Fidecum SICAV
An open-ended investment fund
(*Société d'Investissement à Capital Variable*, *SICAV*)

PROSPECTUS
31 December 2018

The **Fidecum SICAV** umbrella fund currently consists of the following Sub-Funds:

- **Fidecum SICAV – Contrarian Value Euroland**
- **Fidecum SICAV – avant-garde Stock Fund**

NOTICE

The subscription and redemption of shares in the investment company dealt with in this prospectus, **Fidecum SICAV (the "Company**"), are executed on the basis of the prospectus, the Key Investor Information Document, and the articles of incorporation in their currently valid version.

This prospectus is valid only in connection with the Fund's latest published annual report and its closing date must not be longer than sixteen months in the past. If the closing date of the annual report dates back more than eight months, the subscriber will be provided with a current semi-annual report. Both reports form an integral part of the sales documentation. In subscribing a share, the shareholder thereby acknowledges the information contained in the prospectus.

The prospectus, the Key Investor Information Document, and the semi-annual and annual reports are available free of charge from the following sources:

Luxemburg
- LRI Invest S.A., 9A, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg
- M.M. Warburg & CO Luxembourg S.A., 2 place François-Joseph Dargent, L-1413 Luxembourg

No information or explanations may be given that deviate from the prospectus.

Additional information is available from the Management Company at any time during normal business hours.

The Company and the Management Company LRI Invest S.A. may not be held liable if information and explanations are provided that deviate from the currently valid prospectus or Key Investor Information Document.

Such authorisation implies no value judgement by the Luxemburg authorities regarding the content of the prospectus or the quality of the assets held by the Fund. No representation to the contrary is authorised and would be illegal.

The Fund's Managing Board plans to distribute Fund Shares in several European Union member-countries and in Switzerland.

The Managing Board has undertaken all necessary measures to ensure that the content of the prospectus accurately and precisely reflects the main statements contained therein and that no statements are missing that would render the content of the prospectus inaccurate or

misleading. The Managing Board assumes responsibility for ensuring that the statements in this prospectus is correct at the time it is prepared.

Investors are advised to inform themselves of any legal or tax issues based on the law of the country of their citizenship, residency or usual place of stay, which could cover the subscription, purchase, ownership, redemption or transfer of Shares.

The Managing Board is empowered to undertake any measures and to introduce any restrictions to prevent Shares from being acquired or held by persons who are not entitled to do so because of legal or other regulatory provisions of a given country or in order to prevent the acquisition or ownership of Shares by certain persons that would cause negative legal or tax effects on the Fund that otherwise might not have occurred.

The dissemination of the prospectus and the offering of Shares may be subject to restrictions in certain jurisdictions. The prospectus is neither an offer nor a solicitation to purchase in jurisdictions in which such an offer or solicitation is illegal or in which the persons who make such an offer or solicitation are not legally allowed to do so, or in which the persons to which such an offer or solicitation is made, are not legally allowed to accept such an offer or solicitation. Each shareholder and each interested party who wishes to acquire Shares must inform themselves of the corresponding law and other provisions of the relevant jurisdiction and to comply with said law and provisions.

As Fund Shares are not registered in the US in accordance with the United States Securities Act of 1933, they may be neither offered nor sold neither in the United States — or in its territories — nor to US Persons, unless an exception to registration in the United States Securities Act of 1933 allows such an offering or sale.

Personal data is processed during money transfers. This occurs in part at the level of the bank settling the payment, as well as specialised companies, such as the Society for Worldwide Interbank Financial Telecommunication (SWIFT). Data may also be processed and transferred by data processing centres in other European countries and the USA. If so, they are subject to local law. Hence, US authorities could demand access to data stored in such centres for the purpose of combating terrorism. Any client who asks his bank to carry out payment instructions or other operations implicitly consents to the fact that all data necessary for the full settlement of a transaction may be made known outside of Luxemburg.

In the event of disputes arising from electronic subscriptions, investors may also use the EU's online dispute resolution website (www.ec.europa.eu/consumers/odr). The following contact address may be used for the Management Company: info@lri-invest.lu. The platform is not an online dispute resolution website itself, but, rather, merely informs the parties of how to contact the competent national arbitration board.

The information contained in this prospectus, in the Key Investor Information Document and in the articles of incorporation do not replace the personal advisory of the investor.

Last updated: 31 December 2018

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Section I
Structure of the Fund, Sub-Funds and share classes

Fidecum SICAV is an open-ended investment fund registered in Luxemburg as a "*société d'investissement à capital variable*" or "*SICAV*" (an open-ended investment fund) on 19 June 2008 for an unlimited term.

The Company is in compliance with Part I of the Law of 17 December 2010 on undertakings for collective investment in its respectively valid version ("Law of 17 December 2010") and meets the requirements of Directive 2009/65/EC of the European Parliament and the Council ("Directive 2009/65/EC"). Effective 1 June 2016 the Company is also subject to the Regulations of Directive 2014/91/EU of the European Parliament and the Council.

The Fund is in the form of a so-called “umbrella fund”, i.e., it is able to issue Shares in various Sub-Funds. The Fund has been entered into the Luxembourg Trade and Companies Register under number R.C.S. Luxembourg B 139.445.

With regard to shareholders, each Sub-Fund is considered independent of all other Sub-Funds, with its own assets and specific investment policy. The rights and duties of a shareholder in a Sub-Fund are separate from those of the shareholders of the other Sub-Funds. With regard to third parties, a Sub-Fund’s assets are subject only to liabilities that are allocated to this Sub-Fund.

The Board of Directors may launch new Sub-Funds at any time. When new Sub-Funds are launched, the prospectus must be adjusted accordingly, in order to publish detailed information on the new Sub-Funds.

Various share classes may be issued for each Sub-Fund. All Shares in the same share class enjoy the same rights but may differ in the following respects:

a. regarding the cost structure pertaining to the respective issuance premium or redemption fee;
b. regarding the cost structure pertaining to compensation owed to the Management Company, the fund manager and/or the investment advisor;
c. regarding distribution rules;
d. regarding the distribution policy;
e. regarding the currency in which the share classes are denominated;
f. regarding any other criteria that are stipulated in the prospectus.

In the event that several share classes are issued, this shall be mentioned in the annexes to this prospectus for the Sub-Fund concerned.

The Funds legal foundations are stated in the Fund’s articles of incorporation ("articles of incorporation"). The Law of 10 August 1915 on commercial companies (“Law of 10 August 1915”) and the Law of 17 December 2010 also apply, with their respective changes and amendments. The articles of incorporation were published on 4 July 2008 in the *Mémorial C, Recueil des Sociétés et Associations*, the official journal of the Grand Duchy of Luxemburg ("*Mémorial*"). The latest change to the articles of incorporation became effective on 1 November 2011 and the notice of filing was published on 24 November 2011 in the *Mémorial*.

Net asset values and issue and redemption prices are given in the reference currency of the Sub-Fund concerned.

The initial capital is 31,500 euros.

Section II
Fund participants

1. Overview of Fund participants

The Board of Directors:

Chairman:

Frank Alexander de Boer
Member of the Managing Board
LRI Invest S.A. Munsbach/Luxemburg

Members:

Udo Stadler
Principal Relationship Manager of LRI Invest S.A.
Munsbach, Luxembourg

Andreas Czeschinski
Member of the Managing Board of Fidecum AG
Bad Homburg v.d.H., Germany

Registered office: 9A, rue Gabriel Lippmann L-5365 Munsbach	
Management Company, Promoter: LRI Invest S.A. 9A, rue Gabriel Lippmann L-5365 Munsbach, Luxembourg Telephone: 00352 - 261 500 4999 Fax: 00352 – 261 500 2299 info@lri-invest.lu www.lri-invest.lu **Managing Board of the Management Company** Utz Schüller Member of the Managing Board LRI Invest S.A., Munsbach/ Luxembourg Frank Alexander de Boer Member of the Managing Board LRI Invest S.A., Munsbach, Luxembourg	**Depositary, registrar and transfer agent, and main paying agent in Luxembourg:** M.M. Warburg & CO Luxembourg S.A. 2, Place François-Joseph Dargent L-1413 Luxemburg Telephone: 00352-424545-1 Fax: 00352-424569 info@mmwarburg.lu www.mmwarburg.lu **Fund manager and Co-Promoter:** Fidecum AG Kaiser Friedrich Promenade 65 D-61348 Bad Homburg, Germany **Investment advisor** (liability umbrella): GSAM + Spee Asset Management AG Königsallee 70 D-40212 Düsseldorf

Supervisory Board of the Management Company Günther P. Skrzypek Managing Partner Augur Capital Katherine Bond Partner Keyhaven Capital Thomas Rosenfeld Member of the Management Board Baden-Württembergische Bank Achim Koch General Manager LBBW Head of Luxembourg Branch	**Tied Agent** for the Fidecum SICAV – avant-garde Stock Fund Sub-Fund avant-garde capital GmbH Justinianstraße 12 D-60322 Frankfurt **External auditor:** PricewaterhouseCoopers, *Société coopérative* Réviseur d'entreprises 2, rue Gerhard Mercator L-2182 Luxemburg www.pwc.com/lu **The following statements will be updated in the semi-annual and annual reports.**

2. Bord of Directors

The Bord of Directors has broad authority to represent the Company, as long as the law and the Company's articles of incorporation do not expressly reserve certain powers for the general meeting of shareholders ("General Meeting of Shareholders").

The Bord of Directors is fully responsible for determining and implementing the investment policy of the individual Sub-Funds.

It may decide to transfer daily management operations to any of its members or to third parties that are either natural persons or legal entities.

The Bord of Directors transferred implementation of the daily investment policy to the Management Company, which, in turn transferred fund management to the company described in Article 4 of this Chapter.

3. Management Company

The Bord of Directors of **Fidecum SICAV** has appointed LRI Invest S.A. as Management Company.

LRI Invest S.A. was founded on 13 May 1988 in the form of a joint-stock company (*Aktiengesellschaft*) under Luxembourg law with the name LRI Fund Management Company S.A. and, effective 1 May 2004, changed its name to LRI Invest S.A. The latest amendments to the articles of incorporation of LRI Invest S.A. became effective on 29 February 2012. The coordinated articles of incorporation in their version of 29 February 2012 were filed with the Luxembourg Registry of Trade and Companies on 27 March 2012 and were published in *Mémorial* on 2 April 2012. The management company has been entered in the Luxembourg Registry of Trade and Companies under registration number R.C.S. Luxemburg B 28.101.

LRI Invest S.A. is authorised as an Management Company as defined by Article 101 of Chapter 15 of the Law of 17 December 2010 on undertakings for collective investment ("Law of 17 December 2010"). The management company meets the requirements of Directive 2009/65/EG of the Commission on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS).

The Management Company firm's corporate purpose consists (correspondingly) in the establishment and management of: (i) undertakings for collective investment in transferable securities (UCITS), in accordance with Directive 2009/65EG in its currently valid version; and (ii) alternative investment funds ("AIF") in accordance with Directive 2011/61/EU in its currently valid version, as well as in other activities authorised in the broadest sense of the Law of 17 December 2010 on undertakings for collective investment ("Law of 17 December 2010"). In addition to administrative tasks, these include investment management and distribution of OCIs/UCITS's.

The Management Company operates in accordance with the provisions of the Law of 17 December 2010, the Law of 13 February 2007 on specialised investment funds (the "Law of 13 February 2007"), and the provisions of the Law of 12 July 2013 on alternative investment fund managers ("Law of 12 July 2013"), the valid regulations and the circulars and official statements of the Commission de Surveillance du Secteur Financier ("CSSF"), each in their currently valid version.

Subscribed capital in the Management Company amounted to EUR 12,500,000 on 1 June 2016.

The Management Company is therefore responsible for executing fund management tasks, central administration tasks (administration, domiciliation, registration and transfers) and distribution of the Fund.

With the consent of the Managing Board and in compliance with applicable legal provisions, the Management Company has subcontracted execution of the following tasks (described in detail below) to third parties:

- M.M. Warburg & CO Luxembourg S.A. has been appointed the Company's registrar and transfer agent;
- LRI Invest S.A. has been appointed the Company's domiciliation agent;

Although it has contracted the aforementioned tasks to third parties, the Management Company remains responsible for supervising the tasks concerned.

LRI Invest S.A. shall take over the Company's central administrative tasks itself in its capacity as Management Company. These include, among other tasks, accounting, including the net asset value calculation of the individual Sub-Funds, the production of the Fund's annual and semi-annual reports and the Fund's domiciliation function.

Tasks pertaining to the Fund's risk management (as described below in detail) are also handled by the Management Company.

In addition to Fidecum SICAV, the Management Company manages the following funds in the form of a "*fonds commun de placement"* (FCP) or "*société d'investissement à capital variable"* (SICAV), which have been established under the Law of 17 December 2010:

FCP funds	*SICAV funds*
1A Global Value AKS Global B&B Fonds BV Global Balance Fonds Deutsche Shares Total Return E&G Strategie EquityFlex Favorit-Invest Finanzmatrix Fundsolution GodmodeTrader.de Strategie I Guliver Demografie Sicherheit Guliver Demografie Wachstum HWB Dachfonds HWB Global HWB Gold & Silber Plus HWB InvestWorld HWB Umbrella Fund K&C Aktienfonds KSK LB Exklusiv LBBW Alpha Dynamic LBBW Bond Select LBBW Equity Select LBBW Opti Return LBBW Total Return Dynamic M & W Invest M & W Privat NW Global Strategy NORD/LB Lux Umbrella Fonds Nordlux Pro Fondsmanagement OptoFlex Private Banking World Invest Prometheus AI QCP Funds RESPONSIBLE WEALTH MANAGEMENT SIP SK Invest Swiss Strategie Vermögen-Global VV-Strategie W&W Strategie Fonds	Baumann and Partners – Premium Select Diamond I SICAV Fidecum SICAV E&G Fonds M17 Capital Management Maestro Sicav (Lux) Swiss Rock (Lux) Sicav Swiss Rock (Lux) Dachfonds Sicav WestGlobal WestOptimal

The Management Company may pass on part of the management fees and all or part of any issue premiums to its distribution partners in the form of commissions for their intermediation activities.

Information in investors' interest:
The Management Company manages funds while safeguarding the material interests of shareholders. For this purpose it possesses, among other things, a conflict-of-interest policy, a claims policy, a best-execution policy and a voting rights policy.

The Management Company has established and applies, a compensation policy and practices that are in compliance with legal provisions, particularly those stated in the principles listed in Article 111 of the Law of 17 December 2010.

The Management Company compensation policy and practices are compatible with solid and effective risk management and are not conducive and do not incentivise the taking of risks that are not compatible with the risk profile, contractual conditions or articles of incorporation of the UCITS managed by the Management Company. The Management Company's compensation policy complies with the business strategy, objectives, values and interests of the Management Company, the UCITS it manages and these UCITS's investors and includes measures for preventing conflicts of interest.

