment Manager and the Sub-Investment Manager.

2.5 Investment Adviser(s)

- (a) The Management Company or an Investment Manager may appoint one or more Investment Advisers to provide advisory services in respect of a Sub-fund as stipulated in the relevant Supplement.
- (b) If an Investment Adviser is entitled to receive a remuneration directly out of the assets of the relevant Sub-fund, then such remuneration will be disclosed in the relevant Supplement.

2.6 Depositary

- (a) BNP Paribas Securities Services, Luxembourg Branch has been appointed as Depositary of the Company under the terms of a written agreement dated 23 November

2017 between BNP Paribas Securities Services, Luxembourg Branch (the “**Depository**”), the Management Company and the Company.

- (b) 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 address at 3 rue d’Antin, 75002 Paris, 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.
- (c) The Depository performs three types of functions, namely (i) the oversight duties (as defined in Art 34(1) of the 2010 Act), (ii) the monitoring of the cash flows of the Company (as set out in Art 34(2) of the 2010 Act) and (iii) the safekeeping of the Company’s assets (as set out in Art 34(3) of the 2010 Act).
- (d) Under its oversight duties, the Depository is required to:
 - (i) ensure that the sale, issue, repurchase, redemption and cancellation of Shares issued on behalf of the Company are carried out in accordance with the 2010 Act or with the Company’s Articles,
 - (ii) ensure that the value of Shares is calculated in accordance with the 2010 Act and the Company’s Articles,
 - (iii) carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the 2010 Act or the Company’s Articles,
 - (iv) ensure that in transactions involving the Company’s assets, the consideration is remitted to the Company within the usual time limits,
 - (v) ensure that the Company’s revenues are allocated in accordance with the 2010 Act and its Articles.
- (e) The overriding objective of the Depository is to protect the interests of the Shareholders of the Company, which always prevail over any commercial interests.
- (f) Conflicts of interest may arise if and when the Management Company or the 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 Depository.
- (g) 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 Company or the 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.
- (h) 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 the Shareholders.
- (i) 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 Shareholders of the Company, 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 Company's 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.
- (j) 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 Company and the Shareholders are fairly treated.
- (k) The Depositary may delegate to third parties the safe-keeping of the Company's assets subject to the conditions laid down in the applicable laws and regulations and the

provisions of the Depositary 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.

- (l) A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have separate commercial and/or business relationships with the Depositary in parallel to the custody delegation relationship.
- (m) In order to prevent such potential conflicts of interest from crystallizing, 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.
- (n) A list of these delegates and sub-delegates for its safekeeping duties is available on the website:
http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/regulatory/ucits_delegates_en.pdf
- (o) 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.
- (p) Updated information on the Depositary's duties and the conflict of interests that may arise are available to investors upon request.
- (q) The Company or the Management Company acting on behalf of the Company may release the Depositary from its duties with ninety (90) days' written notice to the Depositary. Likewise, the Depositary may resign from its duties with ninety (90) days' written notice to the Company. In that case, a new depositary must be designated to carry out the duties and assume the responsibilities of the Depositary, as defined in the agreement signed to this effect. The replacement of the Depositary shall happen within two (2) months.

2.7 **Administrative Agent**

- (a) BNP Paribas Securities Services, Luxembourg Branch has also been appointed by the Management Company, with the approval of the Company, as the central administration, registrar and transfer agent, domiciliary agent of the Company (the "**Administrative Agent**"). As such, BNP Paribas Securities Services, Luxembourg Branch will be responsible, without limitation for the performance of the central administrative and registrar and transfer agent functions required by Luxembourg Law, and, inter alia and without limitation, for the calculation of the Net Asset Value of the Shares, the safe keeping of the register of Shareholders, the processing of subscription,

conversion and redemption orders in respect of Shares and the maintenance of the Company's accounting records.

- (b) The rights and obligations of the Administrative Agent are governed by an administration, registrar and transfer agency, domiciliary agreement dated 23 November 2017 entered into between the Administrative Agent, the Management Company and the Company for an unlimited period of time (the “**Administration Agreement**”). Each of the parties may terminate this agreement by giving the others not less than ninety (90) days prior written notice.

2.8 **Distributors and nominees**

- (a) The Company and the Management Company may enter into distribution agreement(s) to appoint Distributor(s) to distribute Shares of different Sub-funds from time to time. The Distributor(s) may appoint one or more sub-distributors with the consent of the Management Company and the Company.
- (b) The Company and the Management Company expect that in relation to Shares to be offered to investors the relevant Distributor(s) will offer to enter into arrangements with the relevant investors to provide nominee services to those investors in relation to the Shares or arrange for third party nominee service providers to provide such nominee services to the underlying investors.
- (c) All Distributors and nominee service providers must be professionals of the financial sector of a FATF member country which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg law. Whilst and to the extent that such arrangements subsist, such underlying investors will not appear in the Register of the Company and will have no direct right of recourse against the Company.
- (d) Any Distributor or nominee service providers holding their Shares through Euroclear or Clearstream or any other relevant clearing system as an accountholder also will not be recognised as the registered Shareholder in the Register. The relevant nominee of Euroclear or Clearstream or the other relevant clearing system will be recognised as the registered Shareholder in the Register in such event, and in turn would hold the Shares for the benefit of the relevant accountholders in accordance with the relevant arrangements.
- (e) The terms and conditions of the distribution agreement(s) with arrangements to provide nominee services will have to allow that an underlying investor who (i) has invested in the Company through a nominee and (ii) is not a Restricted Person, may at any time, require the transfer into his name of the Shares subscribed through the nominee. After this transfer, the investor will receive evidence of his shareholding at the confirmation of the transfer from the nominee.
- (f) Investors may subscribe directly to the Company without having to go through Distributor(s) or a nominee.

- (g) A copy of the various agreements between the Company, the Management Company and the Distributor(s) or nominee(s) are available at the registered office of the Company as well as at the registered office of the Administrative Agent or of the Distributor(s)/nominee(s) during the normal business hours on any Business Day.
- (h) The Management Company and any Investment Manager or Investment Adviser may enter into retrocession fee arrangements with any Distributor or sub-distributor in relation to their distribution services, provided that any such arrangement will be designed to enhance the quality of the service to the investors. Any such retrocession fee will be paid by the Management Company, Investment Manager or Investment Adviser out of its own remuneration.
- (i) Distributors, with regard to the distribution of certain Classes' are entitled to a distribution fee payable by the Company and/or the Investment Manager, as specified in the relevant Supplement. This fee is accrued daily and paid periodically in arrears. Distributors have the right, at their discretion to reallocate such fee, in whole or in part, to sub-distributors.

2.9 Auditor

KPMG Luxembourg, *Société coopérative* has been appointed as the Company's auditor and will fulfil all duties prescribed by the 2010 Act.

3. INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

3.1 Investment Objective

The Investment Objective of each Sub-fund is as set out in respect of that Sub-fund in the relevant Supplement.

There can be no guarantee that the Investment Objective of any Sub-fund will be met.

3.2 Investment Policy

The Investment Policy of each Sub-fund is as set out in respect of that Sub-fund in the relevant Supplement.

3.3 Investment Restrictions

The Company and the Sub-funds are subject to the Investment Restrictions set forth below.

The management of the assets of the Sub-funds will be undertaken within the following Investment Restrictions.

A Sub-fund may be subject to additional Investment Restrictions set out in the relevant Supplement. In the case of any conflict, the provisions of the relevant Supplement will prevail.

Investment instruments

3.4 The Company shall invest the assets of each Sub-fund in:

- (a) Transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;
- (b) Transferable securities and money market instruments which are dealt in on another market of an EU Member State and that is regulated, operating regularly, recognised and open to the public;
- (c) Transferable securities and money market instruments admitted to official listing on a stock exchange in a non-EU Member State or dealt in on another market of a non-EU Member State and that is regulated, operating regularly, recognised and open to the public, being specified that the eligible stock exchange and markets shall be situated in an OECD Member States or in all other countries of Europe, North America, South America, Africa, Asia and Oceania;
- (d) Newly issued transferable securities and money market instruments, provided that:
 - (i) the issue conditions include an undertaking that an application will be made for official listing on a stock exchange or other regulated market that is recognised, is operating regularly and is open to the public and situated in an OECD Member States or in all other countries of Europe, North America, South America, Africa, Asia and Oceania; and
 - (ii) such admission is achieved at the latest within a year of issue;
- (e) Units of UCITS authorised according to Directive 2009/65/CE and/or other collective investment undertakings within the meaning of article 1, paragraph 2, points a) and b) of Directive 2009/65/CE should they be situated in an EU Member State or not, provided that:
 - (i) such other collective investment undertakings are authorised under laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority as equivalent to that laid down in European Law, and that cooperation between authorities is sufficiently ensured;
 - (ii) the level of protection for unit-holders in the other collective investment undertakings is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and short sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/CE;
 - (iii) the business of the other collective investment undertakings is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;

- (iv) no more than 10% of the UCITS' or the other collective investment undertakings' assets, whose acquisition is contemplated, can, according to their fund rules or instruments of incorporation, be invested in aggregate in units of other UCITS or other collective investment undertakings;
- (f) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in European Law;
- (g) Financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in paragraphs (a), (b), and (c) above and/or OTC Derivatives, provided that:
 - (i) the underlying consists of instruments covered by indent a), of financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives;
 - (ii) the counterparties to OTC Derivative transactions are First Class Institutions specialised in these types of transactions provided that they are also subject to prudential supervision and belonging to the categories approved by the Luxembourg supervisory authority;
 - (iii) the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- (h) Money market instruments other than those dealt in on a regulated market, which are liquid, and have a value which can be accurately determined at any time, provided that the issue or issuer of such instruments are regulated for the purpose of protecting investors and savings, and provided that they are:
 - (i) issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a non-EU 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 EU Member States belong; or
 - (ii) issued by an undertaking any securities of which are dealt in on regulated markets referred to in paragraphs (a), (b), and (c) above; or
 - (iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by European Law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by European Law; or

- (iv) issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Fourth Council Directive 78/660/EEC of 25 July 1978 as amended, or is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

3.5 In addition, the Company:

- (a) shall be entitled to invest up to 10% of the net assets of each Sub-fund in transferable securities and money market instruments other than those referred to under item a) above;
- (b) may acquire movable and immovable property which is essential for the direct pursuit of its business;
- (c) may not acquire precious metals or certificates representing precious metals.

3.6 The Company may hold ancillary liquid assets for each Sub-fund. In addition, the Company may on an exceptional and temporary basis hold up to 100% of its net assets in cash and cash equivalents for each Sub-fund.

Risk diversification

3.7 In accordance with the principle of risk diversification, the Company is not permitted to invest more than 10% of the net assets of a Sub-fund in Transferable Securities or Money Market Instruments of one and the same issuer. The total value of the Transferable Securities and Money Market Instruments in each issuer in which more than 5% of the net assets are invested, must not exceed 40% of the value of the net assets of the respective Sub-fund. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.

3.8 The Company is not permitted to invest more than 20% of the net assets of a Sub-fund in deposits made with the same body.

3.9 The risk exposure to a counterparty of a Sub-fund in an OTC Derivative transaction may not exceed:

- (a) 10% of its net assets when the counterparty is a credit institution referred to in Section 3.4 (f). of the General Section; or
- (b) 5% of its net assets, in other cases.

- 3.10 Notwithstanding the individual limits laid down in Sections 3.7, 3.8 and 3.9 of the General Section, a Sub-fund may not combine:
- (a) investments in Transferable Securities or Money Market Instruments issued by,
 - (b) deposits made with, and/or
 - (c) exposures arising from OTC Derivative transactions undertaken with,
 - (d) a single body in excess of 20% of its net assets.
- 3.11 The 10% limit set forth in Section 3.7 of the General Section can be raised to a maximum of 25% in case of certain bonds issued by credit institutions which have their registered office in an EU Member State and are subject by law, in that particular country, to specific public supervision designed to ensure the protection of bondholders. In particular the funds which originate from the issue of these bonds are to be invested, in accordance with the 2010 Act, in assets which sufficiently cover the financial obligations resulting from the issue throughout the entire life of the bonds and which are allocated preferentially to the payment of principal and interest in the event of the issuer's failure. Furthermore, if investments by a Sub-fund in such bonds with one and the same issuer represent more than 5% of the net assets, the total value of these investments may not exceed 80% of the net assets of the corresponding Sub-fund.
- 3.12 The 10% limit set forth in Section 3.7 of the General Section can be raised to a maximum of 35% for Transferable Securities and Money Market Instruments that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations of which one or more EU Member States are members.
- 3.13 Transferable Securities and Money Market Instruments which fall under the special ruling given in Sections 3.11 and 3.12 of the General Section are not counted when calculating the 40% risk diversification ceiling mentioned in Section 3.7 of the General Section.
- 3.14 The limits provided for in Sections 3.7 to 3.12 of the General Section may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments with this body will under no circumstances exceed in total 35% of the net assets of a Sub-fund.
- 3.15 Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in Sections 3.7 to 3.16 of the General Section.
- 3.16 A Sub-fund may invest, on a cumulative basis, up to 20% of its net assets in Transferable Securities and Money Market Instruments of the same group.

Exceptions which can be made

- 3.17 Without prejudice to the limits laid down in Section 3.28 of the General Section, the limits laid down in Sections 3.7 to 3.16 of the General Section are raised to a maximum of 20% for investment in shares and/or bonds issued by the same body if the Investment Objective and Investment Policy of that Sub-fund, as specified in the relevant Supplement, is to replicate the

composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

- (a) its composition is sufficiently diversified;
- (b) the index represents an adequate benchmark for the market to which it refers;
- (c) it is published in an appropriate manner;

The above 20% limit may be raised to a maximum of 35%, but only in respect of a single body, where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant.

- 3.18 The Company is authorised, in accordance with the principle of risk diversification, to invest up to 100% of the net assets of a Sub-fund in Transferable Securities and Money Market Instruments from various offerings that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations in which one or more EU Member States are members. These securities must be divided into at least six different issues, with securities from one and the same issue not exceeding 30% of the total net assets of a Sub-fund.

Investment in UCITS and/or other UCIs

- 3.19 A Sub-fund may acquire the units of UCITS and/or other UCIs referred to in Section 3.4 (e). of the General Section, provided that no more than 20% of its net assets are invested in units of a single UCITS or other UCI. If a UCITS or other UCI has multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the above limit.
- 3.20 Investments made in units of ucis other than UCITS may not exceed, in aggregate, 30% of the net assets of the sub-fund.
- 3.21 When a Sub-fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in Sections 3.7 to 3.16 of the General Section.
- 3.22 When a Sub-fund invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, (regarded as more than 10% of the voting rights or share capital), that management company or other company may not charge subscription, conversion or redemption fees on account of the Sub-fund's investment in the units of such UCITS and/or other UCIs.
- 3.23 If a Sub-fund invests a substantial proportion of its assets in other UCITS and/or other UCIs that are not managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or

control, or by a substantial direct or indirect holding (regarded as more than 10% of the voting rights or share capital), the maximum level of the management fees that may be charged both to the sub-fund itself and to the other ucits and/or other ucis in which it intends to invest, will be disclosed in the relevant supplement.

- 3.24 In the annual report of the Company it will be indicated for each Sub-fund the maximum proportion of management fees charged both to the Sub-fund and to the UCITS and/or other UCIs in which the Sub-fund invests.

Tolerances and multiple compartment issuers

- 3.25 If, because of reasons beyond the control of the Company or the exercising of subscription rights, the limits mentioned in this Section 3 of the General Section are exceeded, the Company must have as a priority objective in its sale transactions to reduce these positions within the prescribed limits, taking into account the best interests of the Shareholders.
- 3.26 Provided that they continue to observe the principles of risk diversification, newly established Sub-funds may deviate from the limits mentioned under Sections 3.7 to 3.22 of the General Section for a period of six (6) months following the date of their initial launch.
- 3.27 If an issuer of Eligible Investment is a legal entity with multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the limits set forth under Sections 3.7 to 3.16, 3.17, 3.18 and 3.19 to 3.24 of the General Section.

Investment prohibitions

- 3.28 The Company is prohibited from:
- (a) acquiring equities with voting rights that would enable the Company to exert a significant influence on the management of the issuer in question;
 - (b) acquiring more than:
 - (i) 10% of the non-voting shares of the same issuer;
 - (ii) 10% of the debt securities of the same issuer;
 - (iii) 25% of the units of the same UCITS and/or other UCI;
 - (iv) 10% of the money market instruments of any single issuer.
 - (c) The limits laid down under points (b) (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the money market instruments or the net amount of the instruments in issue cannot be calculated.
- 3.29 Exempted from the limits set out under Section (b) are transferable securities and money market instruments which, in accordance with article 48, paragraph 3 of the 2010 Act are issued or

guaranteed by an EU Member State or its local authorities, by another Member State of the OECD or which are issued by public international organisations of which one or more EU Member States are members.

3.30 With respect to derivative transactions, the Company shall also comply with the limits and restrictions set forth in Section 4 below.

3.31 A Sub-fund of the Company may subscribe, acquire and/or hold securities to be issued or issued by one or more other Sub-funds of the Company without the Company being subject to the requirements as of the law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the conditions that:

- (a) the target Sub-fund does not, in turn, invest in the Sub-fund invested in this target Sub-fund; and
- (b) no more than 10% of the assets that the target Sub-funds whose acquisition is contemplated may be invested pursuant to the articles of incorporation in units of other UCIs; and
- (c) voting rights attached to the relevant securities are suspended for as long as they are held by the Sub-fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- (d) in any event, for as long as these securities are held by the Sub-fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Act; and
- (e) there is no duplication of management/subscription or repurchase fees between those at the level of the Sub-fund of the Company having invested in the target Sub-fund, and this target Sub-fund.

3.32 In addition, the Company is not authorised to:

- (a) acquire precious metals or related certificates;
- (b) invest in real estate and purchasing or selling commodities or commodities contracts;
- (c) borrow on behalf of a particular Sub-fund, unless:
 - (i) the borrowing is in the form of a back-to-back loan for the purchase of foreign currency;
 - (ii) the loan is only temporary and does not exceed 10% of the net assets of the Sub-fund in question;
- (d) grant credits or acting as guarantor for third parties. This limitation does not refer to the purchase of transferable securities, money market instruments or other financial

instruments referred to in Article 41(1)(e), (g) and (h) of the 2010 Act which are not fully paid;

- (e) carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in Article 41(1)(e), (g) and (h) of the 2010 Act.

4. TECHNIQUES AND INSTRUMENTS

4.1 *General provisions*

For the purpose of efficient portfolio management and/or for the purpose of the protection of the assets and liabilities of each Sub-fund, the Company may, in each Sub-fund, under the conditions and within the meaning and the limits laid down by law, regulation, circulars issued by the CSSF from time to time and administrative practice and as described under the relevant Sub-funds description, use techniques and instruments (including, for the avoidance of doubt, SFTs and TRSs, as these terms are further defined below) relating to transferable securities and money market instruments.

Under no circumstances shall these operations cause the Company to diverge from its investment objectives as laid down in the Company constitutional documents or Prospectus or add substantial supplementary risks in comparison to the stated risk profile of any Sub-fund.

The Company shall ensure that the global exposure of each Sub-fund relating to derivative instruments does not exceed the total net assets of that Sub-fund.

In case these techniques or instruments use derivative instruments, within the meaning of Section 3.4. (g) of the General Section, the Company must respect the following conditions and limits:

- (a) for each Sub-fund, the Company may only invest in derivative instruments to the extent that the exposure to the underlying assets does not exceed in aggregate the investment limits set out in Section 3 of the General Section; when the Company invests in index based financial derivative instruments, these investments do not necessarily have to be combined with these limits;
- (b) the counterparty risk in a transaction encompassing (i) derivative instruments and (ii) techniques and instruments used for the purposes of efficient portfolio management may not exceed 10% of the net assets of the Sub-fund involved in case the counterparty is a credit institution referred to in Section 3.4. (f), or 5% of the net assets in other cases;
- (c) the Company shall ensure that the global risk exposure of each Sub-fund relating to derivative instruments does not exceed the total net value of the portfolio of the relevant Sub-fund;
- (d) when a transferable security or a money market instrument includes a derivative, the latter must be taken into account when complying with the requirements relating to derivatives.

The risk exposure referred to above shall be 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.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC Derivatives must be combined when calculating counterparty risk limits referred to in Section 3 of the General Section.

All revenues arising from efficient portfolio management techniques, (including, for the avoidance of doubt, SFTs and TRSs, as these terms are further defined below), net of direct and indirect operational costs and fees, will be returned to the Company. In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees will be calculated as a percentage of gross revenues earned by the Company through the use of such techniques. Such agents and intermediaries are not related parties to the Sub-Investment Manager, the Investment Manager or the Management Company.

Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary or Investment Manager – will be available in the annual report of the Company.

The use of transactions with respect to derivative instruments or other techniques and financial instruments may under no circumstances cause the Company to deviate from the investment policy and investment limits determined for each Sub-fund.

4.2 *General provisions related to SFTs and TRS*

To the extent permitted by, and within the limits of, the investment policy of the relevant Sub-fund, the 2010 Act and any related Luxembourg law or any other regulation in force, circulars and positions of the CSSF and, in particular, the provisions of (i) Article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the amended Law of 20 December 2002 relating to undertakings for collective investment (ii) Circular 08/356. Circular 14/592 and the SFTR, each Sub-fund can, in order to generate capital or additional income or to reduce costs or risk (A) enter into repurchase transactions, either as a buyer or a seller, and (B) engage in securities lending transactions.

The Company may, provided this is mentioned in the Supplement of the relevant Sub-fund, make use of TRS and of the following SFTs:

- securities or commodities lending and securities or commodities borrowing;
- repurchase transactions;
- buy-sell back transaction or sell-buy back transaction;
- margin lending transaction.

When the use of these techniques and instruments is permitted in relation to a specific Sub-fund, the investment policy of such Sub-fund shall describe the type of collateral to be received and the collateral policy and shall contain the information requested by the Circular 14/592 and by the SFTR.

"Securities lending" or "securities borrowing" means a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred.

"Repurchase transaction" means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one (1) counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them.