Performance valuation is on a multi-year basis and is measured on the investment horizon recommended to investors in the UCITS managed by the Management Company, in order to ensure that fees are based on the UCITS's long-term performance and are commensurate with its investment risks, and in order to ensure that actual payment of performance fees are over the same timeframe. Fixed and floating fees are in a suitable relationship to one another, in which the share of fixed fees to total fees is high enough to allow full flexibility with regard to the variable fee structure, including the possibility to forego the payment of a variable component.

The Management Company has established, and enforces, the principles of the fee structure. Details on the current compensation policy, including a description of how fees and other benefits are calculated and the identity of the persons responsible for allowing fees and other benefits, are provided on the Management Company website at http://www.lri-invest.lu/compensation policy.pdf. A hard copy will be provided free of charge on request.

The Management Company undertakes to do its utmost to prevent such conflicts of interest or, if such is not possible, to keep them to a minimum. The Management Company shall act at all times independently in managing conflicts of interest and has set up the structural and process-related arrangements to prevent conflicts of interest. Active conflict-of-interest management takes measures for preventing and resolving conflicts of interest.

Investors shall be informed of any situations in which the organisational or administrative measures that the Management Company has taken to manage conflicts of interest are not sufficient for ensuring with reasonable certainty that the risk that harm to the interests of the fund or its investors can be prevented. When it identifies unresolvable conflicts of interest the Management Company shall disclose such to investors (e.g., through a release in the usual news media and an updating in the prospectus).

The business policies of the Management Company and affiliated persons consist in identifying, managing, and, where applicable, forbidding, practices and transactions that could pose the risk of a conflict of interest between the individual business activities of the affiliated persons and the fund or investors, or between one set of fund investors and another

The affiliated person and the Management Company shall strive to treat all conflicts on the basis of the highest standards of integrity and fairness. For this purpose the Management Company has established procedures to ensure that all transaction processes that could pose the risk of a harmful conflict for the fund or its investors are treated with suitable independence and are resolved equitably.

These processes include the following:
– procedures for hindering and monitoring information exchange between individual units of affiliated entities;

– procedures for ensuring that all voting rights embedded in fund assets are exercised exclusively in the interest of the fund and its investors;
– procedures to ensure that any investment activity in the fund's name is conducted in the interest of the fund and its investors;
– procedures for handling conflicts of interest.

In spite of all due care and best efforts, the possibility cannot be ruled out that the Management Company's organisational or administrative arrangements on handling conflicts of interest may not be sufficient to guarantee to a reasonable extent that potential harm has been prevented to the interests of the fund or its shareholders.

If such is the case, the unresolved conflicts of interest in question shall be disclosed to investors on the Management Company's website, in the prospectus, and in the interim or annual report.

Interested investors may request further information on this subject from the Management Company using the contact form on the Management Company's website (www.lri-group.lu), by email, fax or telephone. The corresponding contact information is also provided under the Management and Administration sections of this prospectus.

In this way, interested investors may inform themselves of any current claims procedures and assertion of shareholder and creditor rights.

4. Fund manager and Co-promoter

For daily implementation of investment policy the Management Company may appoint one or more fund managers under its own responsibility. The fund management thereby encompasses the daily implementation of investment policy and direct investment decisions. The fund manager shall conduct investment policy, make investment decisions, and constantly adjust these to market developments with diligence and in service of the interests of the respective Sub-Funds.

The Management Company has appointed Fidecum AG, with the registered office in Bad Homburg, Germany, as fund manager for all Sub-Funds.

Fidecum AG is an *Aktiengesellschaft* (joint-stock company) under German law. Its corporate purpose is the provision of personalised recommendations to clients or their representatives, relating to transactions in certain financial instruments (investment advisory), the acquisition and divestment of financial instruments on behalf of, and for the account of, third parties (acquisition agency), intermediation or certification of transactions involving the acquisition and divestment of financial instruments (investment intermediation) as well as the discretionary management of individual assets invested in financial instruments for third parties with discretionary authority (financial portfolio management).

The fund manager has been certified by the German Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* ("*BaFin*")) under Section 32 I KWG and is subject to its supervision.

The fund manager's ongoing management tasks under the general control and responsibility of the Fund's Managing Board and the Managing Board of the Management Company accordingly includes, but is not limited to, the purchase, sale, exchange, subscription and transfer of assets contained in all Sub-Funds and the exercising of all rights that are connected directly or indirectly with the assets of all Sub-Funds.

The fund manager is empowered to transact for the Fund and to select brokers and distributors for settling transactions involving Fund assets.

The fund manager is not allowed to accept investors' moneys.

In carrying out its tasks, the fund manager may consult an investment advisor at its own cost. Furthermore, the fund manager may transfer some or all of its tasks to third-party natural persons or legal entities, with the consent of both the Board of Directors and the Management Company's Managing Boards in compliance with legal and supervisory requirements and with the consent of the Luxembourg financial supervisory authority (*Commission de Surveillance du Secteur Financier* ("*CSSF*"). Such a transfer does not affect the Management Company's legal liability. The fund manager, meanwhile, is liable for all acts of third parties that it has ordered in accordance with the provisions of this Article. Such a transfer is subject to the Fund's and Management Company's prior consent. In this case the prospectus shall be adjusted accordingly.

The fund manager is entitled, without prior consultation with the Management Company to combine its management actions with securities transactions or management tasks undertaken for its usual clients. In this case, it is entitled to combine client orders as long as this complies with its contractual or legal duties.

5. Investment advisor and tied agent

The Management Company has appointed GSAM + Spee Asset Management AG with the registered office in Düsseldorf as investment advisor to advise the fund manager in relation to the management of the assets set out in the prospectus of the Sub-Fund Fidecum SICAV – avant-garde Stock Fund in order to achieve their objectives.

The duties of the investment advisor include, in particular, monitoring the financial markets, analysis of the Sub-Fund's portfolio composition and making investment recommendations to the Management Company in consideration of the investment policy of the Sub-Fund Fidecum SICAV – avant-garde Stock Fund and in compliance with the regulatory and contractual investment restrictions.

GSAM + Spee Asset Management AG acts as liability umbrella for the tied agent. In this respect the tied agent shall act in the name and on behalf of GSAM + Spee Asset Management AG.

Avant-garde capital GmbH with the registered office in Frankfurt shall act as a tied agent for the investment advisor in accordance with Section 2 (10) of the German Banking Act (KWG).

The investment advisor has merely an advisory role and is not vested with the power to take investment decisions. The Management Company shall not be bound by the investment advisors' investment recommendation.

The investment advisor may consult third parties at its own costs subject to the prior approval of the Management Company

6. Risk manager

LRI Invest S.A. is responsible for the Fund's risk management in its capacity as Management Company. For this purpose the Management Company may seek out the services of third parties as risk manager in executing its tasks while maintaining its responsibility and in compliance with Luxembourg provisions on data protection.

7. Depositary and main paying agent

A. The Company's depositary and main paying agent is M.M. Warburg & CO Luxembourg S.A., with registered offices in 2, Place François-Joseph Dargent, L-1413 Luxembourg.

This is a joint-stock company (*Aktiengesellschaft*) under Luxemburg law (Law of 5 April 1993 pertaining to the financial sector) and has been constituted for an indefinite term.

The role of the depositary is based on the Law of 17 December 2010, the articles of incorporation and the depositary contract. Its main tasks are the custody of the investment company's investment assets. It also handles special supervisory tasks. It acts in the interests of shareholders.

B. As part of its supervisory activities, the depositary is responsible for the following:

a) ensuring that the sale, issue, redemption, payment and cancellation of fund shares are done in accordance with the applicable legal requirements, as well as the procedures provided in the general management rules and special rules;

b) ensuring that fund share values are calculated in accordance with the applicable legal requirements, as well as the procedures provided in the general management rules and special rules;

c) providing instructions to the Management Company, unless such instructions violate applicable legal requirements, as well as the procedures provided in the general management rules and special rules;

d) ensuring that in its transactions involving fund assets, the countervalue is transferred within the usual deadlines;

e) ensuring that fund income is used in accordance with applicable legal requirements, as well as the procedures provided in the general management rules and special rules.

The depositary ensures that fund cash flow is properly monitored and in particular guarantees that all payments have been received upon fund share subscription from investors or for payment of investors and that all fund moneys have been booked in cash accounts that:

a) have been opened in the name of the respective fund, in the name of the fund's Management Company or the fund's depositary;

b) have been opened at an entity mentioned in Article 18 Paragraph 1 Letters a, b and c of Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive ("Directive 2006/73/EC"); and

c) are managed in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

Where the cash accounts have been opened in the name of the depositary acting on behalf of the respective fund, no moneys from the aforementioned entity and no moneys for the depositary itself are to be deposited on it.

C. Company assets are entrusted to the depositary for safekeeping as follows:

a) The following apply to financial instruments that may be taken under depositary:

I. The depositary shall hold all financial instruments that may be registered in an financial instruments account opened by the depositary and all financial instruments that may be physically delivered to the depositary;

II. for this purpose the depositary shall ensure that all financial instruments that can be deposited on an account managed by the depositary that has been opened on the basis of the principles set out in Article 16 of Directive 2006/73/EC on the depositary's books in special accounts that have been opened in the name of the company or the Management Company managing it, are registered so that the financial instruments can at any time be clearly identified as fund property under current law;

b) the following apply to other assets:

I. the depositary shall verify that the respective fund or Management Company of the respective fund is the owner of the assets concerned on the basis of information or documents provided by the fund or the Management Company and, to the extent possible, on the basis of external evidence determine, whether the fund or the fund's Management Company is the owner;

II. the depositary shall keep records on asset values while ensuring that the respective fund or fund's Management Company is the owner and shall keep its records up to date.

The depositary shall provide the Management Company, on a regular basis, with a comprehensive inventory of all of the fund's assets.

Fund assets held in custudy shall not be reused by the depositary or by the third party to which the custody function has been delegated for their own account. Reuse is considered to be any transaction involving fund assets held in custody, including their transfer, pledge, sale and lending.

Fund assets held in custody by the depositary may only be used:

a) if reuse of fund assets is for the fund's account;

b) if the depositary is carrying out the instructions in the name of the fund's Management Company;

c) if the reuse benefits the fund and is in shareholders' interests; and

d) if the transaction is covered by high-quality liquid collateral that the fund has received under a proxy agreement.

The market value of the collateral must at all times be at least as high as the market value of the reused fund assets plus a premium.

In the event of insolvency of the depositary and/or a Luxemburg-based third party to which custody of fund assets has been transferred, the fund assets kept in custody must not be distributed to creditors of this depositary and/or this third party or be used for its benefit.

The depositary may delegate depositary tasks to another company (sub-depositary) in compliance with legal conditions. The sub-depositary may, in turn, outsource said custodial duties in compliance with legal conditions. The roles described under Section B of this Article may not be transferred by the depositary to third parties.

In executing its tasks, the depositary shall act in a manner that is honest, truthful, independent and exclusively in the interests of the respective fund and fund investors.

The depositary may not undertake any tasks involving the respective fund or on behalf of the fund's Management Company that could lead to conflicts of interest between the respective fund, the investors of the respective funds, the Management Company and it itself. The depositary may undertake such tasks only if there is a functional and line-manager separation in their execution as depositary from tasks that could potentially be in conflict and that it investigate, manage, and monitor the potential conflicts of interest and disclose them to investment fund shareholders.

The depositary is liable with regard to the respective fund and fund shareholders for any loss by the depositary or a third party to which custody of the financial instruments has been transferred.

In the event of loss of a financial instrument in custody, the depositary shall immediately give the respective fund or fund's Management Company a financial instrument of similar value or pays an equivalent sum. The depositary is not liable under the Law of 17 December 2010 or applicable regulations if it can prove that the loss is due to events that it could not reasonably be expected to control and whose consequences could not be avoided in spite of all reasonable efforts to the contrary.

The depositary is also liable with regard to the fund and fund shareholders for all other losses sustained by the fund and fund shareholders due to negligence or deliberate failure on its part to honour its legal obligations.

The depositary remains liable, based on a legal exception, in the event of any transfer of custodial tasks to third parties, including further transfer of custodial tasks by that third party.

Fund investors may asset the liability of the depositary directly or indirectly through the Management Company, provided that this leads neither to dual regression claims nor to unequal treatment of shareholders.

An overview of any appointed sub-depositaries shall be made available on the website of the Management Company http://www.lri-invest.lu/Unterverwahrer M.M. Warburg & CO Luxembourg S.A.

Upon request, the Management Company shall keep shareholders informed of the identity of the fund's depositary, a description of the depositary's duties and conflicts of interest that may arise, a description of all custodial roles transferred by the depositary, a list of sub-depositaries or depositaries and tasks, and all conflicts of interest that may arise from the transfer of tasks.

Conflicts of interest may arise from the appointment of the depositary and/or sub-depositary. They are dealt with in the "Risk notification" section of each Sub-Fund.

Foreign Securities that have been acquired or divested abroad or that the Fund has left in custody with the depositary in Luxembourg or a foreign country are subject to foreign jurisdiction in due form. The rights and duties of the depositary or of the Fund are therefore based on this jurisdiction, which may include disclosure of investor names. In buying Shares in the Fund, the investor must be aware that the depositary may occasionally provide relevant information to foreign authorities, because it is required to do so by law or regulations.

In accordance with Article 6-1, Paragraph 1, Letter f of the articles of incorporation of 18 February 2009 of the ASSOCIATION POUR LA GARANTIE DES DEPOTS LUXEMBOURG (AGDL), bank deposits held by the depositary and, where applicable, other credit establishments, are not automatically protected by a deposit protection institution.

D. Both the depositary and the Fund are entitled to terminate the depositary's contract at any time in compliance with the terms of said contract. In this case the Managing Board shall make all efforts to appoint another bank as depositary within two months, subject to the approval of the CSSF and the consent of shareholders; until the appointment of a new depositary the existing depositary shall execute its duties as depositary in full to safeguard the interests of shareholders.

The depositary has also been appointed the Fund's paying agent with responsibility for paying out any distributions and the redemption price of redeemed Shares and other payments.

8. Registrar and transfer agent

Furthermore, the depositary has been appointed registrar and transfer agent of Company with the task of executing share subscription, redemption, exchange and transfer orders, as well as for keeping the register of shareholders.

The registrar and transfer agent contract provides for a bilateral three-month termination notice period, as well as an extraordinary termination notice period.

9. Administrative and domiciliation agent

In its capacity as Management Company, **LRI Invest S.A**. shall itself handle the tasks of administrative and domiciliation agent of the Fund.

As the Management Company, LRI Invest S.A. handles, among other tasks, accounting, including the net asset valuation of individual Sub-Funds and the production of the Fund's annual and semi-annual reports.