The Company and any Sub-funds may further enter into swap contracts relating to any financial instruments or indices, including TRSs. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets.

The Company or any of its delegates will report the details of any SFT and TRS concluded to a trade repository or ESMA, as the case may be in accordance with the SFTR. SFTs and TRSs may be used in respect of any instrument that is eligible under article 50 of the UCITS Directive.

The assets that may be subject to SFTs and TRS are limited to:

- 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;
- 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;
- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- bonds issued by non-governmental issuers offering an adequate liquidity;

- shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The maximum proportion and the expected proportion of assets under management of the Company that can be subject to SFTs and TRS are described in the relevant Sub-fund schedule.

The counterparties to the SFTs and TRS will be selected on the basis of very specific criteria taking into account notably their legal status, country of origin, and provided that they have a minimum credit rating of investment grade at the time of the transaction. The Company will therefore only enter into SFTs and TRSs with such counterparties that are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the board of directors of the Management Company, and who are based on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD.

The Company will collateralize its SFTs and TRS pursuant to the provisions set forth hereunder in section “Use of collateral - Management of collateral and collateral policy”.

The risks linked to the use of SFTs and TRS as well as risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its reuse are further described in section “Risk Factors” of the Prospectus.

Assets subject to SFTs and TRS will be safe-kept by the Depositary.

4.3 ***Security lending and borrowing transactions***

The Company may only lend or borrow securities through a standardised system organised by a recognised clearing institution or through a First Class Institution specialised in this type of transactions. In all cases, the counterparty to the securities lending agreement (i.e. the borrower) must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Law.

As part of lending transactions, the Company must in principle receive a guarantee, the value of which during the lifetime of the contract must be at least equal to 90 % of the global valuation (interests, dividends and other eventual rights included) of the securities lent.

The Company 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 jeopardise the management of the Company's assets in accordance with its investment policy.

The Company must also ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

The Company may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period when the securities have been sent out for re-registration; (b) when the securities have been lent and not returned in time; (c) to avoid a failed settlement when the depositary fails to make delivery and (d) in order to comply with an obligation to deliver the securities that are the object of repurchase agreements when the

counterparty exercises his right to redeem the securities, to the extent that these securities have previously been redeemed by the Company.

4.4 *Repurchase agreement transactions*

The Company may enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the purchaser the securities sold at a price and term specified by the two parties in a contractual arrangement.

The Company can act either as purchaser or seller in repurchase agreement transactions in order to achieve a positive return in absolute terms. Its involvement in such transactions is, however, subject to the rules set forth in Circular 08/356 and Circular 14/592.

The Company may not buy or sell securities using a repurchase agreement transaction unless the counterparty in such transactions is a First Class Institution specialised in this type of transaction.

For the duration of the repurchase agreement contract, the Company cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired.

Where the Company is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.

The Company may regularly enter into repurchase agreement transactions. The Company involvement in such transactions is, however, subject to the additional following rules:

- (a) the counterparty to these transactions must be subject to prudential supervision rules considered by the regulatory authority as equivalent to those prescribed by European Law;
- (b) the Company may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations.

However, fixed-term transactions that do not exceed seven (7) days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

4.5 *Use of collateral – Management of collateral and collateral policy*

In order to reduce the Company's counterparty risk, a system of guarantee ("collateral") can be put in place with the counterparty in accordance with the provisions of section II of Circular 08/356 and Circular 14/592.

This section sets out the collateral policy applied by the Company in such case. All assets received by the Company in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements and OTC) shall be considered

as collateral for the purposes of this section.

Collateral received by the Company may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the regulatory authority from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (a) any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) it should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place; daily mark-to-market and daily variation margins will be used;
- (c) it should 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;
- (d) it should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Sub-fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received;
- (e) it should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty;
- (f) the maturity of the non-cash collateral shall be a maximum of five (5) years.

Subject to the abovementioned conditions, collateral received by the Company may consist of:

- (a) cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) bonds issued or guaranteed by an OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- (c) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (d) shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;
- (e) bonds issued or guaranteed by first class issuers offering adequate liquidity;
- (f) shares admitted to or dealt in on a regulated market of an EU Member State or on a stock exchange of an OECD Member State, on the condition that these shares are included in a main index.

When the Company will make use of OTC Derivatives transactions and efficient portfolio management techniques it will determine the required level of collateral for OTC Derivatives

transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions and it will indicate the level of the collateral accepted in the present Prospectus.

Collateral received by the Company 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 Company receives from a counterparty of efficient portfolio management and OTC Derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Net Asset Value of the Company. When the Company 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 paragraph 5 above, the Company may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong. In such case, the Company should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Net Asset Value of the Company.

In the context of OTC financial Derivative transactions and efficient portfolio management techniques, the annual report of the Company shall disclose the following:

- (a) where collateral received from an issuer has exceeded 20% of the Net Asset Value of the Company, the identity of that issuer; and
- (b) whether the Company has been fully collateralised in securities issued or guaranteed by an EU Member State.

4.6 ***Reinvestment of collateral***

Non-cash collateral received by the Company may not be sold, re-invested or pledged.

Cash collateral received by the Company can only be:

- (a) placed on deposit with credit institutions which have their registered office in a Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in European Law;
- (b) invested in high-quality government bonds;
- (c) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; and/or
- (d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds issued by ESMA.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

The Sub-funds may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-funds to the counterparty at the conclusion of the transaction. The Sub-funds 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-funds.

4.7 Disclosure to Investors

In connection with the use of SFTs and TRSs the Company will, in its financial reports, disclose the following information:

- the exposure obtained through efficient portfolio management techniques;
- the identity of the counterparty(ies) to these efficient portfolio management techniques;
- the type and amount of collateral received by the Company to reduce counterparty exposure;
- the use of TRS and SFTs pursuant to the SFTR;
- the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred;
- the assets into which the cash collateral is re-invested.

5. CO-MANAGEMENT

- 5.1 Subject to the general provisions of the Articles, the Board and the Management Company may choose to co-manage the assets of certain Sub-funds on a pooled basis for the purposes of efficient portfolio management. In these cases, assets of the Sub-funds participating in the co-management process will be managed according to a common investment objective and will be referred to as a "pool". These pools, however, are used solely for internal management efficiency purposes or to reduce management costs.
- 5.2 The pools do not constitute separate legal entities and are not directly accessible to Shareholders. Cash, or other assets, may be allocated from one or more Sub-funds into one or more of the pools established by the Company. Further allocations may be made, from time to time, thereafter. Transfers from the pool(s) back to the Sub-funds may only be made up to the amount of that Sub-fund's participation in the pool(s).
- 5.3 The proportion of any Sub-fund's participation in a particular pool will be measured by reference to its initial allocation of cash and/or other assets to such a pool and, on an ongoing basis, according to adjustments made for further allocations or withdrawals.

- 5.4 The entitlement of each Sub-fund participating in the pool, to the co-managed assets applies proportionally to each and every single asset of such pool.
- 5.5 Where the Company incurs a liability relating to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool. Assets or liabilities of the Company which cannot be attributed to a particular pool, are allocated to the Sub-fund they belong or relate to. Assets or expenses which are not directly attributable to a particular Sub-fund are allocated among the various Sub-funds pro rata, in proportion to the Net Asset Value of each Sub-fund.
- 5.6 The Board and the Management Company may at any time and without any notice whatsoever decide that the co-management will be discontinued. Upon dissolution of the pool, the pool's assets will be allocated to the Sub-fund(s) in proportion to its/their participation in the pool.
- 5.7 Dividends, interest, and other distributions of an income nature earned in respect of the assets of a particular pool will be immediately credited to the Sub-funds in proportion to its respective participation in the pool at the time such income is recorded.
- 5.8 Expenses directly attributable to a particular pool will be recorded as a charge to that pool and, where applicable, will be allocated to the Sub-funds in proportion to their respective participation in the pool at the time such expense is incurred. Expenses, that are not attributable to a particular pool, will be charged to the relevant Sub-fund(s).
- 5.9 In the books and accounts of the Company the assets and liabilities of a Sub-fund, whether participating or not in a pool, will, at all times, be identified or identifiable as an asset or liability of the Sub-fund concerned including, as the case may be, between two accounting periods a proportionate entitlement of a Sub-fund to a given asset. Accordingly, such assets can, at any time, be segregated. On the Depositary's records for the Sub-fund such assets and liabilities will also be identified as a given Sub-fund's assets and liabilities and, accordingly, segregated on the Depositary's books.

6. DESCRIPTION OF THE SHARES

- 6.1 Shares will be issued in registered form only. The entry into the register of Shareholders is conclusive evidence of ownership. Fractions of Shares will be issued up to three decimals. The Shares confer no preferential subscription rights at the time of the issue of new Shares.
- 6.2 The register of the Shareholders will be kept by the Administrative Agent on behalf of the Company. The register will contain the name of each owner of registered Shares, his/her/its residence or elected domicile as indicated to the Company and the number and Class(es) of Shares held by his/her/it and the transfer of Shares and the dates of such transfers.
- 6.3 Unless otherwise provided for in the relevant Supplement, the Company will also have the right to accept subscriptions through contributions in kind of assets to a Sub-fund in lieu of cash in accordance with Section 7.17 below.
- 6.4 For each Sub-fund, the Directors or the Management Company may, in respect of Shares in one or several Class(es) if any, decide to close subscriptions temporarily or definitively, including those arising from the conversion of Shares of another Class or another Sub-fund.

7. SUBSCRIPTION FOR SHARES

- 7.1 During the Initial Offering Period or on the Initial Offering Date, the Company is offering the Shares under the terms and conditions as set forth in the relevant Supplement. The Company may offer Shares in one or several Sub-funds or in one or more Classes in each Sub-fund.
- 7.2 After the Initial Offering Period or Initial Offering Date, the Company may offer Shares of each existing Class in each existing Sub-fund on any day that is a Transaction Day, as stipulated in the relevant Supplement. The Company may decide that for a particular Class or Sub-fund no further Shares will be issued after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Supplement). However, the Board reserves the right to authorise at any time and without notice the issue and sale of Shares for Classes or Sub-funds that were previously closed for further subscriptions. Such decision will be made by the Board with due regard to the interest of the existing Shareholders in the relevant Class or Sub-fund.
- 7.3 The Board may in its discretion decide to cancel the offering of a Sub-fund. The Board may also decide to cancel the offering of a new Class of Shares. In such case, investors having made an application for subscription will be duly informed and any subscription monies already paid will be returned. For the avoidance of doubt, no interest will be payable on such amount prior to their return to the relevant investors.
- 7.4 Shareholders or prospective investors may subscribe for a Class in a Sub-fund at a subscription price per Share equal to:
- (a) the Initial Subscription Price where the subscription relates to the Initial Offering Period or Initial Offering Date; or
 - (b) the Net Asset Value per Share or Adjusted Price as of the relevant Transaction Day for which the subscription has been received where the subscription relates to a subsequent offering (other than the Initial Offering Period or Initial Offering Date) of Shares of an existing Class in an existing Sub-fund.
- 7.5 If an investor wants to subscribe for Shares, a Subscription Fee may be added to the subscription price to be paid by the investor. The applicable Subscription Fee will be stipulated in the relevant Supplement. This fee will be payable to the Company, the Management Company or the Distributor, unless otherwise specified in respect of a Sub-fund in the relevant Supplement.

Subscription procedure

- 7.6 After the end of the Initial Offering Period or Initial Offering Date, subscriptions may be made only by investors who are not Restricted Persons by:
- (a) submitting a written subscription request by swift or fax to the Administrative Agent or Distributor(s) to be received by the Administrative Agent or a Distributor by the Subscription Cut-Off Time specified in the relevant Supplement. Any applications received after the Subscription Cut-Off Time will be deferred to the next Transaction Day and will be dealt with on the basis of the Net Asset Value or Adjusted Price per Share calculated on the NAV Calculation Day immediately following such next Transaction Day;

- (b) delivering to the account of the Depositary cleared funds for the full amount of the subscription price (plus any Subscription Fee) of the Shares being subscribed for pursuant to the subscription request, by not later than two Luxembourg Banking Days from the relevant Transaction Day (unless otherwise specified in respect of a Sub-fund in the relevant Supplement).
- 7.7 If the Depositary does not receive the funds in time the investor will be liable for the costs of late or non-payment in which the case the Board and the Management Company will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs. In circumstances where it is not practical or feasible to recoup a loss from an applicant for Shares, any losses incurred by the Company due to late or non-payment of the subscription proceeds in respect of subscription applications received may be borne by the Company.
- 7.8 Subscribers for Shares must make payment in the Reference Currency or an Authorised Payment Currency of the relevant Sub-fund or Class. Subscription monies received in another currency than the Reference Currency (i.e., an Authorised Payment Currency) will be exchanged by the Depositary on behalf of the investor at normal banking rates. Any such currency transaction will be executed by the Depositary at the investor's risk and cost. Such currency exchange transactions may delay any transaction in Shares.
- 7.9 Subscribers for Shares are to indicate the allocation of the subscription monies among one or more of the Sub-funds and/or Classes offered by the Company. Subscription requests are irrevocable, unless in the period during which the calculation of the Net Asset Value is suspended in accordance with Section 15 of the General Section.
- 7.10 In the event that the subscription order is incomplete (i.e., all requested papers are not received by the Administrative Agent or a Distributor by the relevant deadline set out above) the subscription order will be rejected and a new subscription order will have to be submitted.
- 7.11 The applicable Minimum Subscription Amount and Minimum Subsequent Subscription Amount may be waived or varied on a case-by-case basis, by the Company or the Management Company.
- 7.12 In the event that the Company or the Management Company decides to reject any application to subscribe for Shares the monies transferred by a relevant applicant will be returned to the prospective investor without undue delay (unless otherwise provided for by law or regulations).
- 7.13 The number of Shares issued to a subscriber or Shareholder in connection with the foregoing procedures will be equal to the subscription monies provided by the subscriber or Shareholder divided by:
 - (a) the Initial Subscription Price, in relation to subscriptions made in connection with an Initial Offering Period or Initial Offering Date; or
 - (b) the Net Asset Value per Share or Adjusted Price of the relevant Class and in the relevant Sub-fund as of the relevant Transaction Day.

- 7.14 With regard to the Initial Offering Period or Initial Offering Date, Shares will be issued on the Launch Date.
- 7.15 The Company will recognise rights to fractions of Shares up to three decimal places, rounded up or down to the nearest decimal point. Any purchases of Shares will be subject to the ownership restrictions set forth below. Fractional Shares shall have no right to vote (except to the extent their number is so that they represent a whole Share, in which case, they confer a voting right) but shall have the right to participate pro rata in distributions and allocation of liquidation proceeds.

Ownership restrictions

- 7.16 A person who is a Restricted Person may not invest in the Company. The Shares have not been registered under the US Securities Act and the Company has not been registered under the US Investment Company Act. The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America, its territories or possessions or to US Persons (as defined in Regulation S under the US Securities Act) except to certain qualified US institutions in reliance on certain exemptions from the registration requirements of the US Securities Act and with the consent of the Company. Neither the Shares nor any interest therein may be beneficially owned by any other US Person. The sale and transfer of Shares to US Persons is restricted and the Company may repurchase Shares held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to assure compliance with the US Securities Act.

Subscription in kind

- 7.17 At the entire discretion of the Board, Shares may be issued against contributions of transferable securities or other eligible assets to the Sub-funds provided that these assets are Eligible Investments and the contributions comply with the investment policies and restrictions laid out in the Prospectus and have a value equal to the issue price of the Shares concerned. The assets contributed to the Sub-fund, as described above, will be valued separately in a special report of the Auditor. These contributions in kind of assets are not subject to brokerage costs. The Board will only have recourse to this possibility (i) at the request of the relevant investor and (ii) if the transfer does not negatively affect current Shareholders. All costs related to a contribution in kind will be paid for by the Sub-fund concerned provided that they are lower than the brokerage costs which the Sub-fund would have paid if the assets concerned had been acquired on the market. If the cost relating to the contribution in kind are higher than the brokerage costs which the Sub-fund concerned would have paid if the assets concerned had been acquired on the market, the exceeding portion thereof will be supported by the subscriber.

8. CONVERSION OF SHARES

- 8.1 Unless otherwise stated in the relevant Supplement, Shareholders are allowed to convert all, or part, of the Shares of a given Class into Shares of another Class of the same Sub-fund or into Shares of the same Class or of another Class of another Sub-fund. However, the right to convert Shares is subject to compliance with any condition (including any Minimum Subscription Amounts and eligibility requirements) applicable to the Class into which conversion is to be made. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new

Class would be less than the applicable Minimum Subscription Amount, the Board may decide not to accept the request for conversion of the Shares. Shareholders are not allowed to convert all, or part, of their Shares into Shares of a Sub-fund which is closed for further subscriptions after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Supplement).

- 8.2 If the criteria to become a Shareholder of such other Class and/or such other Sub-fund are fulfilled, the Shareholder will make an application to convert Shares by sending a written request by swift or fax for conversion to the Distributor or the Administrative Agent. Shares may be converted at the request of the Shareholders on any day that is a Transaction Day. Conversion requests must be received by the Administrative Agent for each Transaction Day by the relevant Subscription Cut-Off time, as specified in the relevant Supplement. Conversion requests received after the Subscription Cut-Off will be deemed received at the next forthcoming Transaction Day and will be processed on the basis of the Net Asset Value or Adjusted Price per Share corresponding to such Transaction Day. The conversion request must state the number of Shares of the relevant Classes in the relevant Sub-fund, which the Shareholder wishes to convert.
- 8.3 If any application for conversion is received by the Subscription Cut-Off time (as specified in the relevant Supplement) in respect of any one (1) Transaction Day (the "**First Transaction Day**") which either singly or when aggregated with other applications so received (including redemption requests), is more than 10% of the total net assets of the relevant Sub-fund, the Company reserves the right in its sole and absolute discretion (and taking into account the best interests of the remaining Shareholders) to scale down pro rata each application with respect to such First Transaction Day so that not more than 10% of the total net assets of the Sub-fund be redeemed or converted on such First Transaction Day. To the extent that any application is not given full effect on such First Transaction Day by virtue of the exercise of the power to prorate applications, it will be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Transaction Day and, if necessary, subsequent Transaction Days with a maximum of seven (7) Transaction Days. With respect to any application received in respect of the First Transaction Day, to the extent that subsequent applications will be received in respect of following Transaction Days, such later applications will be postponed in priority to the satisfaction of applications relating to the First Transaction Day, but subject thereto will be dealt with as set out in the preceding sentence.
- 8.4 A Conversion Fee, in favour of the Sub-fund from which the Shares are converted may be charged by the Company, as described in the relevant Supplement.
- 8.5 Subject to Section 8.6 below, the conversion of Shares will be made on the first NAV Calculation Day after the relevant Transaction Day by the simultaneous:
- (a) redemption of the number of Shares of the relevant Class in the relevant Sub-fund specified in the conversion request at the Net Asset Value or Adjusted Price per Share of the relevant Class in the relevant Sub-fund; and
 - (b) issue of Shares on that Transaction Day in the new Sub-fund or Class, into which the original Shares are to be converted, at the Net Asset Value or Adjusted Price per Share for Shares of the relevant Class in the (new) Sub-fund.

- 8.6 Notwithstanding Section 8.5 above, the Board may, in consultation with the Administrative Agent and taking into account the best interests of the Shareholders, decide, in exceptional cases, to effect a conversion request on the second NAV Calculation Day after the relevant Transaction Day.
- 8.7 Subject to any currency conversion (if applicable) the proceeds resulting from the redemption of the original Shares will be applied immediately as the subscription monies for the Shares in the new Class or Sub-fund into which the original Shares are converted.
- 8.8 Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued will be calculated by converting the proceeds resulting from the redemption of the Shares into the currency in which the Shares to be issued are denominated. The exchange rate for such currency conversion will be calculated by the Depositary in accordance with the rules laid down in Section 13 of the General Section.
- 8.9 If conversion requests would result in a residual holding in any one Sub-fund or Class of less than the Minimum Net Asset Value applicable, the Company reserves the right to compulsorily redeem the residual Shares in that Sub-fund or Class at the relevant redemption price and make payment of the proceeds thereof to the Shareholders.

9. REDEMPTION OF SHARES

Redemption rights

- 9.1 Shares in a Sub-fund may be redeemed at the request of the Shareholders on any day that is a Transaction Day. Redemption requests must be sent in writing by swift or fax to the Distributor(s) or the Administrative Agent or such other place as the Company or the Management Company may advise. Redemption requests must be received by the Distributor or the Administrative Agent by the Redemption Cut-Off Time specified in the relevant Supplement. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Transaction Day and will be processed on the basis of the Net Asset Value per Share or Adjusted Price per Share as of the first NAV Calculation Day immediately following such next Transaction Day.
- 9.2 The Board, the Management Company, the Administrative Agent and the Distributor(s) will ensure that the relevant redemption deadline for requests for redemption as indicated in the Supplement of each Sub-fund are strictly complied with and will therefore take all adequate measures to prevent practices known as "Late Trading".
- 9.3 Requests for redemption must be for either a number of Shares or an amount denominated in the Reference Currency or an Authorised Payment Currency of the Class of the Sub-fund.
- 9.4 A Shareholder who redeems his Shares will receive an amount per Share redeemed equal to the Net Asset Value or Adjusted Price per Share as of the applicable Transaction Day for the relevant Class in the relevant Sub-fund, less, as the case may be, the Redemption Fee as stipulated in the relevant Supplement and any tax or duty imposed on the redemption of the Shares.