The manager reserves the right to outsource individual tasks to third parties. In this case, the prospectus is adjusted accordingly.

LRI Invest S.A. has also taken over the tasks of domiciliation agent for the Fund.

Copies of the following documents may be viewed at the domiciliation agent's premises during normal business hours:

1. Management Company contract;
2. Depositary and main paying agent contract;
3. Registrar and transfer agent contract.

The following documents are available free of charge at the domiciliation agent's premises during normal business hours on each bank working day:

1. Articles of incorporation;
2. Prospectus;
3. KIID
4. Semi-annual report and annual report.

The current prospectus, Key Investor Information Document and Company annual and interim reports may also be obtained at the following website of the Management Company: www.lri-invest.lu. A print version may be obtained on request from the Management Company or distributor.

Section III
Operations

1. Shares

The Fund's capital consists of the assets of the various Sub-Funds. Proceeds from subscriptions are invested in the assets of the Sub-Fund concerned.

For each Sub-Fund a separate net asset value is determined. With regard to shareholders, these assets are assigned solely to the Shares issued for this Sub-Fund. With regard to third parties, a Sub-Fund's assets are subject only to liabilities that are allocated to this Sub-Fund.

Shares in the various Sub-Funds ("Shares") materialise the shareholders' ownership of Sub-Fund assets.

Shares must be fully paid up. They have no nominal value and contain no preferential or pre-emptive rights. In compliance with the Law of 10 August 1915 and the Fund articles of incorporation, each share entitles its holder to one vote at the General Meeting of Shareholders.

Fractional Shares as small as one thousandth of a share may be issued. Such fractional Shares confer no voting rights but do entitle their holder to a prorated share of net investment assets allocated to the corresponding share class. In the case of bearer Shares certificates are issued only for full Shares.

In accordance with Article 5 of the Fund articles of incorporation various share classes may be issued for each Sub-Fund. All Shares of the same share class have the same rights. If various share classes are issued, this shall be mentioned in this prospectus.

Shares shall be issued as either bearer or registered Shares. At the Managing Board's discretion, global certificates may be issued on the Shares. In this case, no claim may be made for delivery of printed certificates.

However, bearer Shares may be exchanged for registered Shares at shareholders' request and at their expense. Registered Shares will be issued to as much as three decimal places. All the Fund's issued registered Shares will be entered into the shareholder register, which will be kept by the Fund or by one or more persons designated by the Fund, and this Register will contain the name of each holder of registered Shares, his permanent or temporary residence, the number of registered Shares held by him, and the sum paid for fractional Shares. Any *inter vivos* gifts or testamentary transfer of registered Shares shall be entered into the shareholder register. Entry onto the shareholder register shall be authenticated through the issue of registration certificates.

Shareholders who wish to receive registered Shares must provide the Fund with an address to which all reports and notifications may be sent. This address will also be entered into the shareholder register.

If a shareholder provides no address, the Fund may allow a corresponding note to be entered into the shareholder register; in this case the shareholder's address shall remain the Fund's registered offices until the shareholder provides another address to the Fund. The shareholder may change the address in the shareholder register by informing the Fund in writing at the Fund's registered offices or any other address stipulated by the Fund.

Any shareholder may request the conversion of his Shares into Shares of other Sub-Funds.

The Fund may open new Sub-Funds and, hence, issue new Shares corresponding to the assets of such Sub-Funds.

2. Issue of shares

Shares in the Sub-Funds may be acquired from the Management Company, registrar and transfer agent, as well as from all paying agents or distributors. For the purpose of preventing money laundering, each subscriber of Shares must prove his identity to the Management Company, registrar and transfer agent or the paying agent or distributors.

Subscription requests must contain the following information: the identity and address of the shareholder making the request, the number of Shares to be issued, and the Sub-Fund to which these Shares belong.

After the initial issuance day, Shares will be issued generally on each valuation day. The valuation day is any day that is a bank working day in Luxembourg – with the exception of 24 and 31 December ("valuation day"), unless otherwise provided for the Sub-Fund concerned in Section VI. The issue price is the net asset value per share of the Sub-Fund concerned, based on the principles provided in Section III, Point 6, plus an issue premium, which is paid to the distributor. The amount of the issue premium of the Sub-Fund concerned is stipulated in Section VI.

The issue price may be increased by the fees or other charges in the respective distribution countries.

Subscription requests that arrive by noon Luxembourg time on a valuation day at the Management Company, registrar and transfer agent, paying agent or distributor, will be settled on the basis of the net asset value of this valuation day. Subscription requests that arrive after noon Luxembourg time at the Management Company, registrar and transfer agent, paying agent or distributor will be settled on the basis of the net asset value of the following valuation day. The subscription price will in any case be determined after the stipulated cut-off time, to ensure that the investor subscribes his Shares on the basis of an unknown price.

The subscribed Shares are paid for in the reference currency of the Sub-Fund concerned, in which the investor wants to invest within three Luxembourg bank working days after the respective valuation day.

If payment and a written subscription request have not been received by this date, the request may be refused and any allocation of Shares on this basis may be cancelled. If payment for a subscription request is received after the deadline, the Fund's Managing Board may process the request or have it processed and stipulate that the number of Shares that may be subscribed with the received sum (including the applicable issue premium) is that which results from the next net asset valuation after the arrival of payment.

The Fund may, in compliance with legal provisions under Luxembourg law, which require, among other things, a valuation appraisal by the Fund's external auditor, issue Shares for delivery of Securities on the condition that such delivery of Securities complies with the investment policy of the Sub-Fund concerned and are within the Fund's investment limits and the investment policy of the Sub-Fund concerned. All costs in connection with share issuance for delivery of Securities are to be paid by the respective shareholders.

If a subscription request is refused in whole or in part, any payment made or residual sum shall be refunded to the applicant by mail or via bank transfer at the applicant's risk.

After payment of the purchase price, the corresponding number of Shares will be immediately transferred to the buyer.

If the Fund offers savings or pension plans for a Sub-Fund, this must be mentioned in Section VI of the Sub-Fund concerned. The exact terms regarding savings and pension plans are to be listed in a subscription request filled out separately by the buyer.

If expenditure is part of the savings and pension plans offered by the Sub-Fund concerned, no more than one third of each of the payments agreed for the first year shall be used to cover costs. The other costs will be spread out equally over all later payments. In the event of early dissolution of the pension plan, the advance payment of costs means that costs already charged for payments not yet made are lost and may not be refunded either by the Fund or the distributor.

The Managing Board reserves the right to reject any subscription request in whole or in part and to suspend share issuance at any time and without prior notice. In such cases, payments made on non-executed subscription requests will be refunded immediately by the depositary.

The Fund's Managing Board allows no market timing practices (i.e., frequent share certificate turnover within a brief period of time while taking advantage of time differences and/or differences in net asset valuations) or late trading (i.e., the acceptance of share transactions after the noon cut-off and settling of such share transactions on the basis of the net asset value of the same valuation day rather than the next one) and reserves the right to refuse subscription requests from an investor who the Managing Board suspects of engaging in such practices. The Fund's Managing Board reserves the right to take measures to protect the other investors of the Sub-Fund concerned, in case of need.

If the Sub-Fund concerned suspends the net asset valuation on the basis of rights reserved to it by Section III, Point 6, no Shares shall be issued during this period of time.

3. Redemption of shares

Shares may be redeemed at the Management Company, registrar and transfer agent, as well as at all paying agents or distributors. For the purpose of preventing money laundering, each redeemer of Shares must prove his identity to the Management Company, registrar and transfer agent or the paying agent or distributors.

Any shareholder may demand the redemption of all or part of his Shares in the Sub-Fund concerned on any valuation day.

Shares are redeemed at the net asset value of the Shares in the Sub-Fund concerned ("redemption price"). If a redemption fee is charged, this must be mentioned in Section VI of the Sub-Fund concerned.

To effectively curtail the arbitrage practice of market timing, the Board of Directors reserves the right, if Shares are redeemed within 90 calendar days after issue, to charge a redemption fee of 1% of the gross sum to be redeemed, to be paid into the Sub-Fund concerned. If a redemption discount is charged, the redemption price shall be the net asset value per share minus the redemption discount.

Shareholders who wish to redeem some or all of their Shares must send a written request to the Management Company, registrar and transfer agent or paying agent or distributors.

Redemption requests must contain the following information: the identity and address of the shareholder making the request, the number of Shares to be redeemed, and the Sub-Fund to which these Shares belong.

All necessary documents relating to redemption as well as issued certificates, if any, must be enclosed with the request.

Redemption requests that arrive by noon Luxembourg time on a valuation day at the Management Company, registrar and transfer agent, paying agent or distributor, will be settled on the basis of the net asset value of this valuation day. Redemption requests that arrive after noon Luxembourg time on a valuation day at the Management Company, registrar and transfer agent, paying agent or distributor will be settled on the basis of the net asset value of the following valuation day. The redemption price will in any case be determined after the stipulated cut-off time, to ensure that the investor redeems his Shares on the basis of an unknown price.

The redemption price must be paid within three Luxembourg bank working days.

The redemption price is paid in the reference currency of the Sub-Fund concerned. The redemption price can be under or over the subscription price at the time of subscription or the paid fee at the time of purchase. The depositary is only required to pay if no legal provisions, e.g., currency regulations or other circumstances beyond the depositary's control, prohibit the transfer of the redemption price in the country of the applicant.

If the Managing Board decides accordingly, the Fund should be entitled to pay the redemption price in non-cash form to each shareholder who consents, in which the shareholder is paid using portfolio assets that have been allocated to the respective share class(es), at the respective value (in accordance with Article 11 of the Company articles of incorporation) on the respective valuation day on which the redemption price was calculated, corresponding to the value of the Shares to be redeemed. In such a case, the nature and type of the assets to be transferred shall be determined on a suitable and objective basis and without harming the interests of the other shareholders of the respective share class(es) and the valuation applied shall be confirmed in a separate external auditor's report. The costs of such a transfer are paid by the shareholder concerned.

If the Fund offers a withdrawal plan for a Sub-Fund, this must be mentioned in Section VI for the Sub-Fund concerned.

If, on the basis of Section III, Point 6 the net asset valuation per share of the Sub-Fund concerned is suspended, no Shares may be redeemed.

In the event of extensive redemption requests (more than 10% of the net Sub-Fund assets on the respective valuation day) the Fund may decide, to safeguard shareholders' interests, to redeem the Shares only after selling sufficient assets and receiving the corresponding sums. In the event of a suspension of a net asset valuation, non-executed redemption requests shall be given priority on the following valuation day.

If the net assets of a Sub-Fund on a valuation day has fallen below a level that the Managing Board deems a minimum amount for managing this Sub-Fund in an economically reasonable manner and which is currently set at five million euros (EUR 5,000,000), or if a material change has occurred in the economic or political environment, or in the interest of economic rationalisation, the Managing Board may at its discretion decide to redeem all Shares but no

fewer than all Shares outstanding in this Sub-Fund at its net asset value (with consideration to the actual realisation value of the Sub-Fund assets and the cost of realisation) on the day on which the Managing Board's decision enters into force. The Fund shall inform all shareholders affected by such a redemption accordingly. Holders of registered Shares shall be informed in writing. Holders of bearer Shares shall be informed through notices published in at least one national newspaper in the countries in which the Shares are publicly distributed. Sums allocated to the Shares that are not redeemed at the time of this forced redemption may be kept by the depositary for a period of no more than six months. Thereafter, such sums shall be kept at the *Caisse de Consignation*.

4. Conversion of shares

Any shareholder may request the conversion of some or all of his Shares for Shares in another share class of the same Sub-Fund or for Shares of another Sub-Fund or another share class of that Sub-Fund, in writing, by telex or fax to the Management Company, registrar and transfer agent or paying agent.

Conversion requests must contain the following information: the identity and address of the shareholder making the request, the number of Shares to be converted, and the Sub-Fund to which these Shares belong and the name of the Sub-Fund for which these Shares are to be converted.

Conversion requests that arrive by noon Luxembourg time on a valuation day at the Management Company, registrar and transfer agent, paying agent or distributor, will be settled on the basis of the net asset value of this valuation day. Conversion requests that arrive after noon Luxembourg time on a valuation day at the Management Company, registrar and transfer agent, paying agent or distributor will be settled on the basis of the net asset value of the following valuation day.

The conversion lists shall be closed at the same time as the redemption lists. Conversion requests must come with a filled out conversion form or any other document providing for a transfer. Except where the net asset valuation has been suspended, Shares may be converted on any valuation day on the basis of an conversion request, taking into account the net asset valuation of Shares in the individual Sub-Funds on the valuation day. The maximum provision for a conversion as described above is calculated as follows:

When Shares in one share class are converted for Shares of another share class in the same or another Sub-Fund, the maximum provision that may be set aside for payment to the distributors is equal to the difference between the highest amount of the issue premium of Shares in the other Sub-Fund or other share class, for which Shares are to be converted, minus the issuance premium, paid by or to the shareholder for subscription of the Shares to be exchanged.

After the conversion shareholders shall be informed by the depositary of the number of Shares they have received from the conversion in the new Sub-Fund as well as the respective price.

In a share conversion fractional Shares shall be issued up to one thousandth of a share.

The Board of Directors allows no market timing practices (i.e., frequent share certificate turnover within a brief period of time while taking advantage of time differences and/or differences in net asset valuations) or late trading (i.e., the acceptance of share transactions after the noon cut-off and settling of such share transactions on the basis of the net asset value of the same valuation day rather than the next one) and reserves the right to refuse subscription requests from an investor who the Board of Directors suspects of engaging in such prac-

tices. The Board of Directors reserves the right to take measures to protect the other investors of the Sub-Fund concerned, in case of need.

5. Money laundering

In accordance with the legal provisions against money laundering, share subscribers must identify themselves. They may do so at either the Management Company itself or at the intermediary that accepts subscriptions.

The registrar and transfer agent is responsible for taking suitable measures for complying with anti-money laundering provisions in accordance with the relevant laws of the Grand Duchy of Luxembourg and in observance of and while implementing the Circular of the Luxembourg supervisory authority (*Commission de Surveillance du Secteur Financier (CSSF*)).

To execute these measures, the registrar and transfer agent may occasionally have to request the necessary documents for identifying future investors. For example, a private client may be asked to send a certified copy of his personal identification or passport. These documents may be procured, for example, from an embassy, consulate, notary, police station or any other empowered entity. Institutional clients may be asked for a certified copy of an excerpt from the Trade and Companies Register will all name changes or the articles of incorporation as well as a list of all shareholders with certified copies of their personal identifications or passports.

If the excerpt or identification document is insufficient the registrar and transfer agent may take suitable measures.

Depending on the subscription or transfer request, a detailed identification of the applicant is not always necessary if the request is handled through a financial institution or an authorised financial services provider and this entity is at the same time located in a country that has legal provisions that are equivalent to the Luxembourg money laundering law and contain the pre-determined requirements of the Financial Action Task Force (FATF). A list of FATF member-states that recognise the FATF requirements may be obtained on request from the Management Company, the registrar and transfer agent or on the Internet at: http://www.fatf-gafi.org.

6. Net asset valuation

Calculation

The net asset value of Shares of all Sub-Funds is expressed in the currency of the Sub-Fund concerned.

Calculation is based on the division of the value of the Sub-Fund concerned assets minus this Sub-Fund's liabilities ("Net Sub-Fund Assets") by the number of Shares in this Sub-Fund in circulation on the valuation day.

The net asset value of Shares in each Sub-Fund may be rounded up or down to the next highest or lowest currency unit in accordance with the Managing Board's decision.

The net asset value of Shares of all Sub-Funds is calculated on each day that is a bank working day in Luxembourg – with the exception of 24 and 31 December – (the "valuation day"), unless otherwise stipulated in Section VI of the Sub-Fund concerned and is based on the value of the underlying investments as defined by Section V of this prospectus.

The assets in each Sub-Fund shall be calculated on the basis of the following principles:

(a) The target fund Shares in each Sub-Fund shall be valued on the basis of the most recently determined and available redemption price.

(b) The value of cash assets or bank deposits, other outstanding receivables, prepaid expenses, cash dividends and reported or accrued and not yet received interest payments is equal to their respective nominal values, unless they will probably not be paid or received in full, in which case the value shall be determined with a suitable discount in order to ascertain the actual value.

(c) The value of assets listed or traded on a bourse shall be determined on the basis of the latest available price on the market that is the usual main market of this security. If a security or other asset is listed on several exchanges, the latest sale price on that bourse or Regulated Market that is the main market for this asset shall take precedence.

(d) The value of assets that are traded on another Regulated Market (as defined in Article 18 of the articles of incorporation) shall be based on the latest available price.

(e) If an asset is not listed or traded on a bourse or on another Regulated Market or for assets that are listed or traded on a bourse or on another market as stated above, if the prices corresponding to the rules in (a), (b) or (c) do not suitably reflect the actual market value of the respective assets, the value of such assets shall be determined on the basis of a reasonable predicted sale price after a preliminary estimate or, in the case of a fund, that would probably be obtained upon redemption or divestment. In this case, the Management Company shall use valuation models and principles that are suited and recognised in practice.

(f) The liquidation value of forward instruments or options that are not traded on bourses or other organised markets is equal to their respective net liquidation value as determined in accordance with Managing Board guidelines on the basis of principles that are consistent for all types of contracts. The liquidation value of futures or options that are traded on bourses or other organised markets shall be determined on the basis of the latest available clearing price of such contracts on the bourses or organised markets on which these futures, forward instruments or options are traded by the Fund. If a future, a forward instrument or an option cannot be liquidated on a day for which the net asset value is determined, the valuation basis for such a contract shall be determined by the Managing Board in a suitable and reasonable fashion.

(g) The value of Money-Market Instruments that are not listed on a bourse or traded on another Regulated Market and with a residual maturity of fewer than 397 days and more than 90 days is equal to their respective nominal value plus accrued interest. Money-Market Instruments with a residual maturity of no more than 90 days shall be valued on the basis of amortisation costs, corresponding to the approximate market value.

(h) Swaps shall be valued on the basis of their market value, taking into account accrued interest.

(i) All other Securities or other assets shall be valued at their suitable market value as determined in good faith by the Management Company and in accordance with the procedures it has established.

The value of all assets and liabilities that are not denominated in the currency of the Sub-Fund concerned shall be converted into this currency at the latest available exchange rate. If such exchange rates are not available, the exchange rate shall be determined in good faith and on the basis of the procedure determined by the Management Company.

The Managing Board may allow other valuation methods at its own discretion if this is in the interest of a suitable valuation of Fund assets and is deemed appropriate.

The aforementioned methods for determining net asset value may be used to calculate the net asset value of each share class in an appropriate manner.

For the Fund an income comparison may be carried out.

Temporary suspension of calculation

The Managing Board may suspend the net asset valuation of a given Sub-Fund or a share class, as well as share issuance and redemption or the exchange between various Sub-Funds or share classes:

(a) during the time in which a main market or another market on which a considerable portion of the Fund's assets allocated to this Sub-Fund or this share class, are listed or traded on days other than on normal holidays is closed or if trading in such assets is restricted or suspended, provided that such restrictions or suspensions harm the valuation of the Fund assets, which are allocated to this share class;

(b) in special cases when, in the estimation of the Managing Board, assets or the valuation of Fund assets that are allocated to this Sub-Fund or this share class, are not available;

(c) during a breach in communication channels or calculation capacities that are normally used to determine the price or value of an asset of such a Sub-Fund or such a share class or in connection with pricing or valuation on a bourse or another market related to the assets allocated to the Sub-Fund or the share class;

(d) if, for other reasons, the prices of Fund assets that are allocated to a Sub-Fund or a share class cannot be determined in a timely and precise manner;

(e) during a time in which the Fund is not able to call on the resources necessary for redeeming Shares in the share class or during which the transfer of moneys for the divestment or acquisition of investment assets or payments for share redemption cannot, in the estimation of the Managing Board, be executed at suitable exchange rates;

(f) from the time at which the notice of an extraordinary general meeting for the purpose of dissolving the Fund is published, a Sub-Fund or share classes, or for the purpose of merging the Fund or a Sub-Fund, or for the purpose of informing shareholders of a decision by the Managing Board to dissolve, cancel or merge a Sub-Fund;

(g) if, on the level of a master UCITS, the issuance and redemption of its Shares has been suspended, whether on the Fund's own initiative or at the request of a competent supervisory authority, net asset valuation may be suspended at the level of the Feeder Sub-Fund during the period of suspension of the net asset valuation at the level of the master UCITS.

Any suspension in the aforementioned cases will, if necessary, be publicised and shareholders shall be informed that they may request share subscription, redemption or exchange for which the valuation has been suspended.

Such a suspension in relation to a Sub-Fund or a share class shall have no impact on net asset valuation, share issuance, redemption or exchange of another Sub-Fund or another share class.

Any subscription, redemption or exchange request is irrevocable except in the event of a suspension in net asset valuation.

7. Financial year

The financial year begins on 1 October of each year and ends on 30 September of the following year.

8. Distribution policy

Share classes or Sub-Funds may be either distribution or capitalisation form. The distribution policy of the Sub-Fund concerned or share class is stipulated in Section VI of the Sub-Fund concerned.

9. Taxation

a. Taxation of the Fund

In compliance with Luxembourg law and normal administrative practice, the Fund is not subject in Luxembourg to corporate, wealth or capital gains tax. However, in Grand Duchy of Luxembourg Fund assets are subject to a subscription tax ("*taxe d'abonnement*") of currently 0.05% annually on the Net Sub-Fund Assets. If individual Sub-Fund or share classes are reserved for institutional investors, said Sub-Fund or share class is subject to a subscription tax of currently 0.01% annually on the Net Sub-Fund Assets or the net assets of said share class. The amount of the applicable subscription tax is mentioned explicitly in Section VI of the respective individual Sub-Funds.

This tax is payable at the end of the corresponding quarter on the basis of the Net Sub-Fund Assets. In Luxembourg neither stamp duty nor any other tax is to be paid upon the issuance of Shares. The investment income earned by the Sub-Fund may be subject to withholding tax in the country in which the income was earned. The Sub-Fund will not procure any affidavit of such withholding tax, nor will it offer any refunds.

The above summary is based on law currently in force and the current practices of the Grand Duchy of Luxembourg and is subject to change.

b. Taxation of shareholders

Shareholders are subject to no capital gains, income or estate taxes in the Grand Duchy of Luxembourg, with the exception of shareholders who: (i) have their residence, their normal place of stay or a permanent establishment in Luxembourg; (ii) are not residents of Luxembourg but hold more than 10% of Fund Shares who divest all or part of their shareholding within six months after acquisition; and (iii) are former Luxembourg taxpayers who own more than 10% of the Fund Shares.

The above summary is based on law currently in force and the current practices of the Grand Duchy of Luxembourg and is subject to change.

Shareholders who are not residents of Luxembourg and who maintain no business establishments there are subject to their respective national tax provisions. Investors may be subject to individual taxation of interest and capital income.

Interest parties are invited to inform themselves of laws and regulations governing the purchase, ownership and redemption of Shares and, where applicable, to seek out advice.

c. Foreign Account Tax Compliance Act (FATCA)

With the adoption of FATCA provisions by the US government as an essential component of the Hiring Incentives to Restore Employment Act ("HIRE"), a new reporting regime has been introduced with regard to certain income from US sources, which in exceptional cases can lead to the retention of fines. This includes interest, dividends, and proceeds from the divestment of US assets through which US interest and dividend income could be generated ("withholdable payments"). Under the new rules, the US Internal Revenue Service must in principle be informed of the direct or indirect owners of non-US accounts and non-US entities, in order to identify possible shareholdings of certain US investors. A tax of 30 percent must be withheld if certain information is not provided.

In light of the above, each investor who holds a registered account with the Management Company in Luxemburg is required to provide the Management Company with all information, explanations and forms that the Management Company reasonably requests, in the requested form (also in electronic certificates) and in a timely fashion, in order to support the Management Company in meeting its obligations in this area. If the Management Company, because of failure to comply with FATCA by an investor, is required to pay or withhold taxes at the source or suffers other harm, the Management Company reserves the right, without prejudice to other rights, to claim damages from the investor concerned.

If an investor does not provide such information, explanations or forms to the Management Company, the Management Company is entitled without restriction to take one or all of the following measures:

- Withholding of taxes on sums distributed to this investor, withholding of which is required by the Management Company with regard to this investor under applicable regulations, directives or conventions. Such withheld sums shall be handled as if they were distributed to the investor concerned and then paid by the investor to the competent tax authorities. If the Management Company is required to pay tax on sums that are currently not distributed to this investor the investor is required to pay a sum to the Management Company that is equivalent to the sum that the Management Company has withheld. Payment of this sum is not considered a capital payment for the investor's subscription obligation and no shares will be issued for this payment. The Management Company may withhold this sum also from later distributions. Clause 1 applies accordingly in this case; as well as
- Withholding of external costs arising at the Management Company from reporting and withholding tax regimes (such as tax advisory fees) from the sums that are distributable to this investor. These withheld sums shall be handled as if they had been distributed to the investor concerned. If the funds that are distributable to the investor at the relevant time are not sufficient, the investor shall be required to pay a balancing sum to the Management Company. Payment of this sum is not considered a capital payment for the investor's subscription obligation and no shares will be issued for this

payment. If costs incurred by several investors cannot be attributed directly to one single investor, these costs shall be prorated to their shares of the fund's net asset value.

On the Management Company's request, an investor shall sign all documents, statements, documents or certificates that the Management Company reasonably requests or that are otherwise necessary to allow it to execute the aforementioned measures.

The Management Company is authorised to disclose information on all investors to any tax authority or other government entity and to guarantee that the Management Company complies with applicable law, regulations and agreements with investment authorities. Each investor renounces all rights to professional secrecy and data protection as well as any comparable provisions, and rights to oppose disclosure, to the extent that such information must be sent to tax authorities or government entities for this purpose.

The governments of the Grand Duchy of Luxemburg and the United States have entered into an inter-governmental agreement ("IGA") covering FATCA, which was transformed into national law with the Luxemburg Law of 24 July 2015. Provided that IGA, which has been implemented through the aforementioned law, is applicable to the fund, the fund is subject neither to taxation at the source nor to withholding tax under FATCA. Furthermore, it is not necessary for the Management Company to enter into an agreement with the IRS; otherwise the Management Company would be required to report information regarding the investor to the Luxemburg tax authorities, who would then forward it to the US tax authorities.
The fund's share classes may either:

- be subscribed through a FATCA-compliant independent nominee by investors; or

- directly or indirectly through a distributor (not acting as a nominee) by investors, with the exception of:

  i. Specified US-Persons as described in Article 1.1. (ff) of the Luxembourg-US IGA.

  ii. passive non-financial foreign entities (NFFE), most of whose ownership shares are held by a US Person. This investor group usually involves such NFFE procedures (i) that are not classified as NFFEs; or (ii) which are not a withholding foreign partnership or a withholding foreign trust under the relevant Treasury Regulations.

  iii. Non-participating financial institutions: The United States of America determines this status on the basis of a financial establishment's non-FATCA conformity.

Shareholders are required to inform the Management Company immediately of any change in their FATCA status and, where applicable, to sell or give back to their fund their entire shareholding.
Should the Management Company or registrar and transfer agent become aware that a shareholder is a US Person or that a US Person is the beneficial owner of the shares, the aforementioned companies shall be entitled to demand the immediate redemption of these shares from at the respective valid and latest available share value.

Should the Management Company or registrar and transfer agent identify a shareholder as a US Person or be of the opinion that the investor has not identified himself sufficiently and shows some signs of being a US Person, the Management Company shall be entitled – based on Luxemburg law and management instructions – to inform the competent Luxembourg tax authorities accordingly, and such information will then be forwarded to the US tax authorities. The investor concerned shall be informed by the Management Company of the necessity and execution of such a measure.

The Management Company is authorised, on the fund's behalf to enter into agreements with the competent tax authorities (including agreements based on HIRE and relevant successor texts or inter-governmental agreements between the United States and other countries with regard to FATCA as long as it is of the opinion that such agreements are in the best interests of the fund or the investors.

Potential investors are accordingly urged to seek advice on the requirements and effects of FATCA and their own situation.

d. Common Reporting Standard (CRS)

On 29 October 2014 51 representatives of the "Early-Adopter" group – to which most European countries, including Luxemburg belong – signed a multilateral agreement on the automatic exchange of tax information. The goal of the OECD's "Common Reporting Standard" ("CRS"), is to develop unified rules to expand the exchange of tax information. Under CRS and EU Directive 2014/107/EU as regards mandatory automatic exchange of information in the field of taxation, for the first time data covering 2016 will be exchanged in 2017 between participating contracting states. Within the EU CRS will replace the EU Interest Directive.

To determine investors who must report and to report them under the automatic exchange of tax information annually to the competent financial authorities, financial establishments are required under CRS to comply with special due diligence obligations. Luxemburg has pledged to compile information from financial establishments based within its borders – including the Management Company – on persons liable for tax in other contracting states and to make this available to other contracting states

This mainly concerns the reporting of:

- Names, address, tax indication numbers, countries of residence, birthdates and places of each person who must be reported;
- Account or share register number,
- Value of shares,
- Credited capital gains, including divestment proceeds.

If the investor maintains a registered account at the Management Company in Luxemburg it is required immediately to inform the Management Company of any change in circumstances that could affect and/or modify his tax residency, so that the Management Company can meet its reporting obligations in full.