- 9.5 Payment of the redemption proceeds will be made generally within five (5) Business Days following the relevant Transaction Day (unless otherwise specified in respect of a Sub-fund in the relevant Supplement). Where a Shareholder redeems Shares that he has not paid for within the required subscription settlement period, in circumstances where the redemption proceeds would exceed the subscription amount that he owes, the Company will be entitled to retain such excess for the benefit of the Company.
- 9.6 Redemption of Shares may be suspended for certain periods of time as described under Section 15 of the General Section.
- 9.7 If any application for redemption is received in respect of the First Transaction Day which either singly or when aggregated with other applications so received (including conversion requests), is more than 10% of the total net assets of the relevant Sub-fund, the Company reserves the right in its sole and absolute discretion (and taking into account the best interests of the remaining Shareholders) to scale down pro rata each application with respect to such First Transaction Day so that not more than 10% of the total net assets of the Sub-fund be redeemed or converted on such First Transaction Day. To the extent that any application is not given full effect on such First Transaction Day by virtue of the exercise of the power to prorate applications, it will be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Transaction Day and, if necessary, subsequent Transaction Days with a maximum of seven (7) Transaction Days. With respect to any application received in respect of the First Transaction Day, to the extent that subsequent applications will be received in respect of following Transaction Days, such later applications will be postponed in priority to the satisfaction of applications relating to the First Transaction Day, but subject thereto will be dealt with as set out in the preceding sentence.
- 9.8 Redemption requests must be addressed to the Administrative Agent or the Distributor. Redemption requests will not be accepted by telephone or telex. Redemption requests are irrevocable (except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of Shares is suspended) and proceeds of the redemption will be remitted to the account indicated by the Shareholder in its redemption request. The Company reserves the right not to redeem any Shares if it has not been provided with evidence satisfactory to the Company that the redemption request was made by a Shareholder of the Company. Failure to provide appropriate documentation to the Administrative Agent may result in the withholding of redemption proceeds.
- 9.9 If a Shareholder wants to redeem Shares of the Company, a Redemption Fee may be levied on the amount to be paid to the Shareholder. The applicable Redemption Fee will be stipulated in the relevant Supplement. This fee will be payable to the Company, unless otherwise specified in respect of a Sub-fund in the relevant Supplement. For the avoidance of doubt, the Redemption Fee is calculated on the redemption price of the Shares.
- 9.10 The Company may redeem Shares of any Shareholder if the Company determines that any of the representations given by the Shareholder were not true and accurate or have ceased to be true and accurate or that the continuing ownership of Shares by the Shareholder would cause an undue risk of adverse tax consequences to the Company or any of its Shareholders. The Company may also redeem Shares of a Shareholder if it determines, that the continuing

ownership of Shares by such Shareholder may be prejudicial to the Company or any of its Shareholders or that the Shareholder is or has become a Restricted Person.

- 9.11 The Company may, at the request of a Shareholder, agree to make, in whole or in part, a distribution in-kind of securities of the Sub-fund to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. The Company will agree to do so if it determines that such a transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Sub-fund. The redemption value will be the Net Asset Value or Adjusted Price per Share of the relevant Class of the Sub-fund which the Shareholder is redeeming, and thus will constitute a pro rata portion of the Sub-fund's assets attributable in that Class in terms of value. The assets to be transferred to such Shareholder will be determined by the Company and the Depositary, with regard to the practicality of transferring the assets and to the interests of the Sub-fund and continuing participants therein and to the Shareholder. Such a Shareholder may incur brokerage and/or local tax charges on any transfer or sale of securities so received in satisfaction of redemption. The net proceeds from this sale by the redeeming Shareholder of such securities may be more or less than the corresponding redemption price of Shares in the relevant Sub-fund due to market conditions and/or differences in the prices used for the purposes of such sale or transfer and the calculation of the Net Asset Value or Adjusted Price of Shares of the Sub-fund. The selection, valuation and transfer of assets will be subject to the review and approval of the Auditor of the Company.
- 9.12 Any costs incurred in connection with a redemption in-kind will be borne by the relevant Shareholder.
- 9.13 If redemption requests would result in a residual holding in any one Sub-fund or Class of less than the Minimum Net Asset Value applicable, the Company reserves the right to compulsory redeem the residual Shares in that Sub-fund or Class at the relevant redemption price and make payment of the proceeds thereof to the Shareholder.

Compulsory redemptions by the Company

- 9.14 The Company may redeem Shares of any Shareholder if the Board, whether on its own initiative or at the initiative of a Distributor, determines that:
- 9.15 any of the representations given by the Shareholder to the Company or the Management Company were not true and accurate or have ceased to be true and accurate; or
- 9.16 the Shareholder is not or ceases to be an Eligible Investor;
- 9.17 that the continuing ownership of Shares by the Shareholder would cause an undue risk of adverse tax consequences to the Company or any of its Shareholders; or
- 9.18 the continuing ownership of Shares by such Shareholder may be prejudicial to the Company or any of its Shareholders.
- 9.19 Upon a compulsory redemption, all redeemed Shares shall be cancelled and will become null and void. The liquidation procedure will be closed as soon as possible after all redemption proceeds have been paid to the relevant Shareholders or deposited with the *Caisse de Consignation* in Luxembourg, as the case may be.

10. RESTRICTIONS ON TRANSFER

10.1 All transfers of Shares will be recorded in writing in any usual or common form or any other form approved by the Company and every form of transfer will state the full name and address of the transferor and the transferee. The instrument of transfer of a Share will be signed by or on behalf of the transferor. The transferor will be deemed to remain the holder of the Share until the name of the transferee is entered on the Share register in respect thereof. The Company may decline to register any transfer of Share if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Class or Sub-fund as set out in this Prospectus or the relevant Supplement. The registration of transfer may be suspended at such times and for such periods as the Company may from time to time determine, provided, however, that such registration will not be suspended for more than five (5) days in any calendar year. The Company may decline to register any transfer of Shares unless the original instruments of transfer, and such other documents that the Company may require are deposited at the registered office of the Company or at such other place as the Company may reasonably require, together with such other evidence as the Company may reasonably require to show the right of the transferor to make the transfer and to verify the identity of the transferee. Such evidence may include a declaration as to whether the proposed transferee (i) is a US Person or acting for or on behalf of a US Person, (ii) is a Restricted Person or acting for or on behalf of a Restricted Person or (iii) does qualify as Institutional Investor.

10.2 The Company may decline to register a transfer of Shares:

- (a) if in the opinion of the Company, the transfer will be unlawful or will result or be likely to result in any adverse regulatory, tax or fiscal consequences to the Company or its Shareholders; or
- (b) if the transferee is a US Person or is acting for or on behalf of a US Person; or
- (c) if the transferee is a Restricted Person or is acting for or on behalf of a Restricted Person; or
- (d) in relation to Classes reserved for subscription by Institutional Investors, if the transferee is not an Institutional Investor; or
- (e) in circumstances as set out in Section 12.2 of this General Section; or
- (f) if in the opinion of the Company, the transfer of the Shares would lead to the Shares being registered in a depositary or clearing system in which the Shares could be further transferred otherwise than in accordance with the terms of this Prospectus or the Articles.

11. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS

11.1 The Management Company, the Administrative Agent in its capacity as registrar and transfer agent, any distributor and their officers are subject to the provisions of legislation currently in force in Luxembourg regarding the prevention of money laundering and terrorism financing activities and in particular with Luxembourg law dated 12 November 2004 against money

laundering and terrorism financing, as amended, and, where appropriate, for the provisions of similar legislation in force in any other relevant country. Prospective investors may be required to furnish independent documentary evidence of their identity, a permanent address and information relating to the source of the monies to be invested.

- 11.2 Failure to provide such information or documentation in a timely manner could result in delay in the allotment of shares, or in a refusal to allot shares.
- 11.3 If a distributor or its agents are not submitted to anti-money laundering and anti-terrorist financing regulations equivalent to those applicable in Luxembourg, the necessary control will be carried out by the Administrative Agent in its capacity as registrar and transfer agent.
- 11.4 In accordance with the Luxembourg law on anti-money laundering dated 12 November 2004, as amended, and the relevant CSSF Circulars, as amended, financial services professionals are under the obligation to prevent the use of undertakings for collective investment for money-laundering purposes.
- 11.5 In this context, Know Your Customer (KYC) and Anti-Money Laundering (AML) procedures have to be complied with, which implies namely the identification of prospective investors, their beneficial owners, as applicable, as well as the identification of the origins of the funds subscribed.
- 11.6 A prospective investor will have to provide to the Administrative Agent in its capacity as registrar and transfer agent all documentation and information required under the applicable Luxembourg laws and regulations i.e. for natural persons this may include but is not limited to certified true copies of ID cards/passports (the certification may be made namely by a regulated financial institution located in an equivalent country, a police officer, an embassy, a consulate or a notary) or for corporate entities a certified true copy of the articles of incorporation/certificate of incorporation/banking or investment license, evidence of registration/excerpt from the Trade and Companies Register, of the latest audited financial reports, the name of the beneficial owners and their related identification documentation, as applicable.
- 11.7 A complete list of documents and information to be provided can be obtained from the Administrative Agent in its capacity as registrar and transfer agent upon request. The Administrative Agent reserves the right to request, at any time, any further documents and/or information as it deems necessary to properly perform the AML and KYC due diligence on the prospective investors.
- 11.8 Until satisfactory proof of identity is provided by potential investors or transferees as determined by the Administrative Agent in its capacity as registrar and transfer agent, it reserves the right to withhold issue or approval of registration of transfers of shares. Similarly, redemption proceeds will not be paid unless compliance with these requirements has been made in full. In any such event, the Administrative Agent in its capacity as registrar and transfer agent will not be liable for any interest, costs or compensation.

12. MARKET TIMING AND LATE TRADING

- 12.1 Prospective investors and Shareholders should note that the Company may reject or cancel any subscription or conversion orders for any reason and in particular in order to comply with the Circular 04/146 relating to the protection of UCIs and their investors against Late Trading and Market Timing practices.
- 12.2 For example, excessive trading of Shares in response to short-term fluctuations in the market, a trading technique sometimes referred to as Market Timing, has a disruptive effect on portfolio management and increases the Sub-funds' expenses. Accordingly, the Company may, in the sole discretion of the Board or the Management Company, compulsorily redeem Shares or reject any subscription orders and conversions orders from any investor that the Company or the Management Company reasonably believes has engaged in Market Timing activity. For these purposes, the Company and the Management Company may consider an investor's trading history in the Sub-funds and accounts under common control or ownership.
- 12.3 In addition to the Subscription or Conversion Fees which may be of application to such orders as set forth in the Supplement of the relevant Sub-fund, the Company and the Management Company may impose a penalty of maximum 2% (two per cent.) of the Net Asset Value of the Shares subscribed or converted where the Company reasonably believes that an investor has engaged in Market Timing activity. The penalty will be credited to the relevant Sub-fund. The Company, the Management Company and the Board will not be held liable for any loss resulting from rejected orders or mandatory redemption.
- 12.4 Furthermore, the Company will ensure that the relevant deadlines for requests for subscriptions, redemptions or conversions are strictly complied with and will therefore take all adequate measures to prevent practices known as Late Trading.

13. CALCULATION OF NET ASSET VALUE

- 13.1 The Company, each Sub-fund and each Class in a Sub-fund have a Net Asset Value determined in accordance with the Articles. The Reference Currency of the Company is the EUR. The Net Asset Value of each Sub-fund and Class will be calculated in the Reference Currency of the Sub-fund or Class, as it is stipulated in the relevant Supplement, and will be determined by the Administrative Agent for each Transaction Day as at each NAV Calculation Day as stipulated in the relevant Supplement, by calculating the aggregate of:
- (a) the value of all assets of the Company which are allocated to the relevant Sub-fund in accordance with the provisions of the Articles; less
 - (b) all the liabilities of the Company which are allocated to the relevant Sub-fund and Class in accordance with the provisions of the Articles, and all fees attributable to the relevant Sub-fund and Class, which fees have accrued but are unpaid on the relevant Transaction Day.
- 13.2 The Net Asset Value per Share for a Transaction Day will be calculated in the Reference Currency of the relevant Sub-fund and will be calculated by the Administrative Agent as at the NAV Calculation Day of the relevant Sub-fund by dividing the Net Asset Value of the relevant

Sub-fund by the number of Shares which are in issue on such Transaction Day in the relevant Sub-fund (including Shares in relation to which a Shareholder has requested redemption on such Transaction Day in relation to such NAV Calculation Day).

- 13.3 If the Sub-fund has more than one (1) Class in issue, the Administrative Agent will calculate the Net Asset Value per Share of each Class for a Transaction Day by dividing the portion of the Net Asset Value of the relevant Sub-fund attributable to a particular Class by the number of Shares of such Class in the relevant Sub-fund which are in issue on such Transaction Day (including Shares in relation to which a Shareholder has requested redemption on such Transaction Day in relation to such NAV Calculation Day).
- 13.4 The allocation of assets and liabilities of the Company between Sub-funds (and within each Sub-fund between the different Classes) will be determined so that:
- (a) The subscription price received by the Company on the issue of Shares, and reductions in the value of the Company as a consequence of the redemption of Shares, will be attributed to the Sub-fund (and within that Sub-fund, the Class) to which the relevant Shares belong.
 - (b) Assets acquired by the Company upon the investment of the subscription proceeds and income and capital appreciation in relation to such investments which relate to a specific Sub-fund (and within a Sub-fund, to a specific Class) will be attributed to such Sub-fund (or Class in the Sub-fund).
 - (c) Assets disposed of by the Company as a consequence of the redemption of Shares and liabilities, expenses and capital depreciation relating to investments made by the Company and other operations of the Company, which relate to a specific Sub-fund (and within a Sub-fund, to a specific Class) will be attributed to such Sub-fund (or Class in the Sub-fund).
 - (d) Where the use of foreign exchange transactions, instruments or financial techniques relates to a specific Sub-fund (and within a Sub-fund, to a specific Class) the consequences of their use will be attributed to such Sub-fund (or Class in the Sub-fund).
 - (e) Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques relate to more than one (1) Sub-fund (or within a Sub-fund, to more than one (1) Class), they will be attributed to such Sub-funds (or Classes, as the case may be) in proportion to the extent to which they are attributable to each such Sub-fund (or each such Class).
 - (f) Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques cannot be attributed to a particular Sub-fund they will be divided equally between all Sub-funds or, in so far as is justified by the amounts, will be attributed in proportion to the relative Net Asset Value of the Sub-funds (or Classes in the Sub-fund) if the Company, in its sole discretion, determines that this is the most appropriate method of attribution.

- (g) Upon payment of dividends to the Shareholders of a Sub-fund (and within a Sub-fund, to a specific Class) the net assets of this Sub-fund (or Class in the Sub-fund) are reduced by the amount of such dividend.

13.5 The assets of the Company will be valued as follows:

- (a) Transferable Securities or Money Market Instruments quoted or traded on an official stock exchange or any other Regulated Market, are valued on the basis of the last known price, and, if the securities or money market instruments are listed on several stock exchanges or Regulated Markets, the last known price of the stock exchange which is the principal market for the security or Money Market Instrument in question, unless these prices are not representative.
- (b) For Transferable Securities or Money Market Instruments not quoted or traded on an official stock exchange or any other Regulated Market, and for quoted Transferable Securities or Money Market Instruments, but for which the last known price is not representative, valuation is based on the probable sales price estimated prudently and in good faith by the Board.
- (c) Units and shares issued by UCITS or other UCIs will be valued at their last available net asset value.
- (d) The liquidating value of futures, forward or options contracts that are not traded on exchanges or on other Regulated Markets will be determined pursuant to the policies established in good faith by the Board, on a basis consistently applied. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets will be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Business Day with respect to which a Net Asset Value is being determined, then the basis for determining the liquidating value of such contract will be such value as the Board may, in good faith and pursuant to verifiable valuation procedures, deem fair and reasonable.
- (e) Liquid assets and Money Market Instruments with a maturity of less than twelve (12) months may be valued at nominal value plus any accrued interest or using an amortised cost method (it being understood that the method which is more likely to represent the fair market value will be retained). This amortised cost method may result in periods during which the value deviates from the price the relevant Company would receive if it sold the investment. The Board may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the Board. If the Board believes that a deviation from the amortised cost per Share may result in material dilution or other unfair results to Shareholders, the Board will take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.
- (f) The swap transactions will be consistently valued based on a calculation of the net present value of their expected cash flows. For certain Sub-funds using OTC

Derivatives as part of their main Investment Policy and to the extent not already covered in the General Section, the valuation method of the OTC Derivative will be further specified in the relevant Supplement.

- (g) Accrued interest on securities will be included if it is not reflected in the Share price.
- (h) Cash will be valued at nominal value, plus accrued interest.
- (i) All assets denominated in a currency other than the Reference Currency of the respective Sub-fund/Class will be converted at the mid-market conversion rate between the Reference Currency and the currency of denomination.
- (j) All other securities and other permissible assets as well as any of the above-mentioned assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their probable realisation value, will be valued at probable realisation value, as determined with care and in good faith pursuant to procedures established by the Company.

14. PRICE ADJUSTMENT POLICY

14.1 The basis on which the assets of each Sub-fund are valued for the purposes of calculating the Net Asset Value per Shares is set out in Section 13 of the General Section. The actual cost of purchasing or selling assets and investments for a Sub-fund may however deviate from the latest available price or net asset value used, as appropriate, in calculating the Net Asset Value per Shares due to duties and charges and spreads from buying and selling prices of the underlying investments. These costs have an adverse effect on the value of a Sub-fund and are known as "dilution". To mitigate the effects of dilution, the Company may, at their discretion, make a dilution adjustment to the Net Asset Value per Shares.

14.2 Shares will in principle be issued and redeemed on the basis of a single price, i.e., the Net Asset Value per Share. However – to mitigate the effect of dilution – the Net Asset Value per Share may be adjusted on any Transaction Day in the manner set out below depending on whether or not a Sub-fund is in a net subscription position or in a net redemption position on such Transaction Day to arrive at the applicable adjusted price (the "**Adjusted Price**"). Where there is no dealing on a Sub-fund or Class of a Sub-fund on any Transaction Day, the applicable price will be the unadjusted Net Asset Value per Share. The Company will retain the discretion in relation to the circumstances under which to make such a dilution adjustment. As a general rule, the requirement to make a dilution adjustment will depend upon the volume of subscriptions or redemptions of Shares in the relevant Sub-fund. The Company may make a dilution adjustment if, in their opinion, the existing Shareholders (in case of subscriptions) or remaining Shareholders (in case of redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be made where, for example but without limitation:

- (a) a Sub-fund is in continual decline (i.e. is experiencing a net outflow of redemptions);
- (b) a Sub-fund is experiencing large levels of net subscriptions relevant to its size;
- (c) a Sub-fund is experiencing a net subscription position or a net redemption position on any Transaction Day;

- (d) in any other case where the Company is of the opinion that the interests of Shareholders require the imposition of a dilution adjustment.

- 14.3 The dilution adjustment will involve adding to, when the Sub-fund is in a net subscription position, and deducting from, when the Sub-fund is in a net redemption position, the Net Asset Value per Share such figure as the Board considers represents an appropriate figure to meet duties and charges and spreads. In particular, the Net Asset Value of the relevant Sub-fund will be adjusted (upwards or downwards) by an amount which reflects (i) the estimated fiscal charges, (ii) dealing costs that may be incurred by the Sub-fund and (iii) the estimated bid/offer spread of the assets in which the Sub-fund invests. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. Adjustments will however be limited to a maximum of 2% of the then applicable Net Asset Value per Share.
- 14.4 The Adjusted Price of each Class in the Sub-fund will be calculated separately but any dilution adjustment will in percentage terms affect the Adjusted Price of each Class in an identical manner. On the occasions when the dilution adjustment is not made there may be an adverse impact on the total assets of a Sub-fund.

15. SUSPENSION OF DETERMINATION OF NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION OF SHARES

- 15.1 The Company may at any time and from time to time suspend the determination of the Net Asset Value of Shares of any Sub-fund or Class and/or the issue of the Shares of such Sub-fund or Class to subscribers and/or the redemption of the Shares of such Sub-fund or Class from its Shareholders as well as conversions of Shares of any Class in a Sub-fund:
 - (a) when one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the assets of the relevant Sub-fund or Class, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the relevant Sub-fund or Class are denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
 - (b) when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Board, disposal of the assets of the relevant Sub-fund or Class is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;
 - (c) in the case of a breakdown in the normal means of communication used for the valuation of any investment of the relevant Sub-fund or Class or if, for any reason beyond the responsibility of the Board, the value of any asset of the relevant Sub-fund or Class may not be determined as rapidly and accurately as required;
 - (d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable or if purchases and sales of the Sub-fund's assets cannot be effected at normal rates of exchange;

- (e) when the Board so decides, provided that all Shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) upon publication of a notice convening a general meeting of Shareholders of the Company or of a Sub-fund for the purpose of deciding on the liquidation, dissolution, the merger or absorption of the Company or the relevant Sub-fund and (ii) when the Board is empowered to decide on this matter, upon their decision to liquidate, dissolve, merge or absorb the relevant Sub-fund;
 - (f) in case of the Company's liquidation or in the case a notice of termination has been issued in connection with the liquidation of a Sub-fund or a class of shares;
 - (g) where, in the opinion of the Board, circumstances which are beyond the control of the Board make it impracticable or unfair vis-à-vis the Shareholders to continue trading the Shares; or
 - (h) in case of a merger of a Sub-fund with another Sub-fund of the Company or of another UCITS (or a Sub-fund thereof), provided such suspension is in the interest of the Shareholders.
- 15.2 Any such suspension may be notified by the Company in such manner as it may deem appropriate to the persons likely to be affected thereby. The Company will notify Shareholders requesting redemption or conversion of their Shares of such suspension.
- 15.3 Such suspension as to any Sub-fund will have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Sub-fund.
- 15.4 Any request for subscription, redemption and conversion will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share in the relevant Sub-fund. Withdrawal of a subscription or of an application for redemption or conversion will only be effective if written notification (by electronic mail, regular mail, courier or fax) is received by the Administrative Agent before termination of the period of suspension, failing which subscription, redemption applications not withdrawn will be processed on the first Transaction Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined for such Transaction Day.

16. FISCAL YEAR AND REPORTING – SHAREHOLDERS' MEETING

Fiscal Year - Reporting

- 16.1 The Fiscal Year will begin on 1 January and terminate on 31 December of each year.
- 16.2 Audited annual reports of the end of each Fiscal Year will be established as at 31 December of each year. In addition, unaudited semi-annual reports will be established as per the last day of the month of June and for the first time as at 30 June 2016. Those financial reports will provide for information on each of the Sub-fund's assets as well as the consolidated accounts of the Company and be made available to the Shareholders free of charge at the registered office of the Company and of the Administrative Agent.