Potential investors are accordingly urged to seek advice on the requirements and effects of CRS and their own situation.

10. Costs

In addition to the non-exhaustive list of Management Company and custodial fees in Section VI, the Fund bears the following costs, regardless of where there are incurred (in Luxemburg or in the distribution countries).

Fund assets may be subject to the following costs:

- all costs in connection with the acquisition and divestment of the Fund's investment assets as well as the use of Securities lending programmes;

- the Fund‘s start-up costs;

- Fees and expenses of Managing Board members, including reasonable travel costs and expenses incurred in connection with board meetings and all other reasonable expenditures of the Managing Board or senior management;

- costs of registration and maintaining registration of the Fund with regulators or bourses (including local securities associations) in the Grand Duchy of Luxembourg and other countries;

- costs and fees of the Fund’s tax advisors and external auditors (*réviseur d´entreprises agrée*), as well as those arising in other EU countries in which Shares in the (sub)funds are distributed or have been authorised for distribution; costs for auditing of tax declarations and, where applicable, other costs for certification of Fund-related accounts;

- costs and fees of legal advisory and assertion of legal rights arising from Management Company or depositary, if they are acting in the interests of shareholders of a fund;

- costs for the preparation, filing and publication of articles of incorporation and other documents, such as the prospectus, the annual and semi-annual reports, and the Key Investor information Document;

- costs of publications and notices for shareholders (including price publications);

- Printing costs (including preparation costs) and distribution costs for the annual and semi-annual reports for shareholders in all necessary languages, as well as printing and distribution costs of all other reports and documents that are required by applicable laws or provisions of the relevant authorities;

- reasonable advertising costs and other costs that arise in connection with the distribution of Shares, disclosures, publication and publicity costs, including preparation, printing, publicity and dissemination of prospectuses and informational documents, as well as their translation into other languages road shows, explanatory notices, periodical reports or registration notes, as well as costs of other reports to shareholders;

- costs for preparing share certificates and dividend coupons and renewal of coupon sheets, where necessary;

- costs for the redemption of dividend coupons and any costs arising from distributions;

- costs for having the Fund rated by nationally and internationally recognised ratings agencies;

- all taxes, duties, management fees and similar costs charged to Fund assets, Fund income and expenses;

- costs for risk management for measurement and control of Fund assets;

- costs of analysis of performance attribution;

- other costs of fund administration, including costs of interest groups, representatives and other Fund appointees;

- bank-related fees, where applicable, including bank-related fees for custody of foreign investment Shares in foreign countries.

- all external administrative and depositary fees incurred from other correspondence banks and/or clearing offices (e.g., Clearstream Banking S.A.) for Sub-Fund assets, as well as all external settlement, dispatching and insurance costs in connection with the Fund's Securities transactions and transactions in Shares.

- registrar and transfer agent transaction costs for issuance and redemption of bearer Shares;

- Fees, expenses and other costs of paying agents, distributors and other necessary foreign offices arising in connection with the Sub-Fund concerned assets;

- interest on loans;

- expenses of an investment committee, if any.

All aforementioned costs, fees and expenses include any value-added tax.

These costs and taxes will be charged to the Sub-Fund that they have been allocated to. If all Sub-Funds are concerned, these costs and charges shall be allocated to the various Sub-Funds in proportion to their net assets.

All costs shall be counted against current income first and then capital gains, and, lastly, Fund assets.

The costs of establishing the Fund and of the initial issuance of Shares have been estimated at no more than 25,000 euros and are depreciated over a period of five years. These expenditures were charged to the Sub-Fund when it was established. Costs in connection with the launch of other Sub-Funds will be allocated to the assets of the Sub-Fund concerned and depreciated therein over a period of five years.

The total expense ratio is determined after the end of the Fund's financial year on the basis of the historical value of the respective past financial year, less transaction costs for the Fund and mentioned in the respective annual report.

Section IV
Corporate law

1. Company information

The Company was established on 19 June 2008 for an indefinite term. The Company is governed by the Law of 10 August 1915 as well as Part I of the Law of 17 December 2010 with their respective modifications and amendments.

The Company's registered offices are located at 9A, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg. The Company has been entered into the Luxembourg Trade and Companies Register under Number R.C.S. Luxembourg B 139.445.

The Company's articles of incorporation have been filed with the Trade and Companies Register. The articles of incorporation were published on 4 July 2008 in the *Mémorial*.

Any interested person may view the documents filed with the Trade and Companies Register; copies of the filed documents are available on request from the domiciliation agent.

The Company's capital is represented through fully paid up non-par Shares and is equivalent at all times to the Fund's total net asset value. The Fund's legal minimum capital is one million two hundred and fifty thousand euros (EUR 1,250,000). The minimum capital must be reached within six months after the date on which the Company was authorised as a collective investment scheme under Luxembourg law.

The initial subscription capital amounts to thirty-one thousand five hundred euros (EUR 31,500), split into six hundred thirty (630) non-par Shares.

The Company's accounting currency is the euro.

2. General meeting

In accordance with the legal provisions of the Grand Duchy of Luxembourg, the notice of the General Meeting of Shareholders must be published in the *RESA* and in one or more newspapers in Luxembourg and/or in one or more national newspapers in each distribution country.

Any changes to the articles of incorporation must be filed with the Trade and Companies Register in Luxembourg. The notice of filing is to be published in the *RESA*.

In accordance with the legal provisions of Luxembourg, the annual general meeting is held on each third Monday of December at 11 am at a venue stated on the notice of meeting.

3. Dissolution and liquidation of the Fund

The Fund may be dissolved at any time on the decision of the general meeting of shareholders ("General Meeting of Shareholders"), subject to a quorum and the majority vote requirement, as required for changes to the articles of incorporation.

If Fund assets fall below two thirds of the minimum capital mentioned in Article 5 of the articles of incorporation the Managing Board shall submit the question of Fund dissolution to the General Meeting of Shareholders. The General Meeting of Shareholders shall decide

without any quorum requirement, by a simple majority of Shares represented at the General Meeting.

The question of Fund dissolution shall also be put to the General Meeting of Shareholders by the Managing Board if Fund assets fall under one quarter of the minimum capital under Article 5 of the articles of incorporation; in this case the General Meeting of Shareholders shall decide without the need for a quorum and the dissolution may be decided by shareholders who hold one quarter of the voting Shares represented at the General Meeting of Shareholders.

A General Meeting of Shareholders must be called within forty days after determination that net Fund assets have fallen below two thirds or one fourth of the legal minimum.

Liquidation will be carried out by one or more liquidators, who may be natural persons or legal entities, and must be approved in due form by the CSSF and appointed by the General Meeting of Shareholders; the latter will also decide their powers and fees.

The net liquidation proceeds of each Sub-Fund shall be distributed by the liquidators to the shareholders of the Sub-Fund concerned in proportion to their shareholdings in said Sub-Funds.

If the Fund is forcibly or voluntarily liquidated, liquidation must comply with the provisions of the Law of 17 December 2010. This law specifies the steps that must be taken to share the liquidation proceeds with shareholders and requires depositing with the "*Caisse de Consignation*" all sums that have not been claimed by shareholders upon the conclusion of the liquidation. Sums that have not been claimed within the legal deadline are forfeited under the provisions of Luxembourg law.

4. Liquidation of Sub-Funds or share classes

Without prejudice to the powers of the Managing Board to redeem all Shares in a Sub-Fund in certain circumstances described in the “Share redemption” section, the General Meeting of Shareholders of a Sub-Fund may reduce the capital on the proposal of the Managing Board by redeeming the Shares issued for one Sub-Fund and pay out the net asset value of its Shares to the shareholders (taking into account the actual realisation price of the investments as well as the realisation costs incurred by this redemption) at the net asset value as determined on the valuation day on which the decision takes effect, provided that the General Meeting of Shareholders determines that the Fund has settled redemption and exchange requests up to the valuation day on which the decision takes effect.
Non-redeemed and non-exchanged Shares shall be exchanged on the basis of the net asset value of the corresponding Sub-Fund on the day on which the decision takes effect.

At the General Meeting of Shareholders of the Sub-Fund concerned, a quorum is never required, and decisions may be taken on a simple majority of the present or represented Shares.

Holders of registered Shares in the Sub-Fund concerned by the decisions of General Meeting of Shareholders must be informed in writing of a share exchange one month prior to the decision’s taking effect.

Any liquidation proceeds or payments of discounts on the liquidation proceeds that have not been distributed to shareholders within nine months from the day of the decision on dissolution shall be deposited with the "*Caisse de Consignation*" in Luxembourg until expiration of the period of limitation.

5. Merger of the Fund / Merger of one or more Sub-Funds

The Managing Board may, with the prior consent of CSSF and subject to the conditions and procedures of the Law of 17 December 2010, decide to merge two or more Sub-Funds of the Fund or the Fund or one of its Sub-Funds with another undertaking for collective investment in transferable securities ("UCITS") or a Sub-Fund of this UCITS. This UCITS can be established either in Luxembourg or in another Member-State.

The merger decision shall be published in a newspaper designated by the Fund in each country in which Shares in the investment company or the Sub-Fund(s) are distributed.

The shareholders concerned may at any time during thirty days request the redemption of their Shares at no cost at the net asset value or, where relevant in individual cases, the exchange of their Shares for Shares in another Sub-Fund with a similar investment policy. The Shares of shareholders who have not requested the redemption or exchange of their Shares shall be replaced by Shares in the absorbing UCITS or Sub-Fund itself on the basis of the net asset value on the day on which the merger takes effect. Where applicable, the shareholders shall receive a balancing cash payment.

Furthermore, when a Sub-Fund is merged with a Sub-Fund of an investment fund ("*fonds commun de placeme*nt") this decision obligates only those shareholders who have opted in to the merger.

It is not possible to merge the investment fund or a Sub-Fund with a Luxembourg or foreign undertakings for collective investments (UCI) or a Sub-Fund of this UCIUCI that is not a UCITS.

Legal, advisory and management costs incurred from the preparation and implementation of a merger are not charged to the Fund or the Sub-Fund concerned or its shareholders.

6. Publications and contact persons

The currently valid issue and redemption prices of each Sub-Fund, as well as all information designated for shareholders may be requested at any time from the registered offices of the Management Company, the depositary, the paying agent and distributors. The issue and redemption prices are set by the Management Company on each bank working day in Luxembourg (with the exception of each 24 and 31 December) and are published daily in sufficiently broadly circulated daily and weekly business newspapers and/or at www.lri-invest.lu.

Each year the Fund publishes an annual report covering its activities and the management of its investment assets; this report contains the balance sheet, the profit-and-loss statement, a detailed description of investment assets, and the auditor's report.

The Fund also publishes the unaudited semi-annual report, which includes information on the portfolio's investments and the number of Shares issued and redeemed since the latest publication.

Material changes in this prospectus shall be brought to the attention of Company shareholders through publication in national daily newspapers or in the official journals of the countries in which Company are distributed. In addition to the prospectus, the Fund shall produce a Key Investor Information Document (KIID). The KIID may be downloaded at the Management Company's address as follows: www.lri-invest.lu. In addition, upon request a print version is available from the Management Company or distributor.

Information on the performances of the Sub-Fund concerned – to the extent that it is available – may be found in the Key Investor Information Document.

The Fund may also arrange for publication in national daily newspapers in countries in which Fund Shares are distributed.

Any interested party may obtain the aforementioned documents at the Management Company's registered offices during normal working hours or download them at: www.lri-invest.lu.

Investor claims may be addressed to the Management Company, depositary, registrar and transfer agent, or paying or information agent. They will be processed there in due form within 14 days.

Section V
General investment limits

Investment limits

The following definitions apply:

"Non-EU member-state": A non-EU member-state for purposes of this prospectus means any European country that is not a member of the European Union, as well as any country in the Americas, Africa, Asia, or Australia and Oceania.

"**ESMA":** European Securities and Markets Authority.

"ESMA/2014/937":
Guideline on exchange-traded funds (ETF) and other UCITS: Themes of 21 August 2014 implemented into Luxembourg law through CSSF Circular 13/592 of 1 October 2014.

"Money-Market Instruments":
Instruments that are normally traded on the money market, that are liquid, whose value may be determined at any time and that otherwise meets the conditions of Article 3 of Directive 2007/16/EC.

"Regulated Market":
A regulated market as defined by Article 4, Number 14 of Directive 2004/39/EU of the European Parliament and the Council of 21 April 2004 on markets in financial instruments.

"Member-State":
A Member-State of the European Union. Signatory countries to the European Economic Area agreement are considered the equivalent of European Union member-countries, with the exception of European Union member-countries themselves, and within the borders of this agreement, as well as the legal acts thereof.

"UCI": Undertakings for collective investments.

"UCITS": Undertakings for collective investment in transferable securities, as governed by Directive 2009/65/EC.

"Directive 2004/39/EC":

The Markets in Financial Instruments Directive of the European Parliament and the Council (Directive 2004/39/EC) of 21 April 2004 (in its latest version). This Directive's references to Directive 2009/65/EC are to be read, where applicable.

"Directive 2007/16/EC":

Directive 2007/16/EC of the Commission of 19 March 2007 for the implementation of Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferrable securities with regard to the clarification of certain definitions that were transposed into Luxembourg law through the provisions of the Grand Duchy Regulation of 8 February 2008 pertaining to certain definitions of the Law of 20 December 2002, as amended, pertaining to undertakings for collective investments. This Directive's references to Directive 2009/65/EC are to be read, where applicable.

"Directive 2009/65/EC":

Directive 2009/65/EC of the European Parliament and the Council of 13 July 2009 on the coordination of laws and administrative provisions relating to undertakings for collective investment in transferable securities.

"CSSF Circular 08/356":

Provisions for undertakings for collective investments if they use certain techniques and instruments involving Securities and Money-Market Instruments, of 4 June 2008.

"Securities":

Securities are deemed to be:

- Shares and other equity-like securities ("Shares")
- bonds and other secured debt securities ("Debt Securities")
- All other marketable Securities that entitle their holders to acquire securities through subscription or exchange, with the exception of the financial derivatives mentioned in Section V, Point B or other techniques and instruments.