- 16.3 The financial statements of each Sub-fund will be established in the Reference Currency of the Sub-fund but the consolidated accounts will be in EUR.
- 16.4 Audited annual reports will be published within four (4) months following the end of the accounting year and unaudited semi-annual reports will be published within two (2) months following the end of period to which they refer.
- 16.5 The Net Asset Value per Share and Adjusted Price of each Class within in each Sub-fund will be made public at the offices of the Company and Administrative Agent on each NAV Calculation Day.
- 16.6 Professional investors subject to the prudential requirements of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (“**Solvency II**”) and to its implementing regulations may ask the Management Company to be provided with the description of the Company’s portfolios of assets in order to fulfil their own legal or regulatory requirements under Solvency II. Communication of such information shall be managed in accordance with applicable laws and regulations.
- 16.7 The following documents will be available for inspection by Shareholders free of charge, during usual business hours at the offices of the Company, the Management Company and Administrative Agent in Luxembourg (copies of these documents may also be delivered without cost to Shareholders at their request):
- (a) the Articles;
 - (b) the Management Company Agreement;
 - (c) the Investment Management Agreement;
 - (d) the Depositary Agreement;
 - (e) the Administration Agreement; and
 - (f) the most recent annual and semi-annual financial statements of the Company.
- 16.8 The above agreements may be amended from time to time by all the parties involved.
- 16.9 A copy of the Prospectus, key investor information document(s), the most recent financial statements and the Articles may be obtained free of charge upon request at the registered office of the Company.

GENERAL MEETING OF SHAREHOLDERS

- 16.10 The annual general meeting of the Shareholders in the Company shall be held at the registered office of the Company or on the place specified in the convening notice on the second Wednesday in the month of April of each year at 11.00 a.m.
- 16.11 Notice of any general meeting of shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-fund) will be mailed

to each registered Shareholder at least eight (8) days prior to the meeting and will be published to the extent required by Luxembourg law in the *Recueil Electronique des Sociétés et Associations* and in any Luxembourg and other newspaper(s) that the Board may determine.

- 16.12 Such notices shall contain the agenda, the date and place of the meeting, the conditions of admission to the meeting and they shall refer to the applicable quorum and majority requirements. The meetings of Shareholders of Shares of a particular Sub-fund may decide on matters which are relevant only for the Sub-fund concerned.

17. FEES AND EXPENSES

Fees and expenses payable directly by the Company

Operation and administration expenses (unless otherwise specified in the relevant Supplement)

- 17.1 The Company will pay out of the assets of the relevant Sub-fund all expenses incurred by it, which will include but not be limited to: all organisational expenses; all taxes which may be due on the assets and the income of the Company; any audit and accounting (internal and external) expenses; tax compliance expenses (including in relation to FATCA); the reasonable disbursements and out-of-pocket expenses (including without limitation telephone telex, cable and postage expenses) incurred by the Depositary and any custody charges of banks and financial institutions to whom custody of assets of the Company is entrusted; usual banking fees, including fees due on transactions involving securities or other assets (including derivatives) held in the portfolio of the Company (such fees to be included in the acquisition price and to be deducted from the selling price); any brokerage commissions and charges, fees and expenses relating to the management of Sub-funds' risk and regulatory reporting systems; the fees, expenses and all reasonable out-of-pocket expenses properly incurred by the Company, the Service Providers and any other agent appointed by the Company; the fees, expenses and all reasonable out-of-pocket expenses properly incurred by the Management Company when using third party providers of risk calculation services and other services related to the Company; legal expenses incurred by the Company, a Sub-fund or the Service Providers while acting in the interests of the Shareholders; regulatory costs (including the cost and expenses relating to any regulatory filing) relating to the Company or a Sub-fund; the cost and expenses of preparing and/or filing and printing the Articles and all other documents concerning the Company (in such languages as are necessary), including registration statements, prospectuses and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Company or the offering of Shares of the Company; the cost of preparing, in such languages as are necessary for the benefit of the Shareholders (including the beneficial holders of the Shares), and distributing annual and semi-annual reports and such other reports or documents as may be required under applicable laws or regulations; the cost of accounting, bookkeeping and calculating the Net Asset Value (and Adjusted Price); the cost of preparing and distributing notices to the Shareholders; a reasonable share of the cost of promoting the Company, as determined in good faith by the Company, including reasonable marketing and advertising expenses; the costs incurred with the admission and the maintenance of the Shares on the stock exchanges on which they are listed (if listed); data warehouse expenses and any related service providers' fees (including, without limitation, order management; risk and profit and loss attribution systems and service providers); fees of middle and back-office service providers to the Sub-fund (including, without limitation, in respect of

accounting, trade, position and cash reconciliation services, and other similar functions and onsite support in the Sub-Investment Managers' offices); a reasonable share of the expenses related to obtaining insurance for the directors and officers of a sub-investment manager in relation to the services provided to the Company or a Sub-fund; reasonable research-related expenses, professional fees and other fees relating to current and prospective investments (including, without limitation, market data, software, consultants and experts) incurred by the Investment Manager and/or a Sub-Investment Manager in the interest of the Shareholders pursuant to its duties and obligations.

- 17.2 The Depositary is entitled to receive, out of the assets of each Class within each Sub-fund, a fee corresponding to a maximum of 0.01% p.a. of the Net Asset Value of each Sub-fund subject to a minimum of €500 per month, per Sub-fund.

In addition, the Depositary is entitled to receive, out of the assets of each Class within each Sub-fund, a cash monitoring fee corresponding to € 250 per quarter and per Sub-Fund in the case of internal fund administration model or € 1,250 per quarter and per Sub-Fund in the case of external fund administration model.

- 17.3 The Administrative Agent is entitled to receive, out of the assets of each Class of Shares within each Sub-fund, a fee corresponding to a maximum of:

- (a) 0.0375% p.a. of the Net Asset Value of each Sub-fund up to and including €75,000,000;
- (b) 0.0275% p.a. of the Net Asset Value of each Sub-fund above €75,000,000 and up to and including €120,000,000; and
- (c) 0.01% of the Net Asset Value of each Sub-fund above €120,000,000,

subject to a minimum of €2,500 per Sub-fund per month.

Management Company Fee and related expenses

- 17.4 In consideration for the services provided by the Management Company, the Management Company is entitled to an annual Management Company Fee of up to 0.10% per annum of the Net Asset Value of each Sub-fund, subject to a minimum of up to €5,000 per month per Sub-fund. This fee will be calculated and accrued for at each NAV Calculation Day and shall be paid monthly in arrears. The Company shall indicate in its annual report the total amount of the Management Company Fee borne by each Sub-fund and by the Company during the period in question. In addition, where applicable, any value added tax ("VAT") associated with the above fees and reimbursements will be charged to the relevant Sub-Fund.

- 17.5 In addition to the Management Company Fee and out of pocket expenses provided for in section 17.4 above, the Management Company shall also be entitled to be reimbursed for any initial set-up or fund closure costs incurred by the Management Company, comprising:

- (a) a fee of €15,000 following the completion of the appointment of the Management Company as management company by the Company;
- (b) a fee of €10,000 for the establishment of any new Sub-fund that is launched by the Company payable following the first issue of Shares in the Sub-fund;

- (c) a fee of €10,000 for the closure of any existing Sub-fund by the Company.

Remuneration of the Investment Manager(s), Sub-Investment Manager(s) or Investment Adviser(s)

- 17.6 If an Investment Manager, a Sub-Investment Manager or an Investment Adviser is entitled to receive a remuneration out of the assets of a Sub-fund, then such remuneration will be disclosed in the relevant Supplement. In particular, the Investment Manager may be entitled to receive an investment management fee and performance fee out of the assets of a Sub-fund, in accordance with the terms of the relevant Supplement.

Formation and launching expenses

- 17.7 The Initial Sub-fund will bear the formation and launching expenses (including but not limited to legal fees related to the set-up of the Company, travel expenses, etc.) incurred on behalf of, or in connection with, the formation of the Company and the launching of the Initial Sub-fund. These expenses are estimated at EUR 155,000.- and will be written off over a period not exceeding five (5) years.
- 17.8 Expenses incurred in connection with the creation of any additional Sub-fund may be borne by the relevant Sub-fund and be written off over a period not exceeding five (5) years. Additional Sub-funds will bear a pro rata proportion of the formation and launching expenses incurred on behalf of, or in connection with, the formation of the Company, excluding the expenses exclusively incurred in relation to the launching of the Initial Sub-fund.

Annual subscription tax (Taxe d'abonnement)

- 17.9 The Company's assets are subject to tax (*taxe d'abonnement*) in Luxembourg at a rate of 0.05% p.a. on net assets (except for Sub-funds or Classes which are reserved to Institutional Investors which are subject to a tax at a reduced rate of 0.01% p.a. on net assets), payable quarterly. In case some Sub-funds are invested in other Luxembourg UCIs, which in turn are subject to the subscription tax provided for by the 2010 Act, no subscription tax is due from the Company on the portion of assets invested therein.

18. DIVIDEND POLICY

- 18.1 Each year the general meeting of Shareholders will decide, based on a proposal from the Board, for each Sub-fund, on the use of the balance of the year's net income of the investments. A dividend may be distributed, either in cash or Shares. Further, dividends may include a capital distribution, provided that after distribution the net assets of the Company total more than EUR 1,250,000.
- 18.2 Over and above the distributions mentioned in the preceding paragraph, the Board may decide on the payment of interim dividends in the form and under the conditions as provided by law.
- 18.3 The Company may issue Accumulation Classes and Distribution Classes within the Classes of each Sub-fund, as indicated in the Supplement. Accumulation Classes capitalise their entire earnings whereas Distribution Classes pay dividends.

- 18.4 For Distribution Classes, dividends, if any, will be declared and distributed on an annual basis. Moreover, interim dividends may be declared and distributed from time to time at a frequency determined by the Company within the conditions set forth by law, as further described in the relevant Supplement.
- 18.5 Payments will be made in the Reference Currency of the relevant Sub-fund. With regard to Shares held through Euroclear or Clearstream (or their successors), dividends shall be paid by bank transfer to the relevant bank. Dividends remaining unclaimed for five (5) years after their declaration will be forfeited and revert to the relevant Sub-fund.
- 18.6 Unless otherwise stated for a particular Sub-fund in the relevant Supplement, the Company is authorised to make in-kind distributions/payments of securities or other assets with the consent of the relevant Shareholder(s). Any such distributions/payments in kind will be valued in a report established by an auditor qualifying as a *réviseur d'entreprises agréé* drawn up in accordance with the requirements of Luxembourg Law, the costs of which report will be borne by the relevant Shareholder.

19. LIQUIDATION AND MERGER OF SUB-FUNDS OR CLASSES

Dissolution of the Company

- 19.1 The duration of the Company is not limited by the Articles. The Company may be wound up by decision of an extraordinary general meeting of Shareholders. If the total net assets of the Company fall below two-thirds of the minimum capital prescribed by law (i.e. EUR 1,250,000), the Board must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed and which shall pass resolutions by simple majority of the Shares represented at the meeting.
- 19.2 If the total net assets of the Company fall below one-fourth of the minimum capital prescribed by law, the Board must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed. A resolution dissolving the Company may be passed by Shareholders holding one-fourth of the Shares represented at the meeting.
- 19.3 The meeting must be convened so that it is held within a period of forty (40) days from the date of ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.
- 19.4 If the Company is dissolved, the liquidation shall be carried out by one or several liquidators appointed in accordance with the provisions of the 2010 Act. The decision to dissolve the Company will be published in the *Recueil Electronique des Sociétés et Associations* and two newspapers with adequate circulation, one of which must be a Luxembourg newspaper. The liquidator(s) will realise each Sub-fund's assets in the best interests of the Shareholders and apportion the proceeds of the liquidation, after deduction of liquidation costs, amongst the Shareholders of the relevant Sub-fund according to their respective prorata shareholding. Any amounts unclaimed by the Shareholders at the closing of the liquidation of the Company will be deposited with the *Caisse de Consignation* in Luxembourg for a duration of thirty (30) years. If amounts deposited remain unclaimed beyond the prescribed time limit, they shall be forfeited.

- 19.5 As soon as the decision to wind up the Company is made, the issue, redemption or conversion of Shares in all Sub-funds will be prohibited and shall be deemed void.

Liquidation of Sub-funds or Classes – Merger

- 19.6 If, for any reason, the value of the total net assets in any Sub-fund or Class has decreased to, or has not reached, an amount determined by the Company to be the minimum level for such Sub-fund or Class to be operated in an economically efficient manner (i.e. below the Minimum Net Asset Value), or in the event of a substantial change in the economic or political environment of the relevant Sub-fund or Class that may have material adverse consequences on the Sub-fund or Class's investments, or if an economic rationalisation so requires, the Board may decide on a compulsory redemption of all Shares outstanding in such Sub-fund or Class on the basis of the Net Asset Value per Share (after taking account of current realisation prices of the investments as well as realisation expenses), calculated on the NAV Calculation Day at which such decision shall take effect. The Company will serve a notice to the holders of the relevant Shares prior to the effective date for the compulsory redemption, which will indicate the reasons for and the procedure for the redemption operations. Registered Shareholders will be notified in writing. Unless the Board decides otherwise in the interests of, or in order to keep equal treatment between the Shareholders, the Shareholders of the Sub-fund or Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charge. However, the liquidation costs will be taken into account in the redemption and conversion price.
- 19.7 Notwithstanding the powers granted to the Board as described in the previous paragraph, a general meeting of Shareholders of a Sub-fund or Class may, upon proposal of the Board, decide to repurchase all the Shares in such Sub-fund or Class and to reimburse the Shareholders on the basis of the Net Asset Value of their Shares (taking account of current realisation prices of the investments as well as realisation expenses) calculated as of the NAV Calculation Day on which such decision shall become effective. No quorum shall be required at this general meeting and resolutions shall be passed by a simple majority of the shareholders present or represented, provided that the decision does not result in the liquidation of the Company.
- 19.8 All the Shares redeemed will be cancelled.
- 19.9 Under the same circumstances as provided by Section 19.6, the Board may decide to allocate the assets of any Sub-fund to those of another existing Sub-fund within the Company or to another Luxembourg UCITS or to another Sub-fund within such other Luxembourg UCITS (the "**new Sub-fund**") and to re-designate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the new Sub-fund or the other Luxembourg UCITS. Such publication will be made not less than one (1) month before the date on which the merger or contribution becomes effective in order to enable Shareholders to request redemption of their Shares, free of redemption charge, before the contribution becomes effective. Shareholders will receive shares of the surviving Luxembourg UCITS or Sub-fund except in those situations when the Company or Sub-fund or Class is the surviving entity. Any new share received in such transaction will have the same value as any Shares relinquished in the transaction.

- 19.10 Notwithstanding the powers granted to the Board in the above paragraph, a contribution of the assets and liabilities of a Sub-fund or Class to another Sub-fund or Class of the Company may be decided by the general meeting of Shareholders of the contributing Sub-fund or Class. No quorum shall be required and a decision on such contribution shall be taken by a resolution passed by the majority of the shareholders present or represented, provided that this contribution does not result in the liquidation of the Company.
- 19.11 A contribution of the assets and liabilities attributable to a Sub-fund or Class to another UCITS or to another class of such UCITS may be decided by a general meeting of Shareholders of the contributing Sub-fund or Class by a resolution of the Shareholders of the Class or Classes of the Sub-fund concerned taken with a 50% quorum requirement of the shares in issue and adopted at a 2/3 majority of the shares present or represented and voting.
- 19.12 For the interest of the Shareholders of the relevant Sub-fund or in the event that a substantial change in the economic or political situation relating to a Sub-fund so justifies, the Board may proceed to the reorganisation of such Sub-fund by means of a division into two or more Sub-funds. Such decision will be published in the same manner as described above. Information concerning the new Sub-fund(s) will be provided to the relevant Shareholders. Such publication will be made one (1) month prior to the effectiveness of the reorganisation in order to permit Shareholders to request redemption of their Shares free of charge during such one (1) month prior period.

20. TAXATION

- 20.1 In Luxembourg, no duty or tax is owed for the issue of shares, with the exception of the fixed duty payable for incorporation, which covers operations for gathering capital.
- 20.2 Generally speaking, the Company is subject to a subscription tax at an annual rate of 0.05% per year on net assets. This tax is reduced to 0.01% per year in certain cases, such as, for example, in respect of money market funds, or concerning net assets in Sub-funds and/or share classes restricted to institutional investors pursuant to article 174 of the 2010 Act. The tax does not apply to the part of assets invested in other Luxembourg undertakings for collective investment. Subject to certain conditions, some Sub-funds and/or classes of shares reserved for institutional investors may be totally exempt from the subscription tax.
- 20.3 Nevertheless, some income from the Company portfolio, in the form of dividends and interest, may be subject to tax at variable rates, deducted at source in the country of origin.
- 20.4 EU tax considerations for individuals resident in the EU or in certain third countries or dependent or associated territories.
- 20.5 Under the law of 18 December 2015 implementing the EU Council Directive 2014/107/UE on administrative cooperation in the field of direct taxation (the “**DAC Directive**”) and the OECD Common Reporting Standard (the “**CRS**”) (the “**DAC Law**”), since 1 January 2016, the financial institutions of an EU Member State or a jurisdiction participating to the CRS are required to provide to the fiscal authorities of other EU Member States and jurisdictions participating to the CRS details of payments of interest, dividends and similar type of income, gross proceeds from the sale of financial assets and other income, and account balances held

on reportable accounts, as defined in the DAC Directive and the CRS, of account holders residents of, or established in, an EU Member State and certain dependent and associated territories of EU Member States or in a jurisdiction which has introduced the CRS in its domestic law.

- 20.6 Payment of interest and other income derived from the Shares will fall into the scope of the DAC Directive and the CRS and are therefore be subject to reporting obligations.
- 20.7 Prospective investors should consult their own tax advisor with respect to the application of the DAC Directive and the CRS to such investor in light of such investors' individual circumstances. Investors are further invited to request information regarding applicable laws and regulations (i.e. any particular tax aspects or exchange regulations) of the countries of which they are citizens, or in which they are domiciled or resident and which may concern the subscription, purchase, holding and redemption of the Shares.

Other jurisdictions

- 20.8 Interest, dividend and other income realised by the Company on the sale of securities, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Company will bear since the amount of the assets to be invested in various countries and the ability of the Company to reduce such taxes is not known.
- 20.9 The information set out above is a summary of those tax issues which could arise in Luxembourg and does not purport to be a comprehensive analysis of the tax issues which could affect a prospective subscriber. It is expected that Shareholders may be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the tax consequences for each prospective investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances.

FATCA

- 20.10 As of 1 July 2014, payments of U.S. source income (such as dividends and interest) and, as of 1 January 2015, gross proceeds from the disposition of property that can produce dividends and interest and a portion of payments from certain non-U.S. entities may be subject to a U.S. reporting and withholding tax regime. The FATCA rules are designed to require non-U.S. accounts and financial assets of U.S. persons and certain U.S. owned persons to be reported to the U.S. Internal Revenue Service. If the FATCA rules are not complied with, the payments become subject to a 30% withholding tax.
- 20.11 On 28 March 2014, the Luxembourg and the United States of America have signed the intergovernmental agreement model 1 ("**Lux IGA**") in order to implement FATCA in Luxembourg.
- 20.12 Such Lux IGA should enable the Company not to be subject to the 30% withholding tax on U.S. payments and to be subject to less stringent requirements. The Lux IGA requires the Company only to register with the U.S. Internal Revenue Service and the gathering and

reporting of the FATCA related information shall be done directly to Luxembourg authorities, which in their turn will exchange the relevant information with their U.S. counterparts.

- 20.13 If the Company is unable to get the FATCA related required information from an investor, it may be forced to withhold on that investor's share of the relevant payments and may be required to forcibly redeem that investor's interest in the Company. If the Company does not comply with FATCA, income and gains might be materially impaired as they would be subject to the 30% withholding tax in certain circumstances. In any case, the Company intends to become FATCA compliant.
- 20.14 Each investor should consult its own tax advisors regarding the application of FATCA to its own situation.

Future changes in applicable law

- 20.15 The foregoing description of Luxembourg tax consequences of an investment in, and the operations of, the Company is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company to income taxes or subject Shareholders to increased income taxes.
- 20.16 **THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SUBSCRIBERS. PROSPECTIVE SUBSCRIBERS SHOULD CONSULT THEIR OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY OTHER JURISDICTION WHICH MAY BE APPLICABLE TO THEM.**

21. RISK FACTORS

- 21.1 Before making an investment decision with respect to Shares of any Class in any Sub-fund, prospective investors should carefully consider all of the information set out in this Prospectus and the relevant Supplement, as well as their own personal circumstances. Prospective investors should have particular regard to, among other matters, the considerations set out in this Section and under the Sections "Risk Factors" (if any) and "Profile of Typical Investor" in the relevant Supplement. The risk factors referred to therein, and in this document, alone or collectively, may reduce the return on the Shares of any Sub-fund and could result in the loss of all or a proportion of a Shareholder's investment in the Shares of any Sub-fund. The price of the Shares of any Sub-fund can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested in any Class or any amount at all.
- 21.2 The risks may include or relate to equity markets, bond markets, foreign exchange rates, interest rates, credit risk, the use of derivatives, counterparty risk, market volatility and political risks. The risk factors set out in this Prospectus and the relevant Supplement are not exhaustive. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.
- 21.3 An investment in the Shares of any Sub-fund is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the

merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

- 21.4 Before making any investment decision with respect to the Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, solicitor, accountant and/or financial adviser and carefully review and consider such an investment decision in the light of the foregoing and the prospective investor's personal circumstances.
- 21.5 The Company is intended to be a medium to long-term investment vehicle (depending on the investment policy of the relevant Sub-funds). Shares may however be redeemed on each Transaction Day. Substantial redemptions of Shares by Shareholders within a limited period of time could cause the Company to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value per Share could make it more difficult for the Company to generate trading profits or recover losses.

Past and Future Performance

- 21.6 The past performance of a Sub-fund, as published in the key investor information document or in any marketing documentation, is not a guarantee of, and should not be used as a guide to, future returns. Pursuit of the Investment Objective and Investment Policy by the Sub-fund involves uncertainty. No assurance can be given that suitable investment opportunities in which to deploy all of the Sub-fund's capital will be located. There can be no guarantee that the investments made by the Investment Manager and/or any Sub-Investment Manager or Investment Adviser on behalf of the Sub-fund will be profitable. The performance of a Sub-fund is dependent upon several factors including, but not limited to, the performance of the underlying assets as well as fees and expenses, tax and administration duties, which will be or may have actually been charged, applied and/or discounted. These elements generally vary during any Calculation Period, and it should therefore be noted that when comparing Calculation Periods, some may appear to have enhanced or reduced performance when compared to similar Calculation Periods, due to the application (or reduction) of some or all of the factors set out above.

General economic conditions

- 21.7 The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the liquidity of the markets for both equities and interest-rate-sensitive securities. Certain market conditions, including unexpected volatility or illiquidity in the market in which the Company directly or indirectly holds positions, could impair the Company's ability to achieve its objectives and/or cause it to incur losses.

European Union

- 21.8 Europe is currently dealing with numerous regulatory reforms that may have an impact on the Company and the Sub-funds. Policy makers have reached agreement or tabled proposals or initiated consultations on a number of important topics, such as (list not exhaustive): the proposal for a new UCITS Directive amending the UCITS Directive 2009/65/EU as regards depositary functions, remuneration policies and sanctions (i.e., the so called "UCITS V

Directive"), the consultation initiated by the EU Commission on product rules, liquidity management, depositary, money market funds, long-term investments in view of a further revision of the UCITS Directive (i.e., the so called "**UCITS VI Directive**") along with the guidelines 2012/832 adopted by ESMA concerning ETFs and other UCITS issues, the proposals that aim (i) to update the existing regulatory framework in the Markets in Financial Instruments Directive more commonly referred to as "**MIFID II**" and (ii) to set up directly applicable requirements to be contained in a new regulation known as the Markets in Financial Instruments Regulation more commonly referred to as "**MIFIR**", the adoption by the European Parliament of the Regulation on Over-the-Counter Derivatives and Market Infrastructures more commonly referred to as "**EMIR**" and the proposal for a Financial Transaction Tax ("**FTT**").

Indemnities

- 21.9 Certain Service Providers of a Sub-fund and their directors, managers, officers and employees may benefit from an indemnification under the relevant Service Agreement and could therefore, in certain circumstances, be indemnified out of the relevant Sub-fund's assets against liabilities, costs, expenses (including, e.g., legal expenses) incurred by reason of such person or entity providing services to the relevant Sub-fund. In principle, however, indemnification clauses will generally contain carve outs in relation to acts or omissions that incur, e.g., gross negligence, fraud, wilful default or reckless disregard.

Key Persons

- 21.10 The success of the Company or of its Sub-funds will largely depend on the experience, relationships and expertise of the key persons within the Board, the Management Company or the Investment Manager, if any, which have long term experience in the respective area of investment. The performance of the Company or any Sub-fund may be negatively affected if any of the key persons involved in the management or investment process of the Company or particular Sub-fund would for any reason cease to be involved. Furthermore, the key persons might be involved in other businesses, including in similar projects or investment structures, and not be able to devote all of their time to the Company or the respective Sub-fund. In addition, the involvement in similar projects or investment structures may create a source for potential conflicts of interest.

Exchange rates

- 21.11 Investors in the Shares should be aware that an investment in the Shares may involve exchange rate risks. For example (i) a Sub-fund may have direct or indirect exposure to a number of different currencies of emerging market or developed countries; (ii) a Sub-fund may invest in securities or other eligible assets denominated in currencies other than the Sub-fund's Reference Currency; (iii) the Shares may be denominated in a currency other than the currency of the investor's home jurisdiction; and/or (iv) the Shares may be denominated in a currency other than the currency in which an investor wishes to receive his monies. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets, which are influenced by macro-economic factors (such as the economic development in the different currency areas, interest rates and international capital movements), speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Shares.

Interest rate

- 21.12 Investors in the Shares should be aware that an investment in the Shares may involve interest rate risk in that there may be fluctuations in the currency of denomination of securities or other eligible assets in which a Sub-fund invests the Shares.
- 21.13 Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the securities or other eligible assets in which a Sub-fund invests are denominated may affect the value of the Shares.

Market volatility

- 21.14 Market volatility reflects the degree of instability and expected instability of the securities or other eligible assets in which a Sub-fund invests, the performance of the Shares, or the techniques used to link the net proceeds of any issue of Shares to OTC Derivatives underlying asset(s), where applicable. The level of market volatility is not purely a measurement of the actual volatility but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

Credit risk

- 21.15 Investors in the Shares should be aware that such an investment may involve credit risk. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share.

Investments in emerging markets

- 21.16 In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries.

In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the Sub-funds.

- 21.17 Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Company may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.
- 21.18 Settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the Sub-funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment will be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the "**Counterparty**") through whom the relevant transaction is instructed might result in a loss being suffered by Sub-funds investing in emerging market securities.
- 21.19 The Company will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Company will be successful in eliminating this risk for the Sub-funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.
- 21.20 There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Company's claims in any of these events.
- 21.21 In some Eastern European countries there are uncertainties with regard to the ownership of properties. As a result, investing in Transferable Securities issued by companies holding ownership of such Eastern European properties may be subject to increased risk.
- 21.22 Furthermore, investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary). No certificates representing ownership of Russian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of the effective state regulation and enforcement, the Company could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight. In addition, Russian securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian

institutions which may not have adequate insurance coverage to cover loss due to theft, destruction or default whilst such assets are in its custody.

- 21.23 Some Sub-funds may invest a significant portion of their net assets in securities or corporate bonds issued by companies domiciled, established or operating in Russia as well as, as the case may be, in debt securities issued by the Russian government as more fully described for each relevant Sub-fund in its Investment Policy.

Risks in transactions in currencies

- 21.24 In general, foreign exchange rates can be extremely volatile and difficult to predict. Foreign exchange rates may be influenced by, among other factors: changing supply and demand for a particular currency; trade, fiscal and monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries); political events; changes in balances of payments and trade; domestic and foreign rates of inflation; domestic and foreign rates of interest; international trade restrictions; and currency devaluations and revaluations. In addition, governments from time to time intervene, directly and by regulation, in the currency markets to influence prices directly. Variance in the degree of volatility of the market from the Management Company, the Investment Manager, the Sub-Investment Manager and the Investment Adviser's expectations may produce significant losses to a Sub-fund, particularly in the case of transactions entered into pursuant to non-directional strategies.

Use of financial derivative instruments

- 21.25 While the prudent use of financial derivative instruments can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Sub-fund.

Market risk

- 21.26 This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to a Sub-fund's interests.

Control and monitoring

- 21.27 Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Sub-fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

(b) *Liquidity risk*

- 21.28 Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Company will only enter into OTC Derivatives if it is allowed to liquidate such transactions at any time at fair value).

(c) *Counterparty risk*

- 21.29 The Sub-funds may enter into transactions in OTC markets, which will expose the Sub-funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Sub-funds may enter into swap arrangements or other derivative techniques as specified in the relevant Supplements, each of which expose the Sub-funds to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-funds could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. However, this risk is limited in view of the Investment Restrictions laid down in Section 3 of the General Section.
- 21.30 Certain markets in which the Sub-funds may execute transactions are over-the-counter or interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. To the extent a Sub-fund invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, such Sub-fund may take credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections. This exposes the Sub-funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Sub-fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Company has concentrated its transactions with a single or small group of counterparties. In addition, in the case of a default, the respective Sub-fund could become subject to adverse market movements while replacement transactions are executed. The Sub-funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, the Sub-funds have no internal credit function which evaluates the creditworthiness of their counterparties. The ability of the Sub-funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Sub-funds.

Intermediaries

- 21.31 The Investment Manager and/or Sub-Investment Manager may appoint a broker, prime broker, bank or derivative counterparty to be responsible for clearing, financing and reporting services with respect to the securities transactions entered into by the relevant Investment Manager and/or Sub-Investment Manager. In certain cases, brokers, prime brokers, banks or derivative counterparties may not have the same credit rating as a large western European bank (or any credit rating) and may have limited or no statutory supervisory obligations. As a broker, prime broker, bank or derivative counterparty may in some cases have limited or no regulatory obligations, internal fraud may be much more difficult to detect. In the event of a broker's, prime broker's, bank's or derivative counterparty's insolvency the relevant Sub-fund may lose some or all of the investments held or entered into with the broker, prime broker, bank or derivative counterparty.

Lack of availability

- 21.32 Because the markets for certain derivative instruments (including markets located in foreign countries) are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, the Management Company may wish to retain the respective Sub-fund's position in the derivative instrument by entering into a similar contract but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Sub-funds will engage in derivatives transactions at any time or from time to time. The Sub-funds' ability to use derivatives may also be limited by certain regulatory and tax considerations.

Different maturity

- 21.33 The Company will enter into derivative contracts with a maturity date which may be different from the maturity date of the Sub-fund. There can be no assurance that any new derivative contracts entered into will have terms similar to those previously entered into.

Synthetic Short Selling

- 21.34 Sub-funds may utilise synthetic short exposures through the use of cash settled derivatives such as swaps, futures and forwards in order to enhance their overall performance. A synthetic short sale position replicates the economic effect of a transaction in which a fund sells a security it does not own but has borrowed, in anticipation that the market price of that security will decline. When a Sub-fund initiates such a synthetic short position in a security that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. A Sub-fund may be required to pay a fee to synthetically short particular securities and is often obligated to pay over any payments received on such securities. Each Sub-fund maintains sufficiently liquid long positions in order to cover any obligations arising from its short positions. If the price of the security on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-fund will incur a loss; conversely, if the price declines, the Sub-fund will realise a short-term capital gain. Any gain will be decreased, and any loss increased by the transactional costs described above. Although a Sub-fund's gain is

limited to the price at which it opened the synthetic short position, its potential loss is theoretically unlimited. Stop loss policies are typically employed to limit actual losses, which would otherwise have to be covered by closing long positions.

Synthetic Leverage

- 21.35 A Sub-fund's portfolio may be leveraged by using derivative instruments (including OTC Derivatives) i.e. as a result of its transactions in the futures, options and swaps markets. A low margin deposit is required in futures trading and the low cost of carrying cash positions permit a degree of leverage, which may result in exaggerated profits or losses to an investor. A relatively small price movement in a futures position or the underlying instrument may result in substantial losses to the Sub-fund resulting in a similar decline to the Net Asset Value per Share. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contract or security underlying the option which the writer must purchase or deliver upon exercise of the option. Contracts for differences and swaps may also be used to provide synthetic short exposure to a stock – the risks associated with using swaps and contract for differences are more fully disclosed in Section 21.37 below.

Control and Monitoring

- 21.36 Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Sub-fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

Use of specific derivative contracts

- 21.37 The following only represents a limited choice of risk associated with derivatives the Sub-funds may elect to invest in. The Sub-funds are substantially unrestricted in their use of derivatives and may decide to use various other derivatives contracts associated with much higher or different risks, as the case may be.

(a) Swap agreements

Sub-funds may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Sub-funds' exposure to long-term or short-term interest rates, different currency values, corporate borrowing rates, or other factors such as without limitation security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Sub-funds are not limited to any particular form of swap agreement if consistent with the respective Sub-fund's investment objective and policies. Swap agreements tend to shift the respective Sub-fund's investment exposure from one type of investment to

another. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Sub-funds' portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Sub-funds.

Inter alia, in order to seek to reduce the interest rate risk inherent in the Sub-funds underlying investments especially associated with bonds and other fixed income investments, the Sub-funds may employ interest rate swaps or option transactions. Interest rate swaps involve the Sub-funds' agreement with the swap counterparty to pay a variable rate payment on a notional amount in exchange for the counterparty paying the Sub-funds a fixed rate payment on a notional amount that is intended to approximate the Sub-funds income on variable interest rates.

The use of interest rate swaps and options is a highly specialised activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. Depending on the state of interest rates, the respective Sub-fund's use of interest rate instruments could enhance or harm the overall performance on the Shares in the respective Sub-fund. To the extent there is an increase in interest rates, the value of the interest rate swap or option could go down and could result in a decline in the Net Asset Value of the Shares. If interest rates are higher than the respective Sub-fund's fixed rate of payment on the interest rate swap, the swap will reduce the net earnings. If, on the other hand, interest rates are lower than the fixed rate of payment on the interest rate swap, the swap will enhance net earnings.

Interest rate swaps and options generally do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to interest rate swaps or options is limited to the net amount of interest payments that the Sub-funds are contractually obligated to make.

In addition, at the time the interest rate swap or option transaction reaches its scheduled termination date, there is a risk that the Sub-funds will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favourable as the terms of the expiring transactions. If this occurs, it could have a negative impact on the performance of the Shares in the respective Sub-fund.

(b) Call options

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option that is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security offset by the gain by the premium received if the option expires out of the money, and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option.

The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security (if the market price of the underlying security declines).

(c) Put options

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option that is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price of the short position of the underlying security offset by the premium if the option expires out of the money, and thus the gain in the premium, and the option seller gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged put option assumes the risk of a decline in the market price of the underlying security to zero.

The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

(d) Forward trading

Each Sub-fund may invest in forward contracts and options thereon, which, unlike futures contracts, are not traded on exchanges, and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. For example, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank traded instruments rely on the fulfilment by the dealer or counterparty of its contract. As a result, trading in unregulated exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which the respective Sub-fund has forward contracts. Although the Board seeks to trade with responsible counterparties, failure by a counterparty to fulfil its contractual obligation could expose the Company to unanticipated losses. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Sub-funds due to unusually high or low trading volume, political intervention or other factors. The imposition of credit

controls by government authorities might also limit such forward trading to less than that which the Management Company would otherwise recommend, to the possible detriment of the Sub-funds.

- (e) Performance swaps, interest rate swaps, currency swaps, total return swaps, credit default swaps and interest rate swaptions.

The Company, the Management Company, the Investment Manager or the Sub-Investment Manager may, as a part of the investment strategy of a Sub-fund, enter into performance swaps, interest rate swaps, currency swaps, total return swaps, credit default swaps and interest rate swaptions agreements. Interest rate swaps involve the exchange by a Sub-fund with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments.

Where a Sub-fund enters into interest rate swaps or total return swaps on a net basis, the two payment streams are netted out, with each Sub-fund receiving or paying, as the case may be, only the net amount of the two payments. Interest rate swaps or total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Sub-fund is contractually obligated to make (or in the case of total return swaps, the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments). If the other party to an interest rate swap or total return swap defaults, in normal circumstances the Sub-fund's risk of loss consists of the net amount of interest or total return payments that the Sub-fund is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

A Sub-fund may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event (such as bankruptcy or insolvency) occurs or receive a cash settlement based on the difference between the market price and such reference price.

A Sub-fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, a Sub-fund may buy protection under credit default swaps without holding the underlying assets.

A Sub-fund may also sell protection under credit default swaps in order to acquire a specific credit exposure.

A Sub-fund may also purchase a receiver or payer interest rate swaption contract. Swaptions are options on interest rate swaps. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

The use of interest rate swaps, currency swaps, total return swaps, credit default swaps and interest rate swaptions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Board, the Management Company or the Investment Manager is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Sub-fund would be less favourable than it would have been if these investment techniques were not used.

(f) Contracts for differences

The Sub-funds may have an exposure in Contracts For Difference ("CFD's"). CFD's are synthetic instruments which mirror the profit (or loss) effect of holding (or selling) equities directly without buying the actual securities themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and the share price when the contract is closed. Accordingly, under such an instrument the relevant Sub-fund will make a profit if it has a purchase position and the price of the underlying security rises (and make a loss if the price of the underlying security falls). Conversely if the Sub-fund has a sale position, it will make a profit if the price of the underlying security falls (and make a loss if the price of the underlying security rises). As part of the normal market terms of trade the Company must comply with market participants terms and conditions and in particular initial margin has to be paid to cover potential losses (on set up) and variation margin on adverse price movements (during the term of the CFD). In addition, it should be noted the relevant Sub-fund could suffer losses in event of the CFD issuer's default or insolvency.

(g) Other derivative instruments.

The Sub-funds may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Sub-funds and legally permissible. Special risks may apply to instruments that are invested in by the Company in the future that cannot be determined at this time or until such instruments are developed or invested in by the Sub-funds. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Hedging risks

- 21.38 The Investment Manager and/or Sub-Investment Manager may utilise warrants, futures, forward contracts, swaps, options and other derivative instruments involving securities, currencies, interest rates, commodities and other asset categories (and combinations of the foregoing) for the purposes of establishing "market neutral" arbitrage positions as part of its trading strategies and to hedge against movements in the capital markets. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions may also limit the opportunity for gain if the value of the portfolio position should increase. The success of any hedging transactions will be subject to the movements in the direction of securities prices and currency and interest rates, and stability or predictability of pricing relationships. Therefore, while a Sub-fund might enter into such transactions to reduce currency exchange rate and interest rate risks, unanticipated changes in currency or interest rates may result in poorer overall performance for the Sub-fund than if it had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, the relevant Investment Manager and/or Sub-Investment Manager may not be able to, or may not seek to, establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. An imperfect correlation may prevent a Sub-fund from achieving the intended hedge or expose a Sub-fund to risk of loss.

Risks of options trading

- 21.39 In seeking to enhance performance or hedge assets, the Sub-fund may use options. Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price.

Investing in futures is volatile and involves a high degree of leverage

- 21.40 Futures markets are highly volatile markets. The profitability of the Sub-fund will partially depend on the ability of the Board, the Management Company or the Investment Manager to make a correct analysis of the market trends, influenced by governmental policies and plans, international political and economic events, changing supply and demand relationships, acts of governments and changes in interest rates. In addition, governments may from time to time intervene on certain markets, particularly currency markets. Such interventions may directly or indirectly influence the market. Given that only a small amount of margin is required to trade on futures markets, the operations of the managed futures portion of the Sub-fund shall be characterised by a high degree of leverage. As a consequence, a relatively small variation of the price of a futures contract may result in substantial losses for the Sub-fund and a correlated reduction of the Net Asset Value of the Shares of the Sub-fund.

Futures markets may be illiquid

- 21.41 Most futures markets limit fluctuation in futures contracts prices during a single day. When the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions can be neither taken nor liquidated unless the Board, the Management Company or the Investment Manager are willing to trade at or within the limit. In the past futures contract prices have exceeded the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Sub-fund from promptly liquidating unfavourable positions and thus subject the Sub-fund to substantial losses. In addition, even if the prices do not get close to such limits, the Sub-fund may be in a position not to obtain satisfying prices if the volumes traded on the market are insufficient to meet liquidation requests. It is also possible that a stock exchange, the Commodity Futures Trading Commission in the United States or another similar institution in another country suspends the listing of a particular contract, instructs the immediate liquidation of the contract or limits transactions on a contract to the sole transactions against delivery.

Options on futures

- 21.42 The Company, the Management Company or the Investment Manager may engage in the management of options, in particular options on futures contracts. Such management carries risks similar to the risks inherent to the uncovered management of futures contracts on commodities as far as such options are volatile and imply a high degree of leverage. The specific movements of the commodities and futures contracts markets, which represent the underlying assets of the options may not be predicted with precision. The buyer of an option may lose the entire purchase price of the option. The seller of an option may lose the difference between the premium received for the option and the price of the commodity or of the futures contract underlying the option that the seller must buy or deliver, upon the exercise of the option.

Other risks

- 21.43 Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-fund. However, this risk is limited as the valuation method used to value OTC Derivatives must be verifiable by an independent auditor.
- 21.44 Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Sub-fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following a Sub-fund's Investment Objective.

Risk related to securities lending and repurchase transactions

- 21.45 In relation to repurchase transactions, investors must notably be aware that (A) in the event of the failure of the counterparty with which cash of a Sub-fund has been placed there is the risk

that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Sub-fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (C) repurchase transactions will, as the case may be, further expose a Sub-fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of the Prospectus.

- 21.46 In relation to securities lending transactions, investors must notably be aware that (A) if the borrower of securities lent by a Sub-fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a Sub-fund to meet delivery obligations under security sales.
- 21.47 A Sub-fund may also incur a loss in reinvesting cash collateral received. 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.

Use of SFT and TRS

Operational risk

- 21.48 A Sub-fund could suffer from losses through people, process and system failures.

Liquidity risk

- 21.49 Any type of security that is not publicly traded may be hard to value and may be hard to sell at a desired time and price, especially in any volume. This also applies to securities that are publicly traded, but represent a small issue, trade infrequently, or trade on markets that are comparatively small or that have long settlement times. In addition to creating investment losses, liquidity problems could lead to a delay in the processing of Shareholder requests to redeem Shares.

Counterparty risk

- 21.50 A Sub-fund could lose money if an entity with which it does business becomes unwilling or unable to meet its obligations to the Sub-fund.

If a counterparty fails to meet its obligations, the Sub-fund may have the right to try to recover any losses by using any collateral associated with the obligation. However, the value of collateral may be worth less than the cash or securities owed to the Sub-fund, whether because of market action, inaccurate pricing, deteriorating issuer credit or market liquidity problems.

If a counterparty is late in honouring its obligations, it could affect the Sub-fund's ability to meet its own obligations to other counterparties and could cause a delay in the processing of redemptions. Making a lending commitment involving a long term or large sum could lead to similar problems.

Custody / Sub-Custody Risk

- 21.51 Assets of the Company are held in custody by the Depositary / sub-depositary and investors are exposed to the risk of these counterparties not being able to fully meet their obligation to return in a short timeframe all of the assets of the Company. The Sub-fund may incur losses resulting from the acts or omissions of the Depositary / sub-depositary bank when performing or settling transactions or when transferring money or securities.

Legal Risk

- 21.52 There is a risk that agreements and derivatives techniques are terminated due to as example bankruptcy, supervening illegality, change in tax or accounting laws. In such circumstances, a Sub-fund may be required to cover any losses incurred. In addition, certain transactions are entered into on the basis of complex legal documents, such documents may be the subject to dispute due to interpretation in certain circumstances.