The investment policy of each Sub-Fund is subject to the following investment rules and restrictions:

1. Investments in each Sub-Fund may consist of one or more of the following assets:

Based on each Sub-Fund's specific investment policy, it is possible that some of the below-mentioned investment opportunities are not applicable to certain Sub-Funds. Where applicable, this is stipulated in Section VI of this prospectus in connection with the Sub-Fund concerned.

a) Securities and Money-Market Instruments listed or traded on a Regulated Market;

b) Securities and Money-Market Instruments traded on another, recognised, regulated and properly functioning market of a member-state that is open to the public;

c) Securities and Money-Market Instruments that have been admitted for trading on an official securities market of a Non-EU Member-State or are traded there on another recognised and properly functioning Regulated Market that is open to the public;

d) Newly issued Securities and Money-Market Instruments, as long as the issuance terms contain the obligation of requesting an official listing on a securities market or on another regulated market as defined above in the provisions mentioned in Number 1. Letter a) to c) of this Chapter and that the admission has been obtained no later than one year after issuance;

e) Shares in UCITS governed by Directive 2009/65/EC and/or other UCIs, as defined by Article 1, Paragraph 2, Letters a) and b) of Directive 2009/65/EC with registered offices in a Member-State, or a non-member state, as long as:

- these other UCI are authorised by legal provisions that subject them to regulatory supervision that, in the view of the CSSF, is equivalent to that of the EU, and as long as sufficient guarantees exist for cooperation between authorities;
- the level of protection of shareholders in the other UCI is equivalent to the level of protection of shareholders of a UCITS and, in particular, that provisions for the separate custody of Fund assets, borrowing, lending and short selling of Securities and Money-Market Instruments are equivalent to those of Directive 2009/65/EC;
- the business activity of the other UCI is the subject of semi-annual and annual reports that make it possible to form a judgment on the assets, liabilities, income and transactions during the reporting period;
- the UCITS or these other UCI whose shares are to be acquired may invest no more than 10% of its net assets in shares of other UCITS or other CIS, as stipulated in its management rules or its registration documents;

f) Sight deposits or callable deposits maturing in no more than 12 months at credit institutions, as long as said credit institute has its registered offices in a Member-State or, if the credit institute's registered offices is in a Non-EU member-state, as long as it is subject to supervisory provisions that, in the CSSF's view, are equivalent to EU requirements and this Non-EU member-state is a member of the OECD and FATF;

g) financial derivatives ("derivatives"), including cash-settled instruments of equivalent value that are traded on a Regulated Market as described under Letters a), b) and c) of this Article or financial derivatives that are not traded on a bourse ("OTC derivatives"), as long as:

- the underlying assets are instruments as defined by this Number 1. Letter a) to h) of this Article, financial indices, interest rates, exchange rates or currencies;
- the counterparties of OTC derivatives transactions are establishments that are subject to official supervision and are of a category authorised by CSSF; and
- OTC derivatives are subject to a reliable and verifiable valuation on a daily basis and may at any time, on the initiative of the Sub-Fund concerned, be divested, liquidated or closed through a counter-transaction at a suitable fair value.

h) Money-Market Instruments that are not traded on a Regulated Market and that are governed by the aforementioned definition, as long as the issue or issuer of such instruments is itself subject to provisions on deposit and investor protection and provided that such instruments are:

- Issued or guaranteed by a central, regional or local government or central bank of a Member-State, the European Central Bank, the European Union or the European Investment Bank, a Non-EU member-state or, if a federal government, a

member-state of the federation or by an international institution governed by public law, to which at least one Member-State belongs; or

- Issued by a company whose Securities are traded on the regulated markets stipulated under the aforementioned Letters a), b) and c) of this Article; or
- Issued or guaranteed by an Institute that is subject to supervision of an authority meeting EU legal criteria or is an institute that is subject to supervisory provisions that, in the CSSF's view, are at least as strict as those of EU law and are in compliance with EU law; or
- Issued by other issuers that belong to a category that has been authorised by the CSSF, as long as for investments in these instruments investor protection provisions exist that are equivalent to those of the first, second or third dashes and as long as the issuers are either a company with equity capital of at least ten million euros (10,000,000 euros), that produces and publishes its annual financial statements in accordance with the provisions of Directive 78/660/EEC or is a legal entity that, within one or more publicly listed companies of broad corporate groups, is responsible for the financing of this group, or is a legal entity that must finance the securitisation of liabilities through the use of a bank credit line.

2. Each Sub-Fund may, in addition:

a) invest up to 10% of its net asset value in assets other than those mentioned in Number 1 of this Chapter;

b) hold up to 49% of its net assets in cash and cash equivalent; in exceptional cases, it may hold more than 49% if, and to the extent that, this appears to be in the interest of shareholders.

c) take out short-term loans of a counter-value of up to 10% of its net asset value. Loans may be taken out to settle share redemption obligations. Loans may also be taken out temporarily for investment objectives, provided that they are not a long-lasting component in the investment policy, i.e., that they are not on a revolving basis and that the loan's terms state that it is to be repaid within a reasonable amount of time. Loans may also be taken out pending share subscriptions, provided that the subscriber is bound by a written subscription agreement to pay the counter-value of the subscription within no more than three days. In calculating the maximum 10% limit, receivables and liabilities in any currency may be netted in the Fund's current accounts in the reference currency if they originate with the same legal counterparty, subject to the following conditions: 1) the Fund's current account is free from any legal mortgages. This does not include current accounts used for collateral (e.g., margin accounts) with a counterparty; 2) the contractual agreements with reference to the current accounts entered into between the Fund and the legal counterparty allow such netting; and 3) the law referred to by this contractual agreement also allows such netting. The netting of receivables and liabilities on the Fund's current accounts with separate legal counterparties is not allowed. The Fund's Management Company bears responsibility for ensuring that the loan is only temporary and that the netting is done within a reasonable amount of time, in accordance with the terms of the loan. Hedging transactions in connection with the sale of options or the acquisition or sale of forward contracts and futures are not considered loans as defined in this investment restriction.

d) acquire foreign currencies under a "back-to-back" transaction.

3. Furthermore, the Fund must observe the following restrictions in investing the assets of each Sub-Fund:

a) A Sub-Fund may invest no more than 10% of its net asset value in Securities or Money-Market Instruments of one and the same issuer. A Sub-Fund may place no more than 20% of its net asset value in deposits at one and the same institution. The default risk of the transaction counterparty in a Sub-Fund's OTC derivatives transactions must not exceed 10% of its net asset value if the counterparty is a credit institute as defined by Number 1, Letter f) of this Chapter. For other cases, the maximum limit is 5% of the des net asset value of each Sub-Fund.

b) The total value of Securities and Money-Market Instruments of issuers, in which the Sub-Fund invests in each more than 5% of its net asset value must not exceed 40% of the value of its net asset. This limit does not apply to deposits or OTC derivatives transactions with financial institutions that are subject to official supervision.

   Notwithstanding the individual upper limits stated in Number 3 Letter a) of this Chapter, a Sub-Fund may invest no more than 20% of its net asset value at the same institution in a combination of:

   - Securities or Money-Market Instruments issued by this institution,

   - deposits at this institution, or

   - OTC derivative transactions entered into with this institution

c) The upper investment limit of 10% of net fund assets mentioned in Number 3 Letter a) Clause 1 of this Chapter is no more than 35% of net fund assets if the Securities or Money-Market Instruments are issued or guaranteed by a Member-State or its territorial authorities, by a Non-EU Member-State or by international institutions governed by public law to which at least one Member-State belongs.

d) The upper investment limit of 10% of net fund assets mentioned in Number 3 Letter a) Clause 1 of this Chapter amounts to no more than 25% of net fund assets for certain bonds if they have been issued by a credit institute with registered offices in a Member-State and that is subject to special regulatory supervision based on legal provisions for protecting the holders of these bonds. In particular, the income from the issue of these bonds must, in accordance with legal provisions, be invested in assets that are available during the bonds' entire maturity and sufficient for covering the resulting liabilities and are senior for the repayment of principle and accrued interest in the event of issuer default.

   If a Sub-Fund invests more than 5% of its net asset value in bonds as defined in the aforementioned subparagraph, which have been issued by one and the same issuer, the total value of such investments must not exceed 80% of the UCITS' net asset value.

e) The Securities and Money-Market Instruments mentioned in Number 3 Letters c) and d) of this Chapter are not included in the 40% investment limits of the net fund assets concerned mentioned in Number 3 Letter b) of this Chapter.

   The investment limits of 10%, 35% and 25% of net assets of the respective funds mentioned in Number 3 Letter a), b), c) and d) of this Article may not be combined; hence, investments made under Section 3 Letters a), b), c) and d) in Securities or Money-Market Instruments of one and the same issuer or in deposits of these issuers or in derivatives of the same must not exceed 35% of the net asset value of the Sub-Fund concerned.

Companies that belong to the same corporate group with regard to the preparation of consolidated financial statements as defined by Directive 83/349/EEC of the Commission of 13. June 1983 or under internationally recognised accounting principles are considered to be a single issuers for purposes of calculating the investment limits stated in Number Letter a) to e) of this number.

One Sub-Fund may invest a cumulative total of up to 20% of its net asset value in Securities and Money-Market Instruments of the same corporate group.

f) Notwithstanding the investment limits stipulated below in Number 3 Letter k), l) and m) of this Chapter, the investment limits for investments in shares and/or debt securities mentioned in Number 3 Letter a) to e) of this Chapter and from one and the same issuer may account for no more than 20% of fund assets when the Sub-Fund's investment objective is to replicate a certain equity or debt index recognised by the CSSF. However, the requirement for this is that:

- the composition of the index is sufficiently diversified;
- the index adequately represents the market to which it refers; and
- the index is published in a suitable fashion.

g) The investment limit set in Number 3 Letter f) of this Chapter is 35% of the respective fund net assets, as long as this is justified by extraordinary market conditions and in particular on regulated markets dominated by certain Securities or Money-Market Instruments. An investment up to this upper limit is possible only with a single issuer.

h) **Notwithstanding the provisions under Nummer 3 Letter a) to e) of this Chapter, each Sub-Fund may, subject to the principle of risk management, invest up to 100% of its net asset value in Securities and Money-Market Instruments of various issues issued or guaranteed by a Member-State or its territorial authorities or a non-Member-State or by international organisations governed by public law, to which one or more Member-States belong, provided that: (i) such Securities were issued within the framework of at least six different issues; and (ii) no more than 30% of the net asset value of the Sub-Fund concerned is invested in the respective Securities of one and the same issuer.**

i) Each Sub-Fund may subscribe, acquire and/or hold the Shares issued by one or more other Sub-Funds of the Fund ("target Sub-Fund") under the condition that:

- the target Sub-Funds do not themselves invest in these Sub-Funds; and
- the share of assets that the target Sub-Fund can, in turn, invest in Shares of other target Sub-Funds of the Fund does not, on the whole, exceed 10%; and
- the voting rights that may be attached to the respective Shares are suspended for as long as the Shares are held in the target Sub-Fund, without prejudice to orderly accounting and reporting in due form; and
- the value of these Shares is not included in the Fund's net asset valuation as long as these Shares are held by the Sub-Fund if the review of the Fund's minimum net asset value as provided under the Law of 17 December 2010 is affected; and
- there is no double charging of management, subscription or redemption fees at the level of the Sub-Fund and at the level of the target Sub-Fund.

j) A Sub-Fund may acquire Shares in other UCITS and/or other UCI as defined by Number 1 Letter e of this Chapter if it invests no more than 20% of its net asset value in the same UCITS or another UCI.

In applying this investment limit, each Sub-Fund of an umbrella fund as defined by Article 181 of the Law of 17 December 2010 is to be regarded as an independent issuer, as long as the principle of separate liability of each Sub-Fund with regard to third parties is safeguarded.

k) Investments in Shares of other UCI and UCITS must not exceed, on the whole, 30% of a Sub-Fund's net asset value.

If a Sub-Fund has acquired Shares in a UCITS and/or other UCI, the investment value of said UCITS or other UCI is not included in the investment limit mentioned in Number 3 Letter a) to e) of this Chapter.

If a Sub-Fund acquires Shares in UCITS and/or other UCI that are managed either directly or on the basis of a transfer by the same Management Company or by a fund that is tied to the Management Company by joint management or control or through a considerable direct or indirect shareholding, the Management Company or the other fund may charge no fees for the subscription or redemption of shares in this UCITS and/or UCI through the Sub-Fund (including issue premiums and redemption discounts).

However, if a Sub-Fund invests in shares of a target fund that was launched and/or managed by other funds, care should be taken that the issue premium and redemption discount, if any, are counted for this target fund. The issue premium and redemption discount paid by the Sub-Fund concerned shall be reported in the respective annual report.

If a Sub-Fund invests in a target fund, the Sub-Fund will be charged fees for target fund administration and fund management, in addition to fees for fund administration and fund management of the investing Sub-Fund. Hence, the possibility of double charging of fees for fund administration and fund management cannot be ruled out.

l) A Sub-Fund may act as a Feeder Sub-Fund ("Feeder") of a Feeder fund if it invests at least 85% of its net asset value in shares of another UCITS or Sub-Fund of this UCITS ("Master"), which itself is not a Feeder and also holds no Shares of a Feeder.

As a Feeder, the Sub-Fund may invest no more than 15% of its net asset value in one or more of the following assets:

- Cash and cash equivalent as defined by Number 2 Letter b) of this Chapter;
- Financial derivatives used exclusively for hedging purposes as defined by Number 1 Letter g) and Number 5 of this Article.

When the Feeder invests in Shares of a Feeder fund that is also managed by the Management Company, no subscription or redemption fees shall be charged for the Feeder's investment in Shares of the Master. The maximum total management fees that may be charged for both the Feeder and the Feeder is stipulated in this prospectus.

m) The Fund must not obtain voting Shares for its Sub-Funds in an amount that, on the whole, allows it to exert significant influence on the management of the issuer.

n) Furthermore, neither a single Sub-Fund nor the Fund as a whole may acquire more than:

- 10% of the non-voting Shares from one and the same issuer;
- 10% of the bonds from one and the same issuer;
- 25% of the Shares of one and the same UCITS or other UCI;
- 10% of the Money-Market Instruments from one and the same issuer.

The limits stated in the second, third, and fourth bullet points do not have to be complied with upon acquisition if the gross sum of bonds or Money-Market Instruments or the net sum of issued shares cannot be counted at the moment of the acquisitions.

o) The aforementioned provisions under Number 3 Letter m) and n) of this Chapter are not applicable with regard to:

aa) Securities and Money-Market Instruments that have been issued or guaranteed by a Member-State or its territorial authorities;

bb) Securities and Money-Market Instruments that have been issued or guaranteed by a Non-EU Member-State;

cc) Securities and Money-Market Instruments issued by international organisations governed by public law to which one or more Member-States belong;

dd) Shares in funds governed by the law of a Non-EU Member-State, if: (i) such a fund invests its assets mainly in Securities of issuers from this Non-EU Member-State; (ii) based on the law of this state, a shareholding of the Sub-Fund in the equity of such a fund is the only possible way to acquire Securities of issuers of this state; and (iii) this fund of the Non-EU Member-State for its investment complies with the investment limits sated above in Number 3 Letter a) to e) and Number 3 Letter i) to l) of this Article.

p) No Sub-Fund may acquire commodities or precious metals or certificates underlain by these, with the exception of certificates that qualify as Securities. Currency transactions, financial instruments, transactions with indices or Securities and futures, forward contracts, options and swaps are not commodities transactions as defined by this investment restriction.

q) No Sub-Fund may invest in real estate, but investments in real-estate backed Securities or related interest or investments in Securities issued by companies that invest in real-estate and related interest are allowed.

r) No loans or guarantees may be issued to third parties and charged to the assets of a Sub-Fund, but this investment restriction does not prevent any Sub-Fund from investing its net assets in not fully paid up Securities, Money-Market Instruments or other financial instruments as defined above by Section 1. e), g) and h), provided that said Sub-Fund possesses sufficient cash and cash equivalent to meet any demands for outstanding payments; such reserves must not already have been counted for the sale of options.

s) Short sales of Securities, Money-Market Instruments or other financial instruments mentioned in Nummer1 Letter e), g) and h) of this Article are not allowed.