Fixed-interest securities

- 21.53 Investment in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in currency exchange rates and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the reference currency of the Company would reduce the value of certain portfolio securities that are denominated in the former currency. The following risks may also be associated with fixed-interest securities:
- 21.54 Issuers are generally subject to different accounting, auditing and financial reporting standards in different countries throughout the world. The volume of trading, volatility of prices and liquidity of issuers may differ between the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies differs from one country to another. The laws of some countries may limit the Company's ability to invest in securities of certain issuers.
- 21.55 Different markets also have different clearing and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of a Sub-fund is uninvested and no return is earned thereon. The inability of the Company to make intended security purchases due to settlement problems could cause a Sub-fund to miss attractive investment opportunities.

Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Sub-fund due to subsequent declines in value of the portfolio security or, if a Sub-fund has entered into a contract to sell the security, could result in possible liability to the purchaser.

- 21.56 An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.

High-yield securities

- 21.57 Sub-funds may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, each Sub-fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments (neither Sub-fund is required to hedge, and may choose not to do so). High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Equities

- 21.58 The risks associated with investments in equity (and equity-type) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company. Potential investors should also consider the risk attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

Use of structured finance securities

- 21.59 Structured finance securities include, without limitation, securitised credit and portfolio credit-linked notes.
- 21.60 Securitised credit is securities primarily serviced, or secured, by the cash flows of a pool of receivables (whether present or future) or other underlying assets, either fixed or revolving. Such underlying assets may include, without limitation, residential and commercial mortgages, leases, credit card receivables as well as consumer and corporate debt. Securitised credit can be structured in different ways, including "true sale" structures, where the underlying assets are transferred to a special purpose entity, which in turn issues the asset-backed securities, and

"synthetic" structures, in which not the assets, but only the credit risks associated with them are transferred through the use of derivatives, to a special purpose entity, which issues the securitised credit.

- 21.61 Portfolio credit-linked notes are securities in respect of which the payment of principal and interest is linked directly or indirectly to one or more managed or unmanaged portfolios of reference entities and/or assets ("reference credits"). Upon the occurrence of a credit-related trigger event ("credit event") with respect to a reference credit (such as a bankruptcy or a payment default), a loss amount will be calculated (equal to, for example, the difference between the par value of an asset and its recovery value).
- 21.62 Securitised credit and portfolio credit-linked notes are usually issued in different tranches: Any losses realised in relation to the underlying assets or, as the case may be, calculated in relation to the reference credits are allocated first to the securities of the most junior tranche, until the principal of such securities is reduced to zero, then to the principal of the next lowest tranche, and so forth.
- 21.63 Accordingly, in the event that (a) in relation to securitised credit, the underlying assets do not perform and/or (b) in relation to portfolio credit-linked notes, any one of the specified credit events occurs with respect to one or more of the underlying assets or reference credits, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share. In addition the value of structured finance securities from time to time, and consequently the Net Asset Value per Share, may be adversely affected by macro-economic factors such as adverse changes affecting the sector to which the underlying assets or reference credits belong (including industry sectors, services and real estate), economic downturns in the respective countries or globally, as well as circumstances related to the nature of the individual assets (for example, project finance loans are subject to risks connected to the respective project). The implications of such negative effects thus depend heavily on the geographic, sector-specific and type-related concentration of the underlying assets or reference credits. The degree to which any particular asset-backed security or portfolio credit-linked note is affected by such events will depend on the tranche to which such security relates; junior tranches, even having received investment grade rating, can therefore be subject to substantial risks.
- 21.64 Exposure to structured finance securities may entail a higher liquidity risk than exposure to sovereign bonds which may affect their realisation value.

Financial failure of intermediaries

- 21.65 There is always the possibility that the institutions, including brokerage firms and banks, with which the Sub-funds do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair their operational capabilities or result in losses to the Company.

Efficient portfolio management techniques

- 21.66 The use of efficient portfolio management techniques and instruments involves certain risks, some of which are listed in the following paragraphs, and there can be no assurance that the objective sought to be obtained from such use will be achieved.

- 21.67 Although Luxembourg Law require each Sub-fund entering into one of the aforementioned transactions to receive sufficient collateral to reduce its counterparty exposure, it does not require that such counterparty exposure be fully covered by collateral. This leaves room for the Sub-funds to be exposed to a net counterparty risk and investors should be aware of the possible resulting loss in case of default of the relevant counterparty.
- 21.68 In relation to reverse repurchase transactions and sale with right of repurchase transactions in which a Sub-fund acts as purchaser and in the event of the failure of the counterparty from whom securities have been purchased, investors should note that (A) there is the risk that the value of the securities purchased may yield less than the cash originally paid, whether because of inaccurate pricing of such securities, an adverse market value evolution, a deterioration in the credit rating of the issuers of such securities, or the illiquidity of the market in which these are traded; and (B) (i) locking cash in transactions of excessive size or duration, and/or (ii) delays in recovering cash at maturity may restrict the ability of the Sub-fund to meet redemption requests, security purchases or, more generally, reinvestment.
- 21.69 In relation to repurchase transactions and sale with right of repurchase transactions in which a Sub-fund acts as seller and in the event of the failure of the counterparty to which securities have been sold, investors should note that (A) there is the risk that the value of the securities sold to the counterparty is higher than the cash originally received, whether because of a market appreciation of the value of such securities or an improvement in the credit rating of their issuer; and (B) (i) locking investment positions in transactions of excessive size or duration, and/or (ii) delays in recovering, at maturity, the securities sold, may restrict the ability of the Sub-fund to meet delivery obligations under security sales or payment obligations arising from redemption requests.
- 21.70 In relation to securities lending transactions, investors should note that (A) if the borrower of securities lent by a Sub-fund fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded; (B) in case of reinvestment of cash collateral, such reinvestment may (i) introduce market exposures inconsistent with the objectives of the Sub-fund, or (ii) yield a sum less than the amount of collateral to be returned; and (C) delays in the return of securities on loans may restrict the ability of a Sub-fund to meet delivery obligations under security sales or payment obligations arising from redemption requests.

Specific restrictions in connection with the Shares

- 21.71 Investors should note that there may be restrictions in connection with the subscription, holding and trading in the Shares. Such restrictions may have the effect of preventing the investor from freely subscribing, holding or transferring the Shares. In addition to the features described below, such restrictions may also be caused by specific requirements such as a Minimum Subscription Amount or due to the fact that certain Sub-funds may be closed to additional subscriptions after the Initial Offering Period or Initial Offering Date.

Taxation

- 21.72 Shareholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of a Sub-fund, capital gains within a Sub-fund, whether or not realised, income received or accrued or deemed received within a Sub-fund etc., and this will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder.
- 21.73 Shareholders should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Sub-fund. Taxes might be calculated based on income received and/or deemed to be received and/or accrued in a Sub-fund in relation to their direct investments, whereas the performance of a Sub-fund, and subsequently the return Shareholders receive after redemption of the Shares, might partially or fully depend on the performance of underlying assets. This can have the effect that the investor has to pay taxes for income or/and a performance which he does not, or does not fully, receive.
- 21.74 Shareholders who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, Shareholders should be aware that tax regulations and their application or interpretation by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

Change of law

- 21.75 The Company must comply with regulatory constraints, such as a change in the laws affecting the Investment Restrictions and limits applicable to UCITS, which might require a change in the Investment Policy and Investment Objective followed by a Sub-fund.

Performance allocation and fees

- 21.76 Certain Sub-funds may provide for the right of the Management Company or the Investment Manager to receive a performance fee or similar remuneration schemes. The fact that the performance of the relevant Sub-fund may create an incentive for the Management Company or the relevant Service Provider to cause the Sub-fund to make Investments that are more speculative than would be the case in the absence of performance-based compensation. However, such incentive may be tempered somewhat by the fact that losses will reduce the Sub-fund's performance and thus the Management Company or Investment Manager's performance fee or similar remuneration scheme.

Performance Fees –No equalisation

- 21.77 Unless otherwise specified in the relevant Supplement, no equalisation measures will be carried out in respect of the Performance Fee attributed to an individual Shareholder's holding of Shares. Therefore, the same Performance Fee will apply in respect of each Share and will not be dependent on when the holder of a Share acquired it within a Performance Fee period or the actual gains obtained by such holder of a Share. As a result, an investor may contribute to Performance Fees in respect of gains which it has not benefited from.

Lack of operating history

- 21.78 The Company will be a newly formed entity, with no operating history upon which to evaluate the Company (or its Sub-funds') likely performance. There is no guarantee that the Company or any Sub-fund will realise its investment objectives, that the Investments will have low correlation with each other or that Shareholders will receive any return on, or the return of, their invested capital.

Political factors

- 21.79 The performance of the Shares or the possibility to purchase, sell, or redeem may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements.

Turnover

- 21.80 Sub-funds may invest on the basis of certain short-term market considerations. As a result, the turnover rate within certain Sub-funds may be significant, potentially involving substantial brokerage commissions, fees and other transaction costs.

Liabilities arising from prior period

- 21.81 Each Sub-fund is a separate entity from its Shareholders and may be required to settle or create reserves for liabilities regardless of the dates on which any particular Shareholder participates in each Sub-fund. Shareholders may therefore be required to bear losses on their investment from liabilities that arise from activities engaged in by a Sub-fund prior to the date on which a particular Shareholder made its initial investment in the applicable Sub-fund. Additionally, the Management Company or the Investment Manager may establish reserves for estimated or accrued expenses, liabilities or contingencies, including potential tax liabilities, as a result of which a Shareholder may be allocated expenses that accrued prior to admission, or are expected to accrue following the redemption, of such Shareholder. The Management Company or the Investment Manager may also determine to release any previously established reserves, which may benefit Shareholders who acquired their Shares subsequent to the establishment of such reserves. Former Shareholders whose distributions upon redemption were adversely affected by such reserves will not be entitled to receive any distributions in respect of such released reserves.

Risk control framework

- 21.82 No risk control system is fail-safe, and no assurance can be given that any risk control framework designed or used by the Investment Manager or any of its delegates will achieve its objective. To the extent that risk controls will be based upon historical trading patterns for the financial instruments in which the Sub-fund trades and upon pricing models for the behaviour of such financial instruments in response to various changes in market conditions, no assurance can be given that such historical trading patterns will accurately predict future trading patterns or that such pricing models will necessarily accurately predict the manner in which such

financial instruments are priced in financial markets in the future. There is no assurance that the risk control framework employed will be successful in minimising losses to the Sub-fund.

Inability to transact as a result of exposure to material non-public information

- 21.83 From time to time, the Investment Manager may receive material non-public information with respect to an issuer of publicly-traded securities. In such circumstances, the Company and the Sub-funds may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer. This can result in substantial risk of loss or loss of opportunity if the Company is not able to purchase or sell such security.

Private placements

- 21.84 A Sub-fund may invest in securities that are sold in private placement transactions between issuers and their purchasers and may be neither listed on an exchange nor traded in other established markets. In many cases, privately placed securities may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale. As a result of the absence of a public trading market, privately placed securities may be less liquid and more difficult to value than publicly traded securities. To the extent that privately placed securities may be resold in privately negotiated transactions, the prices realized from the sales, due to illiquidity, could be less than those originally paid by the Sub-fund or less than their fair market value.

Asset-backed securities (ABS) and mortgage-backed securities (MBS)

- 21.85 Certain Sub-funds may have exposure to a wide range of assetbacked securities (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralised mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other debt securities such as government issued bonds.
- 21.86 ABS and MBS are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets such as residential or commercial mortgages, motor vehicle loans or credit cards.
- 21.87 ABS and MBS are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cashflows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

Bank loans

- 21.88 A Sub-fund may, within the limit of article 41 (2) a) of the 2010 Act, invest in fixed and floating rate loans (qualifying as money market instruments under the 2010 Act) from one or more financial institutions by way of (i) assignment / transfer of; or (ii) participation in the whole or part of the loan amount outstanding. The loan participations or assignments in which a Sub-fund invests may not be rated by any internationally recognised rating service.
- 21.89 In both instances, assignments or participations of such loans must be capable of being freely traded and transferred between investors in the loans. Loan obligations are subject to the credit risk of non-payment of principal or interest. In addition, coupon payments of floating rate obligations may not be directly correlated to movements interest rates if they have LIBOR floors. Substantial increases in interest rates may cause an increase in loan obligation defaults. Although a loan obligation may be fully collateralised at the time of acquisition, the collateral may decline in value, be relatively illiquid, or lose all or substantially all of its value subsequent to investment. Many loan obligations are subject to legal or contractual restrictions on resale and may be relatively illiquid and difficult to value. Such loans may be secured or unsecured. Loans that are fully secured offer a Sub-fund more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower's obligation. In addition, investments in loans through a direct assignment include the risk that if a loan is terminated, a Sub-fund could become part owner of any collateral and would bear the costs and liabilities associated with owning and disposing of the collateral.
- 21.90 Loan obligations are subject to unique risks, including the possible invalidation of an investment as a fraudulent conveyance under relevant creditors' rights laws. Further, where exposure to loans is gained by purchase of participations there is the additional credit and bankruptcy risk of the direct participant and its failure for whatever reason to account to a Sub-fund for monies received in respect of loans directly held by it. In analysing each loan or participation, the Investment Manager will compare the relative significance of the risks against the expected benefits of the investment.

Special situations

- 21.91 The Sub-funds may seek exposure to securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, involved in or the target of acquisition attempts or tender offers or in companies involved in liquidations, spin-offs, reorganizations or similar transactions or issuers that are involved in bankruptcy or reorganization proceedings. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution the value of which will be less than the initial purchase price. Investments of this type involve substantial financial business risks that can result in substantial or total losses. Among the problems involved in investments in troubled issuers is the fact that information as to the conditions of such issuers may be limited, thereby reducing the Management Company or the Investment Manager's ability to monitor the performance and to evaluate the advisability of continued investments in specific situations. The market prices of such securities are also subject to abrupt and erratic market movements

and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value.

Investment in reorganizations and restructurings

- 21.92 A Sub-fund's investments in obligations of stressed, distressed and bankrupt issuers, including debt obligations that are in default, generally trade significantly below par and are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically, such workout or bankruptcy proceedings result in only partial recovery of cash payments or an exchange of the defaulted obligation for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative. There is even a potential risk of loss by the Sub-fund of its entire investment in such securities. There are a number of significant risks inherent in the bankruptcy process. A bankruptcy filing by an issuer may adversely and permanently affect the market position and operations of the issuer. Many factors of the bankruptcy process, including court decisions, the size and priority of other claims, and the duration and costs of the bankruptcy process, are beyond the control of the Sub-fund and can adversely affect the Sub-fund's return on investment. For example, a court could invalidate or subordinate a debt obligation of, or reclaim amounts paid by a debtor to, the Sub-fund. To the extent that any such payments are recaptured from the Sub-fund the resulting loss will be borne by the Sub-fund and its investors. The Investment Manager, on behalf of the Sub-fund, may also participate on committees formed by creditors to negotiate with debtors with respect to restructuring issues. There can be no assurance that the Investment Manager's participation would yield favorable results for the Sub-fund, and such participation may subject the Sub-fund to additional duties, liabilities and trading restrictions in a particular investment.

Insolvency considerations with respect to issuers of securities

- 21.93 Various laws enacted for the protection of creditors may apply to the securities held by a Sub-fund. Insolvency considerations will differ with respect to issuers located in different jurisdictions. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of a loan and / or bond, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such loan or bond and, after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation or if the present fair salable value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the

securities or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a loan or bond, payments made on such loan or bond could be subject to avoidance as a "preference" if made within a certain period of time before insolvency.

- 21.94 Reorganizations can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. It is possible that a Company, a Sub-fund, or Investment Manager could be named as defendants in civil proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Sub-fund and would reduce net assets.

22. SOFT COMMISSIONS

- 22.1 The Management Company (or its delegates, including, e.g., Investment Managers) may enter into soft commissions with brokers under which certain business services are obtained from third parties and are paid for by the brokers out of the commissions they receive from transactions of the Company. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Management Company (or its delegates) to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers. The entering into soft commission arrangements is subject to the following conditions: (i) the Management Company (and its delegates) will act at all times in the best interest of the Company; (ii) the services provided will be in direct relationship to the activities of the Management Company (or its delegates) and will assist the Management Company (or its delegates) in providing a better service to the Company; (iii) brokerage commissions on portfolio transactions for the Company will be directed by the Management Company (or its delegates) to broker-dealers that are entities and not to individuals; (iv) any Investment Manager will provide reports to the Management Company (and the Management Company will in turn provide reports to the Company) with respect to soft commissions including the nature of the services it receives; and (v) information concerning the soft commission arrangements will be disclosed in the financial statements of the Company.
- 22.2 For greater clarity, the following are specifically excluded from the goods and services that can be received in relation to soft commission arrangements: travel, costs, entertainment, current goods and services connected with the management (except such goods and services as consultancy and research, information technology material associated with specialist software, performance methods and instruments for setting prices), the offices, the office equipment except the equipment related to research or brokerage services, staff costs, clerical salaries and other costs determined to be overhead expenses (such as electric bills, water bills, carpeting etc.).
- 22.3 The Management Company (or its delegates) or anyone connected to it will not personally benefit from any financial return on the commissions collected by brokers or dealers. Any rebate, profit or financial payment received by the Management Company (or its delegates) or anyone connected to it, due on these brokerage commissions or transactions in relation to past orders for the Company, will be exclusively paid into the relevant Sub-fund.

23. CONFLICTS OF INTERESTS

- 23.1 The Directors, the Management Company, the Distributor(s), the Investment Manager(s), the Sub-Investment Managers, the Investment Adviser(s), the Depositary and the Administrative Agent may, in the course of their business, have potential conflicts of interests with the Company. Each of the Directors, the Management Company, the Distributor(s), the Investment Manager(s), the Sub-Investment Manager(s), the Investment Adviser(s), the Depositary and the Administrative Agent will have regard to their respective duties to the Company and other persons when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts do arise, each of such persons has undertaken or shall be requested by the Company to 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 Company and the Shareholders are fairly treated.

Interested dealings

- 23.2 The Directors, the Management Company, the Distributor(s), the Investment Manager(s), the Sub-Investment Manager(s), the Investment Adviser(s), the Depositary and the Administrative Agent and any of their respective subsidiaries, affiliates, associates, agents, directors, officers, employees or delegates (together the "**Interested Parties**" and, each, an "**Interested Party**") may:
- a) contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company, in securities in any company or body any of whose investments or obligations form part of the assets of the Company or any Sub-fund, or be interested in any such contracts or transactions;
 - b) invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party; and
 - c) deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the Company through, or with, the Management Company, the Investment Manager or the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof.
- 23.3 Any assets of the Company in the form of cash may be invested in certificates of deposit or banking investments issued by any Interested Party. Banking or similar transactions may also be undertaken with or through an Interested Party (provided it is licensed to carry out this type of activities).
- 23.4 There will be no obligation on the part of any Interested Party to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party.
- 23.5 Any such transactions must be carried out on normal commercial terms negotiated at arm's length.
- 23.6 Notwithstanding anything to the contrary herein and unless otherwise provided for in a Supplement for a particular Sub-fund, the Management Company and/or the Investment

Manager(s) or the Sub-Investment Manager(s) or the Investment Adviser(s) (if any) and their respective Affiliates may actively engage in transactions on behalf of other investment funds and accounts which involve the same securities and instruments in which the Sub-funds will invest. The Management Company and/or the Investment Manager(s) or the Sub-Investment Manager(s) or the Investment Adviser(s) (if any) and their respective Affiliates may provide investment management/advisory services to other investment funds and accounts that have investment objectives similar or dissimilar to those of the Sub-funds and/or which may or may not follow investment programs similar to the Sub-funds, and in which the Sub-funds will have no interest. The portfolio strategies of the Management Company and/or the Investment Manager(s) or the Sub-Investment Manager(s) or the Investment Adviser(s) (if any) and their respective Affiliates used for other investment funds or accounts could conflict with the transactions and strategies advised by the Management Company and/or the Investment Manager(s) or the Sub-Investment Manager(s) or the Investment Adviser(s) (if any) in managing a Sub-fund and affect the prices and availability of the securities and instruments in which such Sub-fund invests.

- 23.7 The Management Company and/or the Investment Manager(s) or the Sub-Investment Manager(s) or the Investment Adviser(s) (if any) and their respective Affiliates may give advice or take action with respect to any of their other clients which may differ from the advice given or the timing or nature of any action taken with respect to investments of a Sub-fund. The Management Company and/or the Investment Manager(s) or the Sub-Investment Manager(s) or the Investment Adviser(s) (if any) have no obligation to advise any investment opportunities to a Sub-fund which they may advise to other clients.
- 23.8 The Management Company and/or the Investment Manager(s) or the Sub-Investment Manager(s) or the Investment Adviser(s) (if any) will devote as much of their time to the activities of a Sub-fund as they deem necessary and appropriate. The Management Company and/or the Investment Manager(s) or the Sub-Investment Manager(s) or the Investment Adviser(s) (if any) and their respective Affiliates are not restricted from forming additional investment funds, from entering into other investment advisory/management relationships, or from engaging in other business activities, even though such activities may be in competition with a Sub-fund. These activities will not qualify as creating a conflict of interest.
- 23.9 Additional considerations relating to conflicts of interest may be applicable, as the case may be, for a specific Sub-fund as further laid down in the relevant Supplement.

SUPPLEMENT 1: ANAVON GLOBAL EQUITY LONG/SHORT UCITS FUND

This Supplement must be read in conjunction with the General Section of the Prospectus. This Supplement refers only to the Anavon Global Equity Long/Short UCITS Fund (the "**Sub-fund**").

Investment Objective The investment objective of the Sub-fund is to achieve maximum capital appreciation commensurate with reasonable risk. In pursuing this objective, the Sub-Investment Manager uses fundamental analysis to select long and short investments primarily in equity securities.

Investment Strategy and Policy The core principle of the Sub-fund's strategy is to identify equity investments with asymmetric risk- reward profiles through deep fundamental corporate and industry analysis. The Sub-Investment Manager aims to identify long and short investment opportunities that offer superior return potential over an investment horizon of two-three (2-3) years for long investments and twelve-eighteen (12-18) months for short investments and where the risk of permanent capital loss is limited and reasonably quantifiable through fundamental research. The Sub-Investment Manager may also purchase securities of companies in initial public offerings ("**IPOs**") or shortly thereafter, in accordance with the Investment Restrictions and the 2010 Act.

At least 50% of the net assets of the Sub-fund will be invested into the following equities, directly or via other funds:

- a) stocks or other shares of corporations that are admitted for trading on a stock exchange or listed on another Regulated Market;
- b) stocks or other shares of corporations - that are not real estate companies in the meaning of Directive 2011/61/EU on Alternative Investment Fund Managers - and that are:
 - i. domiciled in a member state of the European Union or the European Economic Area and that are subject to corporate income tax in this state and not tax exempt, or
 - ii. domiciled in another state and that are not tax exempt and subject to a corporate income tax rate in this state not less than fifteen (15) percent.

Investment opportunities may arise as a result of factors such as technical exogenous factors leading to forced selling in a particular security, market valuations that fail to recognise the upside or downside associated with particular corporate actions or a general misappraisal of a company's intrinsic value due to near term concerns. Such near term concerns may arise from a particular legal challenge on the way the company markets or produces its products, currency fluctuations or devaluations in one of the company's geographic segments that could impact the company's ability to deliver on consensus earnings forecasts, certain renegotiations of business terms where the end result is difficult to accurately predict, concerns about the company's balance sheet structure, debt covenants and debt repayment schedule or other concerns that are excessively weighing on the company's market price. In all of these situations the Sub-Investment Manager's deep multidimensional fundamental analysis in combination with its long-term investment horizon will allow it to build positions and benefit as the relevant factors materialise or subside.

The investment strategies employed may encompass, among other things, any or all of the following strategies: directional long or short positions with or

without a catalyst. Short positions can only be implemented via financial derivatives.

The Sub-fund intends to accomplish its investment objective by investing, either directly or through the use of financial derivative instruments, in equity securities. The Sub-fund invests in companies located around the world with its main focus on developed markets (which include the United States of America, Canada, the United Kingdom, France, Germany, Switzerland, Spain, Italy, Belgium, the Netherlands, Norway, Sweden, Australia and Japan) that operate in a wide range of industries. The Sub-fund's exposure to developed markets may reach up to a maximum of 200% of the net assets.

The Sub-fund may also obtain on an ancillary basis (i.e. up to 10% of the net assets) direct or indirect exposure to China through investments in (i) securities listed on the Hong Kong stock exchange, in (ii) investment funds having exposure to China or in (iii) China A-Shares through the Shanghai-Hong Kong Stock Connect program.

To increase the performance potential of the Sub-fund while mitigating general market risk, the Sub-fund employs a hedged approach, taking short positions as well as long positions. Over the long term, the Sub-Investment Manager aims to achieve returns in the Sub-fund that are higher than those implied by broad market indices while assuming less risk than that inherent in a market portfolio.

The Sub-fund will invest in financial derivative instruments to achieve its investment objective and for the purposes of hedging. These instruments may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts.

The Sub-fund may invest in debt securities, cash and cash equivalents, units of UCITS and UCIs, including money market funds, and in assets denominated in any currency. All investments will be made in accordance with the limits set out in the Prospectus. When required by the conditions on the financial markets, the Sub-fund may invest on a temporary basis up to all its assets in term deposits or money market instruments in order to protect investors' interests.

Up to 10% of the Net Asset Value of the Sub-fund may be borrowed on a temporary basis. Such borrowing may only be used for investment and/or liquidity purposes (e.g., to pay fees to a service provider and/or cover shortfalls caused by mismatched settlement dates on purchase and sale transactions).

In accordance with the Investment Restrictions and the 2010 Act, the Sub-fund will not invest more than 10% of its Net Asset Value in aggregate in shares or units of other UCITS and other open-ended investment funds.

The Sub-fund may on an exceptional and temporary basis hold up to 100% of its net assets in cash and cash equivalents.

Overview & Philosophy

The Sub-Investment Manager is committed to being responsible and diligent investors. The inclusion of ESG risks and opportunities (together “**ESG Factors**”) into the investment process, as necessary, should enhance both risk management, as well as the investment process. For example, the discovery of negative investment factors will assist the Sub-Investment Manager in making investment decisions before they expand into events that may threaten the value of an investment, or enable it to capitalise on new investment opportunities. Taking into account ESG factors may enhance the Sub-Investment Manager's ability to see the whole picture when it invests.

Governance and management

The Sub-Investment Manager's commitment to responsible business and investment starts at the top, and permeates throughout its organisation. To further enhance and ensure robust governance, the Sub-Investment Manager has established a Responsible Business & Investment Committee ("RBIC" or the "**Committee**"). The Committee meets quarterly and its broader responsibilities include:

- Establishing the Sub-Investment Manager's Responsible Business & Investment policy, including its consideration of:
 - ESG at the Manager level, and
 - ESG at the Investment level.
- Reviewing and updating the Policy as appropriate, and annually at a minimum;
- Ensuring the underlying Policy constituents are applied consistently;
- Providing oversight and management of ESG Integration at the Investment Level; and
- Ensuring the Sub-Investment Manager is best placed to navigate and capitalise on the transition to a more sustainable world.

The Committee will be chaired by Justin Denham, and will include other internal representatives, as well as its Responsible Business & Investment Counsel, Kukua.

Implementing ESG into the investment process

As part of its ESG thesis, the Sub-Investment Manager integrates material and relevant ESG Factors into its investment process; this begins with the initial idea generation and continues during the lifecycle of an investment. This process is implemented internally by the Sub-Investment Manager's investment professionals, although, there may be some requirements to consider or access information outside of Firm.

Stage 1: Idea Generation

The Sub-Investment Manager typically combines the following ESG strategies during idea generation, alongside the existing and traditional idea generation strategies.

- Screening:
 - Negative Screening/Exclusions – The Sub-Investment Manager believes certain sectors and activities will always conflict with its values, and are fundamentally financially and ESG unsustainable. To this end, the Sub-Investment Manager applies a screen ("the **Screen**") to exclude these constituents from its entire universe (the screen is acquired from an external source, and a list of the constituents The Sub-Investment Manager excludes from its universe can be shared upon request). Furthermore, an investment professional may exercise their experienced judgement when considering whether other industries or sectors not included in the Sub-Investment Manager's Screen should be removed from the investment universe, should they feel they are financially or ESG unsustainable.
 - Positive Screening/Inclusions – The Sub-Investment Manager does not specifically apply positive screens and/or inclusions against its

investment universe solely based on positive ESG considerations. Nonetheless, an investment professional could consider a company should it demonstrate:

- Best in class: companies outperforming peers in ESG Factors.
 - ESG momentum: companies improving ESG Factors more quickly than peers.
 - Thematic investing: companies solving specific ESG challenges (climate change, gender diversity, etc).
 - For certain client segregated accounts The Sub-Investment Manager can apply specific exclusions or screens in line with investors wishes. The decision to apply an exclusion or screen for a segregated account with a specific ESG mandate can be supported, should the opportunity present itself.
- Corporate Engagement (“**Engagement**”): The Sub-Investment Manager never solely relies on publicly available information; The Sub-Investment Manager’s success has been predicated on its relentless focus to know all it can about an investment. If required, deemed material or relevant, an investment professional at The Sub-Investment Manager may discuss ESG Factors with a company to understand any ESG considerations to enhance its ESG Analysis of them.

Stage 2: Analysis

Once a company has been assigned to the research universe, The Sub-Investment Manager typically combines the following ESG strategies during the investment Analysis, alongside the existing and traditional investment Analysis.

- Fundamental ESG Analysis and Access to ESG Data: The Sub-Investment Manager conducts rigorous bottomup fundamental research and its fundamental ESG Analysis complements this. Access to ESG data strengthens The Sub-Investment Manager’s understanding of an investment ESG profile, potential future performance, risks, liabilities and opportunities. Given the widely accepted challenges with ESG data, there are risks to relying upon it exclusively. To this end, The Sub-Investment Manager views ESG data as a ‘red flag’ – alerting it to a potential risk, liability or an anomaly – that complements its wider fundamental Analysis. Additionally, to mitigate against the overreliance on one ESG data set, and improve its access to quality ESG data, The Sub-Investment Manager combines an external ESG data vendor with its existing research and data sources.
- External ESG data vendors: A number of external ESG data vendors have entered the market providing ESG data products, each with differing research designs and methodologies. After conducting a broad analysis of these vendors, The Sub-Investment Manager has selected a reputable ESG data vendor (details of such can be shared upon request). This will ensure The Sub-Investment Manager have access to the very latest ESG information to hand.
- Internal ESG data: The Sub-Investment Manager conducts rigorous bottom-up fundamental research on companies, which includes the analysis of ESG data from a broad universe of companies via the investment teams’ existing in-house research and data sources.

- Corporate Engagement: An investment professional may choose to engage with the company to clarify any potential ESG Factors and determine any significance.

Stage 3: Portfolio Allocation

Once stage 1 and 2 have been completed, companies will be allocated to either the long or short portfolio.

Stage 4: Portfolio Management

The ESG process does not end once The Sub-Investment Manager has decided to make an investment. ESG factors may be taken into account at various stages of the investment cycle as part of the investment professionals ongoing review of the prospects of a company. The Sub-Investment Manager aims to identify potential ESG factors before they expand into significant events that may threaten the market value of an investment. An increased focus by a company on ESG may also signal a potential investment opportunity. Additionally, the Sub-Investment Manager will also use its voting powers to positively impact both the performance and behaviour of companies in the best interest of its clients and will address ESG related concerns where able and appropriate.

ESG Definitions

The Sub-Investment Manager invests in companies across different geographies and sectors; hence each company will face varying ESG challenges. The key ESG themes the Sub-Investment Manager may typically evaluate during the investment process, may include, but are not limited to:

Environmental

The depletion of natural resources and the threat of climate change have raised concerns about the environment and the potential financial impact on businesses. Sustainable options are increasingly being considered as part of investment choices. The key ESG themes the Sub-Investment Manager may typically evaluate during the investment process, may include, but are not limited to:

- Greenhouse Gas Emissions (“GHG”).
- Air quality.
- Energy Management.
- Water & Wastewater.
- Waste & Hazardous Material Management.

Social

Inclusion, diversity and equality are becoming more significant considerations with how which businesses operate and can generate competitive advantages; these areas are attracting increasing scrutiny from a range of stakeholders. The key ESG themes The Sub-Investment Manager may typically evaluate during the investment process, may include, but are not limited to:

- Human Rights & Community relations.
- Customer Privacy.
- Data security.
- Cybersecurity.

- Access and Affordability.
- Product quality and Safety.
- Customer welfare.
- Labour practices.
- Employment Health and Safety.
- Employee Engagement, Diversity & Inclusion.

Governance

Corporate governance considers the rights and responsibilities of the management of a company – its structures, corporate values and accountability processes. The key ESG themes the Sub-Investment Manager may typically evaluate during the investment process, may include, but are not limited to:

- Business ethics internally and with competitors.
- Management of the legal and regulatory environment.
- Critical incident risk management.
- Systemic risk management.
- Tax.
- Incidents.
- Bribery and corruption.
- Political lobbying and donations.

<i>Sub-Investment Manager</i>	Anavon Capital LLP, a limited partnership incorporated under the laws of England and Wales, with registered offices in 12 Portman Close, London, W1H 6BR, United Kingdom, an investment management company authorised by the Financial Conduct Authority and registered with number 530523.
<i>Launch Date</i>	One (1) Business Day following the last day of the Initial Offering Period. The Board reserves the right to close and/or reopen the Sub-fund for further subscriptions at any time at its sole discretion.
<i>Initial Offering Period</i>	The Initial Offering Period started on 13 June 2016 and ended on 29 July 2016.
<i>Business Day</i>	Each day on which banks are generally open for business in London, New York and Luxembourg (excluding Saturdays and Sundays and public holidays).
<i>Transaction Day</i>	Each Business Day. Subscription, conversion and redemption orders for each Transaction Day must be received by the relevant Subscription and Redemption Cut-Off Time.
<i>Subscription Cut-Off Time</i>	Means 3 p.m. (Luxembourg time) one (1) Business Day prior to the relevant Transaction Day.
<i>Redemption Cut-Off Time</i>	Means 3 p.m. (Luxembourg time) three (3) Business Days prior to the relevant Transaction Day.

***Subscription
Process***

After the end of the Initial Offering Period, subscriptions may be made only by investors who are not Restricted Persons by:

- a) submitting a written subscription request by swift or fax to the Administrative Agent or Distributor(s) to be received by the Administrative Agent or a Distributor by the Subscription Cut-Off Time. Any applications received after the Subscription Cut-Off Time will be deferred to the next Transaction Day and will be dealt with on the basis of the Net Asset Value or Adjusted Price per Share calculated on the NAV Calculation Day immediately following such next Transaction Day;
- b) delivering to the account of the Depositary cleared funds for the full amount of the subscription price (plus any Subscription Fee) of the Shares being subscribed for pursuant to the subscription request, by not later than two (2) Luxembourg Banking Days from the relevant Transaction Day.

***Redemption
Process***

Redemption requests must be sent in writing by swift or fax and received by the Distributor or the Administrative Agent by the Redemption Cut-Off Time. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Transaction Day and will be processed on the basis of the Net Asset Value per Share or Adjusted Price per Share as of the first NAV Calculation Day immediately following such next Transaction Day.

Settlement

Redemption requests will be settled two (2) Business Days following the relevant Transaction Day.

***Collateral
Arrangement***

While engaging in OTC financial derivatives and efficient portfolio management techniques, the Sub-fund shall, at all times, comply with the CSSF Circular 08/356 and the ESMA guidelines on ETFs and other UCITS issues (ESMA/2012/832), as implemented in CSSF Circular 14/592 and with SFTR.

An appropriate haircut is assigned to each asset type depending on the quality and the volatility of the asset, to ensure that the counterparty exposure is properly collateralized, taking into account the potential risk of fluctuation in the market value of the collateral as follows:

<i>Type of Assets</i>	<i>Haircut</i>
<i>Equity</i>	5 to 20%
<i>Shares or units of UCIs</i>	1 to 20%
<i>Government bonds</i>	0 to 10%
<i>Corporate bonds</i>	2 to 20%
<i>Convertible bonds</i>	2 to 20%
<i>Money market instruments</i>	1 to 5%
<i>Cash in base currency</i>	0%
<i>Cash in another currency</i>	0 to 6%

The Management Company and/or the Sub-Investment Manager reserves the right to review and amend the above eligible assets for collateral and/or haircuts at any time when the market conditions have changed and/or if this is deemed in the best interest of the Sub-fund.

***Use of SFTs
and TRSs***

The Sub-fund does not contemplate to make use of SFTs and TRSs. When it does the Company will disclose the maximum proportion of assets under management of the Sub-fund that can be subject to SFTs and TRS as well as the expected proportion of assets under management that will be subject to SFTs and TRS and any other disclosure required by the SFTR.

Classes of Shares

The Sub-fund may issue Shares in the following Classes:

Share Class	S-EUR	E-EUR	E-CHF	I-EUR	I2-EUR	I-USD	I2-USD
ISIN Code	LU1400948037	LU1400948110	LU1400948383	LU1400948201	LU1720213369	LU1400948540	LU1720213443
Eligible Investors	Institutional						
Share Class Currency	EUR	EUR	CHF	EUR	EUR	USD	USD
Initial Subscription Price	EUR 100	EUR 100	CHF 100	EUR 100	EUR 100	USD 100	USD 100
Minimum Subscription Amount	EUR 500,000	EUR 500,000	CHF 500,000	EUR 500,000	EUR 500,000	USD 500,000	USD 500,000
Maximum Subscription Fee	Up to 3%	Up to 3%	Up to 3%	Up to 3%	Up to 3%	Up to 3%	Up to 3%
Maximum Redemption Fee	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%
Minimum Subsequent Subscription Amount	EUR 10,000	EUR 10,000	CHF 10,000	EUR 10,000	EUR 10,000	USD 10,000	USD 10,000
Investment Management Fee	1.25%	1.00%	1.00%	1.50%	1.50%	1.50%	1.50%
Performance Fee ¹	20%	20%	20%	20%	20%	20%	20%
Taxe d' Abonnement	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Equalisation	Yes	Yes	Yes	Yes	No	Yes	No

¹ The performance fee is the mentioned percentage of the net appreciation of the Net Asset Value above the High Water Mark.

<i>Share Class</i>	<i>I-CHF</i>	<i>I2-CHF</i>	<i>I-GBP</i>	<i>I2-GBP</i>	<i>M-GBP</i>	<i>M-EUR</i>
<i>ISIN Code</i>	LU1400948466	LU1815409237	LU1400948623	LU1720213526	LU1425365522	LU1425365795
<i>Eligible Investors</i>	Institutional				Institutional (see restriction below)	
<i>Share Class Currency</i>	CHF	CHF	GBP	GBP	GBP	EUR
<i>Initial Subscription Price</i>	CHF 100	CHF 100	GBP 100	GBP 100	GBP 100	EUR 100
<i>Minimum Subscription Amount</i>	CHF 500,000	CHF 500,000	GBP 250,000	GBP 250,000	GBP 10,000	EUR 10,000
<i>Maximum Subscription Fee</i>	Up to 3%	Up to 3%	Up to 3%	Up to 3%	Up to 3%	Up to 3%
<i>Maximum Redemption Fee</i>	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%
<i>Minimum Subsequent Subscription Amount</i>	CHF 10,000	CHF 10,000	GBP 10,000	GBP 10,000	GBP 10,000	EUR 10,000
<i>Investment Management Fee</i>	1.50%	1.50%	1.50%	1.50%	0%	0%
<i>Performance Fee²</i>	20%	20%	20%	20%	0%	0%
<i>Taxe d' Abonnement</i>	0.01%	0.01%	0.01%	0.01%	0.05%	0.05%
<i>Equalisation</i>	Yes	No	Yes	No	Yes	Yes

²

The performance fee is the mentioned percentage of the net appreciation of the Net Asset Value above the High Water Mark.

<i>Share Class</i>	R-USD	R2-USD	R-GBP	R2-GBP	R-CHF	R2- CHF	R-EUR	R2- EUR
<i>ISIN Code</i>	LU142536 5878	LU142536 5951	LU142536 6090	LU142536 6173	LU142536 6256	LU142536 6413	LU142536 6504	LU142536 6686
<i>Eligible Investors</i>	Retail							
<i>Share Class Currency</i>	USD	USD	GBP	GBP	CHF	CHF	EUR	EUR
<i>Initial Subscription Price</i>	USD 100	USD 100	GBP 100	GBP 100	CHF 100	CHF 100	EUR 100	EUR 100
<i>Minimum Subscription Amount</i>	USD 10,000	USD 10,000	GBP 10,000	GBP 10,000	CHF 10,000	CHF 10,000	EUR 10,000	EUR 10,000
<i>Maximum Subscription Fee</i>	Up to 3%	Up to 3%	Up to 3%	Up to 3%	Up to 3%	Up to 3%	Up to 3%	Up to 3%
<i>Maximum Redemption Fee</i>	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%
<i>Mini-mum Subsequent Subscription Amount</i>	USD 1,000	USD 1,000	GBP 1,000	GBP 1,000	CHF 1,000	CHF 1,000	EUR 1,000	EUR 1,000
<i>Investment Management Fee</i>	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<i>Performance Fee³</i>	20%	20%	20%	20%	20%	20%	20%	20%
<i>Taxe d' Abonnement</i>	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
<i>Equalisation</i>	Yes	No	Yes	No	Yes	No	Yes	No

³

The performance fee is the mentioned percentage of the net appreciation of the Net Asset Value above the High Water Mark.

The Sub-fund is suitable for investors who are able to bear the economic risk of the loss of their investment in the Sub-fund and who plan to maintain their investment over a medium to long term period.

Class S-EUR is closed to new subscriptions.

Class E-EUR and Class C-CHF Shares may only be issued to certain categories of investors as the Board may decide, in consultation with the Investment Manager and/or the Sub-Investment Manager, at its sole discretion.

Class M Shares may only be issued to a member, director, partner or employee of the Sub-Investment Manager, any of its affiliates or any other person as the Board may decide, in consultation with the Investment Manager and/or the Sub-Investment Manager at its sole discretion.

***Investment
Management
Fee***

The Investment Manager will receive an Investment Management Fee of up to 2.00% per annum of the Net Asset Value of the relevant Share Class, prior to reduction for any accrued Performance Fee. The Investment Management Fee shall be calculated and accrued daily as an expense of the relevant Share Class and shall be payable in monthly arrears. The Sub-Investment Manager as well as any distributor will be paid by the Investment Manager out of the Investment Management Fee.

***Performance
Fee***

The Investment Manager will receive a Performance Fee of up to 20% per annum of the net appreciation of the Net Asset Value of the relevant Share Class above the High Water Mark (as specified in the table above). The Performance Fee will be calculated in respect of each period of twelve (12) months beginning on 1st January and ending on the following 31 December (a "**Calculation Period**"). The first Calculation Period ended on 31st December 2016 and was for a period of less than twelve (12) months, beginning on the first day of the Initial Offering Period. The Performance Fee will be calculated and accrued daily as an expense of the relevant Share Class and will be payable to the Investment Manager in arrears within thirty (30) calendar days of (i) the end of each Calculation Period, and (ii) the redemption of Classes M-GBP, M-EUR, E-EUR, E-CHF, I-EUR, I2-EUR, I-CHF, I2-CHF, I-USD, I2-USD, I-GBP, I2-GBP, R-EUR, R-USD, R-GBP, R-CHF and Class S-EUR Shares during a Calculation Period, to the extent a Performance Fee has accrued in respect of such Shares.

A portion of the Performance Fee will be paid to the Sub-Investment Manager by the Investment Manager.

***Research
Expenses***

The Investment Manager may establish and operate one or more "Research Payment Account(s)" to facilitate compliance with applicable regulatory requirements. Each such Research Payment Account will be used to pay for research (including access to investment analysts and experts) provided by broker dealers or other research providers selected by the Investment Manager. The Research Payment Account will be funded by a direct research charge payable by the Sub-fund which will not be linked to the value or volume of transactions executed on behalf of the Sub-fund. The research charge will be collected on a periodic basis separately from (or, in some circumstances, alongside) any brokerage commission or other transaction costs and will be based on an annual budget for research payments which will be set, and regularly reviewed, by the Investment Manager in consultation with the Board of Directors of the Company. Information on the budgeted amount for research (including

any changes to the budget) and estimated research charge will be made available to the Shareholders on an annual basis, or more frequently if required under applicable law. Further information on research payments will be available from the Investment Manager on request.