4. Notwithstanding the following contrary provisions:

a) Sub-Funds do not have to comply with the investment limits stated in Number 1 to 3 of this Chapter in exercising pre-emptive rights embedded in the Securities or Money-Market Instruments held in their assets.

b) newly authorised Sub-Funds may, during a period of six months after their authorisation, deviate from the provisions stated in Number 3 Letter a) to j), subject to suitable risk management.

c) if these limits are breached because of circumstances beyond the Sub-Fund's control or due to the exercise of pre-emptive rights, the Sub-Fund concerned must then give priority to rectifying the situation, for the purpose of safeguarding the interests of its shareholders.

The Fund's Managing Board is entitled to establish additional investment limits if necessary to comply with legal and management requirements in countries in which the Fund's Shares are offered or sold.

Investment limits in connection with financial derivatives or other techniques and instruments

1. General clauses

For purposes of managing the portfolio, its maturities and its risks, each Sub-Fund may use derivatives as well as other techniques and instruments as defined by Article 11 of Directive 2007/16/EC and CSSF Circular 08/356.

If such transactions involve the use of derivatives, the overall risk ratio of the underlying assets that under the investment limits listed under Number 3 Letter a) to e) of this Chapter must not be breached. If the Fund invests in index derivatives, such investments do not have to be included in the investment limits stated under Number 3 Letter a) to e) of this Chapter.

Furthermore, the clauses under the heading of this chapter regarding risk management procedures in the use of derivatives must be complied with. Under no circumstances may a Sub-Fund deviate from the investment objectives stated in this prospectus in transactions involving the use of derivatives and other techniques and instruments. Nor should this lead to the assumption of additional risks that exceed the risk profile described in the respective annexes to this prospectus.

Other techniques and instruments may be used for the purpose of efficient portfolio management within the rules of the CSSF Circular 08/356 and the ESMA /2014/937 Directive, as long as they meet the following criteria:

aa) They are economically reasonable, as they can be used on a cost-effective basis;
bb) They are used to meet one or more of the following specific objectives:
  i) To reduce risks;
  ii) To reduce costs;
  iii) To generate additional capital or income for the Sub-Fund concerned at a risk that is compatible with the Sub-Fund's risk profile and the rules applicable to it;

cc) Risks linked to techniques and instruments are properly grasped by the Sub-Fund's risk management process.

2. Securities lending

Each Sub-Fund may serve as a lender in Securities lending transactions, but such transactions must comply with the following rules and CSSF Circular 08/356, CSSF 11/512 and CSSF 14/592, and the ESMA/2014/937 Directive:

aa) Each Sub-Fund may lend Securities within the bounds of a standardised Securities lending system that is organised by a recognised securities settlement organisation or a clearing institution like Clearstream or Euroclear or by a first-tier financial institute specialising in such transactions, and which is subject to supervisory restrictions that, in the CSSF's estimation, are equivalent to EU requirements or within the framework of a standard master agreement.

The counterparty of the Securities lending contract (i.e., borrower) must in any case be subject to supervisory provisions that, in the CSSF's estimation, are equivalent to EU requirements. If the aforementioned financial institute is acting on its own behalf, it is considered a counterparty of the Securities lending contract. If the Sub-Fund lends its Securities to companies that are affiliated with said Sub-Fund under a management or control relationship, special attention must be paid to possible conflicts of interest.

Each Sub-Fund must receive collateral in advance or at the time of the transfer of the lent Securities, in compliance with the requirements of the following Article 8 Letter bb) of this Chapter. The collateral is retroceded upon the expiration of the Securities lending contract or directly after the return of the lend Securities. Under a standardised Securities lending system organised by a recognised securities clearing organisation or a Securities lending system organised by a financial institute subject to official supervisory requirements that, in the CSSF estimation, are equivalent to EU requirements and that specialises in this type of transaction, the lent Securities may come after the reception of the collateral if the intermediary (*intermédiaire*) ensures the implementation of the transaction in due form. This intermediary may, in the place of the borrower, provide collateral to the Sub-Fund in compliance with the requirements as defined in the following Article 8. Letter bb) of this Chapter.

bb) Each Sub-Fund must ensure that the extent of Securities lending transactions is kept at a reasonable level or must demand the return of the lent Securities in such a manner that it is able at all times to meet its redemption obligations, and ensure that such transactions do not jeopardise the management of the assets of the Sub-Fund concerned in accordance with its investment. For each Securities lending transaction entered into, said Sub-Fund must ensure that it receives collateral whose value throughout the lending transaction is equal to at least 90% of the total market value of the lent Securities (including interest, dividends and any other receivables).

cc) The Fund must provide in its annual report the total market value of the lent Securities on the closing date of the relevant report.

Further information on the concrete use of Securities lending at the Sub-Funds concerned may be found in the respective Sub-Fund Annex.

3. Repo transactions

Each Sub-Fund may, on an accessory basis, enter into repo transactions, which consist in buying or selling Securities with the particularity of a clause that gives the seller the right or imposes the obligation on it to repurchase the Securities from the buyer at a price and at a time that both parties have contractually agreed to. This may also be in the following form:

aa) The respective Sub-Fund may enter into the transaction as a buyer with a repurchase option, which consists in buying Securities in which the contractual rules grant the seller (the counterparty) the right to buy back the sold security from said Sub-Fund at a price and at a time that both parties have contractually agreed to.

However, its participation in the transactions concerned is subject to the rules stated below under Letter cc).

bb) The respective Sub-Fund may enter into the transaction as a seller with a repurchase option, which consists in selling Securities in which the contractual rules grant said Sub-Fund the right to buy back the sold security from the buyer (the counterparty) at a price and at a time that both parties have contractually agreed to.

However, its participation in the transactions concerned is subject to the rules stated below under cc).

cc) Each Sub-Fund may take part in repo agreements as recipient (reverse repurchase agreement transaction, or a reverse repo) or provider (repurchase agreement transaction or repo) or in transactions with repurchase options only if the counterparties in such a transaction are subject to supervisory requirements that, in the CSSF's estimation, are the equivalent of EU requirements.

If a fund enters into a repo transaction, it must ensure that it can reclaim the full monetary sum or can terminate the reverse repo transaction at either an accrued overall sum or at a marked-to-market value. If the monetary sum may be claimed at any time at a marked-to-market-value, the marked-to-market value of the reverse-repo transactions must be included in the Fund's net asset valuation.

If a fund enters into a repo transaction, it must ensure that it can reclaim the underlying Securities at any time during the repo transaction or can terminate said repo transaction.

Repo and reverse repo transactions up to a maximum of seven days are herein considered agreements in which a fund may at any time reclaim the assets.

Throughout the entire term of the repo transaction the Sub-Fund may neither sell the Securities that are covered by the contract, nor put them up as collateral.

Throughout the entire term of the buying contact with repurchase option, said Sub-Fund may not sell the Securities that are covered by the contract prior to the buyback of the Securities by the counterparty or before the deadline for doing so has past.

Upon the expiration of the repurchase option or upon the maturity of the repo/reverse repo agreement, the Sub-Fund concerned must possess the necessary assets in order (where applicable) to pay the agreed price for restitution price to the Sub-Fund concerned.

The Sub-Fund must see to it that it keeps the extent of the repo transaction on a level at which it may at any time meet redemption requests from unitholders or shareholders.

The object of the repo transaction or purchase of Securities with a repurchasing right must be exclusively be:

(i) short-term bank certificates or Money-Market Instruments as stipulated in Directive 2007/16/EC;

(ii) bonds issued or guaranteed by an OECD Member-State or its territorial authorities or by EU, regional or global supranational institutions and organisations;

(iii) Shares or units issued by money-market UCIs that calculate their net asset value on a daily basis and are rated AAA or the equivalent;

(iv) bonds from non-governmental issuers that offer suitable liquidity;

(v) Shares that are listed or traded on a Regulated Market of a Member-State or another Securities market of an OECD country, as long as these Shares are included in a major index.

Securities covered by the repo transaction or a purchase of Securities with a repurchase option must fit the investment policy of the Sub-Fund concerned and, together with other portfolio Securities in the Sub-Fund, comply with the Fund's investment restrictions in full.

In its annual report the Fund must report separately for repo transactions and for repurchase transactions and selling transactions with repurchase options the full amount of outstanding transactions on the closing date of said report.

Further information on the concrete use of Securities lending at the Sub-Funds concerned may be found in the respective Sub-Fund Annex.

4. Counterparty risk and collateral in OTC derivatives transactions and/or techniques for efficient portfolio management

aa) Counterparty risk

Risk positions produced from a counterparty in an OTC derivatives transactions and techniques for efficient portfolio management must be combined to calculate the limits of counterparty risk under Article 52 of Directive 2009/65/EC. The Sub-Fund concerned may, in accordance with requirements of the following Article 4 Letter bb), include collateral in order to reflect the counterparty risk in transactions with a repurchase option and/or repo transactions and/or OTC derivatives.

bb) Reception of suitable collateral

In cases in which a Sub-Fund enters into OTC derivatives transactions or uses techniques for efficient portfolio management, all collateral that is allocated to counterparty risk that meet the requirements of the ESMA/2012/832 Directive must meet all the following criteria in particular:

a) All received non-cash collateral must be highly liquid and be traded at a transparent price on a regulated market or within a multilateral trading facility, so that it can be divested in the short term at a price that is near the valuation determined prior to the sale. The received collateral must also meet the provisions of Article 56 of Directive 2009/65/EC.

b) Received collateral must be valued on at least each market trading day. Investment assets with high price volatility may only be accepted as collateral if suitably conservative haircuts are applied.

c) The issuer of the received collateral must have a high credit rating.

d) The collateral received from the Fund must have been issued by a legal entity that is independent of the counterparty and there must be no close correlation with the performance of the counterparty. Collateral that is issued or guaranteed by the counterparty of an OTC derivatives transaction or a technique of efficient portfolio management or by a subsidiary or by a parent company or, more generally, by an institution that belongs to the group of the same issuers, is not considered suitable within the meaning of the aforementioned clause.

e) There must be suitable diversification with regard to countries, markets and issuers. The criterion of suitable diversification with regard to issuer concentration is considered to have been met if the UCITS receives a collateral basket from a counterparty for efficient portfolio management or OTC derivatives transactions in which the maximum exposure to a given issuer is equal to 20% of the net asset value. If a Fund has various counterparties, the various collateral baskets must be pooled in order to calculate the 20% limit for exposure to the same issuer.

f) Risks in connection with collateral administration, e.g., operating and legal risks, are to be determined, controlled and reduced through risk management.

g) In the event of transfers of rights, the received collateral must be kept by the Fund depositary. In this case, the collateral may also be kept by a sub-depositary if the depositary assumes liability for any loss of collateral by the sub-depositary. For other types of collateral agreements, the collateral of a third party may be kept in custody if that third party is subject to official supervision and is not affiliated in any manner with the collateral provider.

h) A Fund must be able to value received collateral at any time without reference to the counterparty or authorisation from the counterparty.

i) Received non-cash collateral may not be divested, newly invested or pledged as collateral.

j) Received cash collateral may:

- be invested only in sight deposits at legal entities as defined by Article 50, Letter f of Directive 2009/65/EC;
- be invested in high-grade government bonds;
- be used for reverse-repo transaction, as long as the transactions are with credit institutes that are subject to official supervision, and the UCITS may demand the full accrued sum at any time;
- be invested in short-dated money-market funds as defined by CESR's guidelines on a common definition for European money-market funds.

Newly invested cash collateral must be diversified in accordance with the diversification requirements for non-cash collateral, i.e., in compliance with requirements that are equivalent, among others, to Article 50 Letter (f) of Directive 2009/65/EC. Non-cash collateral and reinvested cash collateral received by the Sub-Fund concerned should be considered aggregated in meeting the diversification requirements of collateral received by the fund concerned.

In addition to the requirements for custody of collateral for OTC derivatives transactions and techniques for efficient portfolio management in accordance with Guideline ESMA / 2014/937, the requirements of CSSF Circular 08/356 and CSSF Circular 11/512 also apply.

If the fund accepts collateral for at least 30% of its asset value, it shall use a suitable stress test in accordance with Guideline ESMA/2014/937, to ensure that under both ordinary and extraordinary liquidity conditions regular stress tests are carried out so that the fund can be valued with the collateral's liquidity risk. The strategy for liquidity stress tests shall consist of standards for the following aspects:

- Concepts for stress test and scenario analysis, including calibration, certification and sensitivity analysis;

- empirical approaches for assessing consequences, including back testing of liquidity estimates;

- reporting frequency and reporting limits/loss tolerance threshold(s);

- measures for limiting losses, including haircut strategies and gap-risk protection.

Additional details, where applicable, may be found in the prospectus of the Sub-Fund concerned on the collateral strategy of said Sub-Fund, particularly with regard to the authorised type of collateral, the required extent of collateralisation and any haircuts, as well as, in the case of cash collateral, on the strategy for re-investment (including any related risks).

Cash collateral may constitute a credit risk for the Sub-Fund concerned with regard to the depositary of this collateral. If such a risk exists, said Sub-Fund must take this risk into account with regard to the deposit limits set by Article 43 Paragraph (1) of the Law of 17 December 2010. Such collateral must never be kept in custody by the counterparty unless it is legally protected from the consequences of counterparty default. Non-cash collateral may not be kept in custody at the counterparty, unless it is separated in suitable form from the counterparty's assets. The respective Sub-Fund must ensure that its rights can be asserted on the collateral if an event occurs that requires the claiming of said collateral. Hence, the collateral must at all times be available directly or through a first-tier financial institute or a wholly owned subsidiary, so that the Sub-Fund concerned may immediately take possession of or divest the assets serving as collateral if the counterparty cannot meet its redemption obligations.

Moreover, the Sub-Fund must ensure that it has the contractual right with regard to said transactions, in the event of liquidation, reorganisation measures or any other competitive situation, to free itself of the obligation to return the assets or deposits serving as collateral if, and to the extent to which, retrocession can no longer occur under the agreed conditions. During the term of the contract the non-cash collateral may neither be sold nor pledged as collateral.