***Distribution
policy***

All Share Classes: Accumulation.

***High Water
Mark***

In respect of each Class of Shares the greater of (i) the Net Asset Value per Share of the relevant Class as of Launch Date or Class launch date and (ii) the highest Net Asset Value per Share of the relevant Class in respect of which a Performance Fee has been paid at the end of any previous Calculation Period (if any).

***Equalisation
Methodology***

Unless otherwise specified in the Class of Shares table above, no equalisation measures will be carried out in respect of the Performance Fee attributed to an individual Shareholder's holding of Shares.

Classes M-GBP, M-EUR, E-EUR, E-CHF, I-EUR, I-CHF, I-USD, I-GBP, R-EUR, R-USD, R-GBP, R-CHF and Class S-EUR Shares only: If an investor subscribes for Shares at a time when the Net Asset Value per Share of the relevant Class is other than the High Water Mark of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the investor or to the Investment Manager as follows:

- a) If Shares are subscribed for at a time when the Net Asset Value per Share of the relevant Class is less than the then High Water Mark for that Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares above the Net Asset Value per Share of the relevant Class at the date of subscription up to the High Water Mark of that Class at the end of the relevant Performance Period. The Performance Fee will be charged at the end of each relevant Performance Period by redeeming at the then current Net Asset Value per Share such number of the investor's Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the relevant percentage of any such appreciation (a “**Performance Fee Redemption**”). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee and the Sub-fund will not be required to pay to the investor the redemption proceeds in respect of such Shares. Performance Fee Redemptions are employed to ensure that the Sub-fund maintains a uniform Net Asset Value per Share of each Class. As regards the investor's remaining Shares of the relevant Class, a Performance Fee will be charged in the normal manner described above on the excess of the Net Asset Value per Share of the relevant Class at the end of a Performance Period over the High Water Mark of that Class.
- b) If Shares are subscribed for at a time when the Net Asset Value per Share of the relevant Class is greater than the then High Water Mark of that Class, the investor will be required to pay an amount in excess of the then

current Net Asset Value per Share of that Class equal to the relevant percentage of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the High Water Mark of that Class (an “**Equalisation Credit**”). At the date of subscription, the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class (the “**Maximum Equalisation Credit**”). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Sub-fund but that should not, in equity, be charged against the Shareholder making the subscription because no favourable performance has yet occurred with respect to such Shares. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Sub-fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Transaction Day in the Net Asset Value per Share of those Shares, the Equalisation Credit will also be reduced by an amount equal to the relevant percentage of the difference between the Net Asset Value per Share (before accrual for the Performance Fee) at the date of issue and as at that Transaction Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each relevant Performance Period, if the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) exceeds the High Water Mark of that Class, that portion of the Equalisation Credit equal to the relevant percentage of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each relevant Performance Period until the Equalisation Credit, as it may have appreciated or depreciated in the Sub-fund after the original subscription for that Class of Shares was made, has been fully applied. If the relevant Shareholder redeems his/her/its Shares of that Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

***Reference
Currency and
hedging***

The Reference Currency of the Sub-fund is US Dollars.

In relation to Classes that are denominated in a currency other than the Reference Currency of the Sub-fund, the Sub-Investment Manager may employ techniques and instruments intended to provide protection (full or partial, as the case may be) so far as possible against movements of the currency in which the relevant Class is denominated against movements in the Reference Currency of the Sub-fund. All costs and gains/losses of such hedging transactions are borne separately by the respective Classes. These Classes will not be leveraged as a result of such currency exposure. Although the Sub-Investment Manager intends to utilise such currency hedging transactions in respect of the Classes of the Sub-fund that are not denominated in the Reference Currency of the Sub-fund, it shall not be obliged to do so, and/or may delegate or engage the Administrative Agent to do so.

Likewise, in relation to investments that are denominated in a currency other than the currency of any particular Class of Shares, the Sub-Investment Manager may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk borne by the holder of that Class arising out of (adverse) currency exchange rate changes.

***Global
Exposure
Calculation
Methodology***

The Sub-fund will use an absolute Value-at-Risk (VaR) to monitor its global exposure.

The leverage of the Sub-fund (calculated as the sum of the notionals of the financial derivative instruments used) is expected to range between 100% and 200% of the Sub-fund's NAV. The leverage of the Sub-fund may be higher due to additional hedging requirements.

***Sub-Investment
Management
Agreement***

The Sub-Investment Manager entered into a sub-investment management agreement with the Investment Manager dated 19 May 2016 (the "**Sub-Investment Management Agreement**").

Liabilities

The Sub-Investment Manager shall indemnify and hold harmless the Management Company and/or the Investment Manager against any and all actions, proceedings, claims, losses, costs, fines, demands and expenses (collectively, "**Losses**") that the Management Company and/or the Investment Manager may suffer or incur directly or indirectly, by reason of the Sub-Investment Manager's (or its delegates) Active Breach (as such term is defined in the Sub-Investment Management Agreement), fraud, negligence, bad faith, or willful default in the performance or non-performance of the Sub-Investment Manager's obligations and functions under the Sub-Investment Management Agreement (collectively, a "**Default**").

Except as otherwise expressly required under the applicable law, under no circumstances will the parties to the Sub-Investment Management Agreement be liable for any incidental and consequential damages (including, without limitation, lost profits), save in the event of fraud of the relevant party, its

directors, officers, employees or delegates (or any of their directors, officers or employees).

Termination of the Sub-Investment Management Agreement

The Sub-Investment Management Agreement is for an undetermined duration. The Sub-Investment Management Agreement may be terminated at any time by the Investment Manager or the Sub-Investment Manager upon ninety (90) calendar days' prior written notice.

Each of the Investment Manager and the Sub-Investment Manager in certain circumstances may terminate the Sub-Investment Management Agreement unilaterally with immediate effect by giving written notice to the other, including, inter alia, (a) if so required by any competent regulatory authority, (b) if the other party is in material breach of any of its obligations under the Sub-Investment Management Agreement and, if the material breach is capable of remedy, it has continued unremedied for a period of thirty (30) calendar days after the party giving notice has given written notice to the defaulting party specifying the material breach and the steps required to remedy it, or (c) if the other party has a receiver or an administrative receiver appointed over it or over the whole or any part of its undertaking or assets, or passes a resolution for winding up or fails or becomes unable to pay its debts as they fall due (as further described in the Sub-Investment Management Agreement).

The Investment Manager in certain circumstances may terminate the Sub-Investment Management Agreement with immediate effect by giving written notice to the Sub-Investment Manager, including if either of the Key Men (as such term is defined in the Sub-Investment Management Agreement) ceases to be a principal of the Sub-Investment Manager or to participate actively in the management of the Sub-fund for more than thirty (30) consecutive calendar days or more than thirty (30) days within any forty five (45) day period.

The Investment Manager and/or the Management Company may terminate the Sub-Investment Management Agreement with immediate effect by giving written notice to the Sub-Investment Manager if it is in the best interests of the shareholders of the Sub-fund to do so.

Environmental, Social and Governance ("ESG") Profile

The Sub-fund strives for economic results, while at the same time taking into account environmental, social and governance criteria through an integrated investment process. The Sub-fund may track and monitor the ESG footprint of the investments (either investments or positions) Through fundamental analysis, the Sub-Investment Manager seeks to gain a comprehensive understanding of the factors that influence the sustainability of the investments it makes. The Sub-Investment Manager has defined a number of sectors (coal, nuclear, tobacco, etc) in which no investment will be made. It also complies with the Norges Bank list with no exception. It is expected that a cost of 6,000 euros to 8,000 euros will be charged to the Sub-Fund, falling within the Research Expenses already provided for hereabove.

Risk Profile

Investors should carefully review the risk factors set out in Section 21 of the General Section before investing in the Sub-fund. In addition, Investors should carefully review the following risk factors that are specific to the Sub-fund:

Overall Investment Risk

An investment in the Sub-fund will involve a high degree of risk, including the risk of loss of the entire amount invested. The Sub-fund invests in and actively trades securities and other financial instruments using a variety of strategies and investment techniques with significant risk characteristics, including the risks arising from the volatility of the equity, fixed-income and currency markets, the risks of borrowings and those arising from the use of synthetic short sales, leverage, the illiquidity of certain securities and instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that the investment programme will be successful. The Sub-fund may utilise investment techniques such as option transactions, margin transactions, synthetic short sales, leverage, derivatives trading and options, swaps, futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Sub-fund's investment portfolio may be subject.

The Performance Fee paid to the Sub-Investment Manager, as described above, may create an incentive for the Sub-Investment Manager to cause the Sub-fund to make investments that are riskier than it would otherwise make. Moreover, an investment in the Sub-fund provides limited liquidity because the Shares are not freely transferable and Shareholders will have limited redemption rights. Unforeseeable events, including, but not limited to, actions by various government agencies (such as the Bank of England, Federal Reserve Board or European Central Bank), world political events, and other market disruption events, may cause sharp market fluctuations or interrupt the Sub-fund's activities or those of its service providers.

Expenses may be a high percentage of assets

Operating expenses that are necessary for the Sub-fund's proper operation may be a high percentage of the Sub-fund's Net Asset Value and, even if the Sub-fund's strategy is successful, the Sub-fund may still not be profitable.

Reliance on the Investment Manager and dependence on key personnel

The Shareholders have no authority to make investment decisions on behalf of the Sub-fund. The performance of the Sub-fund will depend in large part on the investment decisions undertaken by the Sub-Investment Manager in accordance with the Sub-Investment Management Agreement. The aim of achieving the Investment Objective does not represent an assurance that the Sub-Investment Manager will achieve it (or any particular level of performance) and the Sub-Investment Manager is not obliged to take any steps beyond the exercise of the Sub-Investment Manager's skill and care as an experienced professional adviser in the investments as set out in the Prospectus and this Supplement. No warranty is given by the Sub-Investment Manager as to the performance or profitability of the Sub-fund. There can be no guarantee that the investments made by the Sub-fund will be profitable or will effectively insulate against the risk of market or other conditions which may cause the value of the Shares to decline. In addition, since the performance of the Sub-fund is dependent on the skills of the Sub-Investment Manager if the services of the Sub-Investment Manager or its principals were to become unavailable, such unavailability might have a detrimental effect on the Sub-fund and its performance. Neither the Sub-Investment Manager nor its principals or its or their affiliates are required to devote its or their full time to the affairs of the Sub-fund, and each of them will allocate as much time to the business of the Sub-fund as it or they deem necessary.

in its or their sole and absolute discretion. The Sub-Investment Manager and its Affiliates are also engaged in other similar business activities to which they devote substantial time.

Reliance on the Sub-Investment Manager

The Sub-Investment Manager will have the responsibility for the Sub-fund's investment activities. Investors must rely on the judgement of the Sub-Investment Manager in exercising this responsibility. The Sub-Investment Manager and its principals are not required to, and will not devote substantially all of their business time to the investment activities of the Sub-fund. Moreover, there can be no assurance that the Sub-Investment Manager will successfully implement the strategy of the Sub-fund.

Key Men

The management of the Sub-fund depends significantly on the efforts and abilities of the Sub-Investment Manager and the staff of the Sub-Investment Manager, in particular Avi Fruchter and Avraham Mevorah. The loss of these persons' services (and in particular, Avi Fruchter and Avraham Mevorah) could have a materially adverse impact on the Sub-fund. Notably, a member of staff may cease to participate actively in the management of the Sub-fund. The Sub-Investment Manager may not be able to identify and select a suitable replacement for such person having a comparable level of skill and expertise. If this were to occur, it might lead to the termination of the agreement with the Sub-Investment Manager and the liquidation of the Sub-fund.

Currency Risks

The Sub-fund may invest in financial instruments denominated in non-USD currencies, the prices of which are determined with reference to currencies other than the USD. The Sub-fund, however, values its financial instruments in USD. The Sub-fund may or may not seek to hedge its non-USD currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that financial instruments suitable for hedging currency or market shifts will be available at the time when the Sub-fund wishes to use them, or that hedging techniques employed by the Sub-fund will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of the Sub-fund's positions denominated in currencies other than USD will fluctuate with USD exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the USD compared to the other currencies in which the Sub-fund makes investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the Sub-fund's investments in their local markets and may result in a loss to the Sub-fund. Conversely, a decrease in the value of the USD will have the opposite effect on the Sub-fund's non-USD investments.

Historical performance

The past performance of the Sub-fund – indicated in the key investor information documents or any marketing material issued for the Sub-fund - or any other investment vehicle managed by the Sub-Investment Manager or any of its

Affiliates is not meant to be an indication of its potential future performance. The nature of, and risk associated with, the Sub-fund may differ substantially from those investments and strategies undertaken historically by the Sub-Investment Manager, its Affiliates or the Sub-fund. In addition, market conditions and investment opportunities may not be the same for the Sub-fund as they had been in the past, and may be less favourable. Therefore, there can be no assurance that the Sub-fund's assets will perform as well as the past investments managed by the Sub-Investment Manager or its Affiliates. It is possible that significant disruptions in, or historically unprecedented effects on, the financial markets and/or the businesses in which the Sub-fund invests in may occur, which could diminish any relevance the historical performance data of the Sub-fund may have to the future performance of the Sub-fund.

Business risk

There can be no assurance that the Sub-fund will achieve its investment objectives in respect of any of the strategies employed. The investment results of the Sub-fund are reliant upon the success of the strategies implemented by the Sub-Investment Manager.

Declining performance with asset growth.

Trading large positions may adversely affect prices and performance. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future increases in assets under management which may require the Sub-Investment Manager to modify its investment decisions for the Sub-fund because it cannot deploy all the assets in the manner it desires. There can be no assurance whatsoever as to the effect of an increase in equity under management may have on the Sub-fund's future performance.

Effect of substantial redemptions.

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

Leverage.

The Sub-fund may achieve leverage through the use of financial derivatives instruments for the purpose of making investments. The use of leverage creates special risks and may significantly increase the Sub-fund's investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of the Sub-fund to capital risk.

Allocations of Trades and Investment Opportunities.

It is the policy of the Sub-Investment Manager to allocate investment opportunities to the Sub-fund and to any other accounts managed by the Sub-Investment Manager fairly, to the extent practical and in accordance with the Sub-fund's or other accounts' applicable investment strategies, over a period of time.

Investment opportunities will generally be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) available cash of the accounts for the proposed investment; (ii) the primary investment strategy of the accounts; (iii) the liquidity profiles of the accounts; (iv) the primary markets invested in by the accounts; (v) the potential for the proposed investment to create an imbalance in an account's portfolio; (vi) the amount of assets held by the accounts; (vii) whether the risk-return profile of the proposed investment is consistent with an account's objectives; and (viii) regulatory restrictions or other eligibility criteria that would or could limit an account's ability to participate in a proposed investment.

The Sub-Investment Manager will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to the Sub-fund or other accounts solely because the Sub-Investment Manager purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to another account or the Sub-fund if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for the Sub-fund or the other account.

Order Aggregation and Average Pricing.

If the Sub-Investment Manager determines that the purchase or sale of a security is appropriate with regard to the Sub-fund and any other accounts, the Sub-Investment Manager may, but is not obligated to, purchase or sell such a security on behalf of such accounts with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating account will receive the average price, with transaction costs generally allocated pro rata based on the size of each account's participation in the order (or allocation in the event of a partial fill) as determined by the Sub-Investment Manager. In the event of a partial fill, allocations may be modified on a basis that the Sub-Investment Manager deems to be appropriate, including, for example, in order to avoid odd lots or de minimis allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by the Sub-Investment Manager. As a result, certain trades in the same security for one account (including an account in which the Sub-Investment Manager and its personnel may have a direct or indirect interest) may receive more or less favourable prices or terms than another account, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Purchasing IPOs

The Sub-Investment Manager may purchase securities of companies in IPOs or shortly thereafter. Special risks associated with these securities may include there being a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history. These factors may contribute to substantial price volatility for the shares of these companies. In addition some companies in IPOs are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalised or regarded as developmental stage

companies, without revenues or operating income, or the near-term prospect of achieving them.

Investments in China

Political and social risk: Investments in this geographic region are subject to restrictive local regulations that are liable to be modified unilaterally. This risk may result from local government action (failure to comply with contractual obligations, expropriation decision, change in macroeconomic policy, modification of allocated quotas), or from other geopolitical factors (social instability, terrorism, coups d'état, etc.). Investors should note that any change in Chinese policies may impact on the markets and consequently on the performance of the Sub-fund(s).

Economic risk: The Chinese government plays a dominating role in the economy, growth rate and foreign exchange controls (see paragraph on this risk). The legal and regulatory framework for the financial markets and companies in China is less developed than that of European standards. Investors must be aware of the risks associated with this market before investing in a Sub-fund exposed to this risk.

Legal and regulatory risk that may result in listing suspensions or withdrawals: China's legal system is based on recent laws and regulations whose applicability and scope still remain poorly defined, particularly as regards exchange rates, taxation or market access. These regulations also permit the Chinese authorities to exercise their discretionary powers in the interpretation of the regulations, increasing uncertainty as regards their application. As their power is discretionary, they can, at any time, restrict investors' access to the market as well as Chinese companies' access. Investors considering investing in this Sub-fund must understand the risks associated with the political power exercised by the Chinese supervisory authorities and the impact that this may have on the NAV of the Sub-fund.

The local market is particularly volatile and unstable, with a major risk of suspension of the listing of the index or of one of the securities making up the index, for example following intervention by the Chinese government or the authorities regulating market access. This type of event is liable to cause disruptions in subscriptions and redemptions of securities in the Sub-fund(s) and, if they persist, in the NAV itself. Investors must be informed that procedures are put in place to ensure day-to-day liquidity and an internal valuation of the securities held by the Sub-fund(s), and that the Board may at any time, if deemed necessary in the interests of investors, revalue the securities held by the Sub-fund, particularly when a listing is no longer possible or an event has occurred that prevents the exact value of one or more securities from being determined. The Board shall then decide whether the securities must be: (i) revalued and kept in the portfolio until a new valuation is possible; or (ii) if the conditions warrant, sold at their market or estimated value. The securities may be revalued or sold at an unfavourable price for investors that may result in a loss and impact on the NAV. If the Board decides that the transaction must be unwound, the losses and/or gains generated may impact on the NAV.

Although the Sub-fund is structured so as to maintain day-to-day liquidity, investors should be aware that if illiquid securities are held in the portfolio or their value is difficult to determine, in order to cope with significant redemption requests, the Sub-fund may be obliged to liquidate securities or unwind

transactions at an unfavourable price, which may result in a loss and impact on its NAV.

Investments in China A-Shares through the Shanghai-Hong Kong Stock Connect program

The Sub-fund may also invest in China A-Shares through the Shanghai-Hong Kong Stock Connect program subject to any applicable regulatory limits. The Shanghai-Hong Kong Stock Connect program is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("**HKEx**"), the Hong Kong Securities Clearing Company Limited ("**HKSCC**"), Shanghai Stock Exchange ("**SSE**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**") with an aim to achieve mutual stock market access between mainland China and Hong Kong. This program will allow foreign investors to trade certain SSE listed China A-Shares through their Hong Kong based brokers.

In this respect the following additional risks are applicable:

General Risk: The relevant regulations are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Sub-Funds. The program requires use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in both Hong Kong and Shanghai markets through the program could be disrupted.

Clearing and Settlement Risk: The HKSCC and ChinaClear have established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Legal/Beneficial Ownership: Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local Central Securities Depositories, HKSCC and ChinaClear.

The legislative framework is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. In addition, HKSCC, as nominee holder, does not guarantee the title to Shanghai-Hong Kong Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners.

Consequently, the courts may consider that any nominee or custodian as registered holder of Shanghai-Hong Kong Stock Connect securities would have full ownership thereof, and that those Shanghai-Hong Kong Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently the Sub-fund and the Depositary

cannot ensure that the Sub-fund's ownership of these securities or title thereto is assured.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Sub-fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Sub-fund suffer losses resulting from the performance or insolvency of HKSCC.

In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, the Sub-fund may not fully recover their losses or their Shanghai-Hong Kong Stock Connect securities and the process of recovery could also be delayed.

Operational Risk: The HKSCC provides clearing, settlement, nominee functions and other related services of the trades executed by Hong Kong market participants. PRC regulations which include certain restrictions on selling and buying will apply to all market participants. In the case of sale, pre-delivery of shares are required to the broker, increasing counterparty risk. Because of such requirements, the Sub-fund may not be able to purchase and/or dispose of holdings of China A-Shares in a timely manner.

Quota Limitations: The program is subject to quota limitations which may restrict the Sub-fund ability to invest in China A-Shares through the program on a timely basis.

Investor Compensation: The Sub-fund will not benefit from local investor compensation schemes.

Shanghai-Hong Kong Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the PRC market but the Sub-fund cannot carry out any China A-Shares trading. The Sub-fund may be subject to risks of price fluctuations in China A-Shares during the time when Shanghai-Hong Kong Stock Connect is not trading as a result.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in investing in the Sub-fund. Potential investors should consult their own legal, tax and financial adviser before deciding whether to invest in the Sub-fund. No assurance can be made that profits will be achieved.

The Sub-fund may be deemed to be a highly speculative investment and is not intended as a complete investment program. It is designed only for sophisticated persons who can afford a loss of a substantial part of their investment in the Sub-fund.

There can be no assurance that the Investment Objective of the Sub-fund will be achieved. In fact, the practices of synthetically short selling and other investment techniques which the Sub-fund may employ from time to time

can, in certain circumstances, increase risk and result in increased losses to the Sub-fund. The Sub-Investment Manager's risk management approach seeks to mitigate, not remove, risk, and there may be certain risks that the Sub-Investment Manager determines not to, or cannot, protect or hedge against or simply does not anticipate. The Sub-Investment Manager is not required to hedge risk under any strategy or against any particular risk. Accordingly, the Sub-Investment Manager's activities could result in substantial losses under certain circumstances.