C. Risk management procedures

A risk management procedure has been set up for each Sub-Fund allowing them to supervise and measure at all times the risks from the Sub-Fund's investment positions as well as their respective share of the overall risk profile of the investment portfolio.

With regard to OTC derivatives a procedure has been established for each Sub-Fund that makes possible a precise and independent valuation of OTC derivatives.

The Management Company shall ensure for each Sub-Fund that the overall risk incurred from derivatives does not exceed the total net worth of the Sub-Fund concerned ("double

market risk potential"). In assessing risk, the market value of the respective underlying assets, the default risk of the counterparty, future market fluctuations and the time necessary to liquidate positions are to be included.

A Sub-Fund may, as part of its investment strategy, invest in derivatives within the investment limits stated in the aforementioned Article 3 Letter e) of this Chapter if the total risk of the underlying assets does not breach the investment limits of the aforementioned Article 3 Letter a) to e) of this Chapter. If a Sub-Fund invests in an index-based derivative, said investment does not have to be included in the investment limits of the aforementioned Article 3 Letter a) to e) of this Chapter.

A derivative embedded in a security or a money-market instrument, must be included for the purposes of complying with the clauses of this Article.

The Management Company regularly informs CSSF of the type of derivatives in the portfolio, with their respective underlying assets, investment limits and methods used to measure the risks incurred from derivatives transactions with regard to each managed fund.

Section VI
Sub-Funds

Sub-Fund 1: Fidecum SICAV– Contrarian Value Euroland

1. Investment objective and investment policy of Fidecum SICAV- Contrarian Value Euroland

The **Fidecum SICAV- Contrarian Value Euroland** Sub-Fund targets long-term capital growth while maintaining a suitable distribution of risks among investments that are mostly in Shares and other equity Securities of companies worldwide, in which the investment focus is on companies that have their registered office in the euro zone or conduct the vast majority of their business activities in the euro zone. Investments may occasionally focus on companies that are large, mid or small caps.

To achieve this objective at least three quarters (not counting cash and cash equivalent) of the Sub-Fund's assets shall be invested at all times in Securities that are eligible for a French shareholder savings plan (*plan d'épargne en actions* (*PEA*)). For this purpose, the Sub-Fund consists in more than 75% of Shares in companies whose registered offices are in a European Union Member-State or in another country that is a signatory to the European Economic Area agreement and have entered into tax conventions with France that provides for official assistance in fighting tax evasion and tax flight.

Up to one quarter of Sub-Fund assets may also be invested in the following Securities:

- Bonds (all types of interest-bearing Securities including zero-coupon bonds) that are denominated in a freely convertible currency, of debtors worldwide;
- Convertible and callable bonds that are denominated in a freely convertible currency, from issuers worldwide and which can be converted into Securities.

The vast majority of investments in equity securities consists of shares in companies that have their registered offices in the euro zone or do the vast majority of their business in the euro zone or as a holding company hold the overwhelming portion of their stakes in companies with registered offices in the euro zone.

Without prejudice to risk diversification, the Sub-Fund's investments may be temporarily overweighted in particular in countries and sectors.

Regarding Sub-Fund assets, Shares in other UCITS and other UCI may be acquired up to a total of 10% of Net Sub-Fund Assets.

In addition to Securities and other investment assets authorised by Section V (General investment limits), cash and cash equivalent may be held as long as they have an accessory character, i.e., no more than 49% of Net Sub-Fund Assets.

The Sub-Fund may, within the framework of the investment guidelines and investment limits under the aforementioned Section V (Investment techniques and instruments), use Securities, financial futures and other financial instruments for the purpose of both proper management and hedging of Net Sub-Fund Assets, as long as that does not alter the basic features of the investment policy.

The use of techniques and instruments is subject to far higher risks than with traditional investment opportunities.

Securities lending and repo transactions are not allowed for the Sub-Fund.

No securities financing transactions will be entered into for the Sub-Fund, in accordance with Regulation (EU) 2015/2365 of the European Parliament and the Council of 25 November 2015 on transparency in securities financing and the continued use and amendment of Regulation (EU) No. 648/2012.

The Sub-Fund has been constituted for an indefinite term and is not benchmarked.

The fund manager shall seek to invest exclusively in tax-transparent investments, in order to prevent negative tax consequences for German investors, but the possibility cannot be ruled out that it may also invest in tax-opaque assets.

2. The Fidecum SICAV– Contrarian Value Euroland Sub-Fund at a glance

Founding date of the Fund	19 June 2008
Term of the Sub-Fund	The Sub-Fund has been established for an unlimited term.
Subscription period	1-15 July 2008
Initial issuance date	16 July 2008
Payment of the initial issue price	18 July 2008
Share class A	Natural persons and legal entities from an initial subscription and minimum holding amount of 2,000 euros.
Share classes C and I	Natural persons and legal entities from an initial subscription and minimum holding amount of 95,000 euros.
Share class U	Natural persons and legal entities from an initial subscription and minimum holding amount of 95,000 US dollars.
Initial issue price of share class A (plus issuance premium)	50 euros
Initial issue price of share class C (plus issuance premium)	30 euros
Initial issue price of share class U (plus issuance premium)	30 US dollars
Initial issue price of share class I (plus issuance premium)	30 euros
Issuance premium of all share classes (paid to the distributor)	Maximum 5%
Redemption fee of all share classes	None
Exchange provision of all share classes	None
Payment day for subscriptions (including the initial subscription) and redemptions	Within three Luxembourg bank working days after the corresponding valuation day
First net asset value calculation	16 July 2008

Frequency of net asset value calculation	Daily, on each bank working day in Luxembourg with the exception of 24 and 31 December each year
Financial year	1 October to 30 September of the following year
First financial year	Founding date of the Fund: 30 September 2009
First annual report	30 September 2009
First semi-annual report	30 March 2009
First interim report	30 September 2008
Share denomination	Global certificates
Distribution policy	Share class A: distributing
	Share class C: distributing
	Share class U: distributing
	Share class I: distributing
***Taxe d'abonnement* (subscription tax)**	Share class A: 0.05% p.a.
	Share class C: 0.05% p.a.
	Share class U: 0.05% p.a.
	Share class I: 0.05% p.a.
ISIN code	
Share class A	LU0370217092
Share class C	LU0370217688
Share class U	LU1334557011
Share class I	LU1496877348
Security identification number	
Share class A	A0Q4S6
Share class C	A0Q4S5
Share class U	A2AB5U
Share class I	A2ASEX
Date of the most recent publication of the notice of filing of the coordinated articles in RESA	24 November 2011
Management and domiciliation fees	Maximum: 0.12% p.a.
Fund management fees	Share class A: **Fixed:** maximum 1.4% p.a. Share class C and U: **Fix**: maximum 0.8% p.a. Share class I **Fix**: max. 1.00% p.a. The fixed fee is determined on each valuation day on the basis of the Sub-Fund Net Asset Value of the previous valuation day and paid out on

	a quarterly basis in arrears. Share class A, C and U: **Variable:** The fund manager receives a performance fee of 9% in share class C and U and 15% in share class A of the increase in net asset value resulting from Sub-Fund management in each share class (distributions-adjusted), that exceeds the performance of the Dow Jones Eurostoxx (Return) Index (ISIN code: EU0009658194) (outperformance). On each valuation day the performance of the index is compared with the NAV performance of the corresponding share class. If NAV outperforms the index, a performance fee is determined and placed in reserve in the Sub-Fund assets. If NAV underperforms the index during the quarter, the provision set aside to that point in the respective quarter for the performance-based fee, based on a daily comparison, shall be reversed. The performance fee is paid out on a quarterly basis. If NAV underperforms its benchmark during the quarter in each share class this is brought forward for the purpose of calculating the performance fee of the following quarters (the high watermark). In the quarter in which shares are issued for the first time, the calculation is based on the initial issue price. If the Fund or Sub-Fund is

	liquidated, the net asset value of each share class is taken on the day of the decision to dissolve the Fund or Sub-Fund. Both the performance fee and the high watermark refer to the relative performance of the net asset value per share and not to the absolute performance. It is therefore possible that at the time of the distribution of the net asset value per share, no new high-water market has been reached.
Depositary and paying agent fees	Maximum 0.05% p.a., plus VAT The percentage fees are to be calculated on each net asset value day on the basis of the Sub-Fund Net Asset Value of the previous valuation day and paid out quarterly in arrears.
Registrar and transfer agent fee	None at the moment.

3. Notice of risks

The **Fidecum SICAV – Contrarian Value Euroland** Sub-Fund invests on the basis of risk management particularly in euro zone Shares. In addition, it may occasionally invest in other assets.

In choosing the investment assets, the main concern is the expected return. It is therefore stipulated that, alongside opportunities for price gains and income, investing in assets also carries risks, as market prices may fall below the original subscription price.

No assurance is offered that the investment policy's objectives will actually be met.

Experience has shown that **Shares and equity-like Securities** are subject to wide price fluctuations. This offers opportunities for considerable price gains but also incurs corresponding risks. The main factors influencing equity prices are the earnings performance of individual companies and sectors as well as macroeconomic developments and the political outlook that determine expectations on the Securities markets and, hence, price performance.

The Sub-Fund may also, in principle, invest on an accessory basis in Shares of smaller, less well-known companies called small caps. On an exceptional basis, small caps may account for the vast majority of Net Sub-Fund Assets. Such investments carry higher risks and, hence, possibilities for wider price fluctuations than with large caps.

The main factors influencing price fluctuations in **fixed-rate Securities** are interest rate trends on the capital markets, which, in turn, are influenced by macroeconomic factors. When market interest rates rise, fixed-rate Securities can suffer price declines, and when market interest rates fall, prices can rise. Price fluctuations are also dependent on maturities or residual maturities of fixed-rate Securities. As a rule, fixed-rate Securities with short maturities incur lower price risks than fixed-rate Securities with longer maturities. However, this also, as a rule, comes with lower returns and, because of more frequent maturities of the Securities, higher reinvestment costs.

Convertible and callable bonds are fixed-rate partial debentures offering holders the chartered right to convert bonds into Shares within a certain time period under a pre-determined exchange or, occasionally, for an additional payment. Convertible and callable bonds therefore incur both the typical risks of fixed-rate Securities and the typical risks of Shares.

The price risk is higher with **zero-coupon bonds** (interest-bearing Securities without regular payouts) than with fixed-interest-bearing Securities with interest coupons, as the interest is condensed into the price for the entire life of the zero-coupon bond. Because of their comparatively longer maturity and the lack of ongoing interest payments, special attention must be paid to monitoring the credit rating and assessing the issuers of interest-bearing Securities without regular interest payments and zero-coupon bonds. During times of rising capital markets such bonds may be harder to trade. Also noteworthy in fixed-rate Securities is the credit rating, i.e., the loss risk through issuer insolvency (issuer risk).

Various risks are incurred from investing in **emerging market Securities**. These depend mostly on the rapid economic development process that some of these countries are experiencing. Moreover, these markets usually have low market capitalisations that tend to make them volatile and illiquid. Other factors (such as political changes, fluctuations in market prices, market supervision, taxation, restrictions with regard to foreign capital investments, and capital outflows, etc.) may also harm the market reliability of values and the resulting returns.

The solvency of various market issuers in which the Fund may invest may, in some circumstances, be uncertain with regard to both the principal and the interest payments, and no assurance can be provided that individual issuers will not become insolvent.

Furthermore, these companies may be subject to considerably less official supervision and less specialised legislation. Their accounting and reporting standards do not always meet the highest standards.

The value of **shares in investment funds** (target funds) may be affected by currency controls, tax regulations, including the raising of withholding taxes, as well as other economic or political framework conditions or changes in the countries in which the target fund is invested.

Investment of Sub-Fund assets in the shares of target funds carries the risk that redemption of the shares will be subject to restrictions that make such investments less liquid than other investment assets.

As the target funds are Sub-Funds of an umbrella fund, the acquisition of the target fund shares carries additional risks if the umbrella fund is liable to third parties for all Sub-Fund risks and this additional risk increases if the Net Sub-Fund Assets are invested only in shares of various Sub-Funds of a single umbrella fund.

In redeeming the shares he has acquired, the shareholder does not achieve a return until the value of said shares has increased enough to cover the redemption fee paid upon subscription, while taking the redemption provision into account. The issuance premium or redemp-

tion charge could undermine the investor's performance when the shares are kept for a short period and even lead to losses.

Certificates and structured products are composed products. Certificates and structured products may also contain embedded derivatives and/or other techniques and instruments. Hence, in addition to the risks of holding Securities, the risks of derivatives and other techniques and instruments must be monitored. **Certificates** are part of the investment group of financial derivatives, which contain the right to be redeemed a certain sum of money by the certificate issuer. The redeemed sum and liquidity of a certificate can therefore depend on the rating of the certificate issuer. A certificate is always based on an underlying asset or a basket of underlying assets. A certificate's price performance depends on the performance of its underlying assets. Certificates are generally limited in term and have a fixed end date. But there also exist open-end certificates with no maturity dates.

Even when acquired Securities have been selected carefully, issuer risk cannot be ruled out. If an issuer is insolvent the Fund may lose its claim to capital and income in full.

Sub-Fund assets are denominated in euros. When investing in assets that are denominated in other currencies, there exist exchange rate opportunities and risks. The so-called **exchange rate risk** can work in favour of or against the investor.

Derivatives and other techniques and instruments (such as, for example, options, futures, and financial futures, including swaps) offer considerable opportunities but also incur considerable risks. Because of the leverage of these products, a relatively small capital investment can lead to high obligations or losses for the Fund. The amount of the loss risk is often not known in advance and can exceed the collateral that may have been put up. The loss risk can rise if the obligations from these transactions are denominated in currencies other than the reference currency. **Counterparty ratings for a swap contract can worsen so much that the receivables that the Fund has in these companies are not realisable.** If, for example, options, futures or swap transactions or other derivative techniques are used for the Fund, the Fund may be subject to the risk that the counterparty is unable to honour its obligations under the respective contract. If derivatives and other techniques and instruments are used for efficient portfolio management, their use must be in the best interests of the Fund and its investors.

Potential conflicts of interest
To prevent or manage potential conflicts of interest, which cannot be completely ruled out in the use of derivatives and other techniques and instruments used in efficient portfolio management for the Fund, the Management Company LRI Invest S.A. has established a conflict-of-interest policy, whose current details and potential formations of conflicts of interest may be viewed or downloaded at any time on the website of the Management Company www.lri-invest.lu. In the event that the occurrence of a conflict of interests threatens shareholders' interests, the asset management shall disclosed the type and source of such conflict on its website, in its prospectus, and in its annual or interim reports. In outsourcing tasks to third parties, the Management Company shall ensure that the third parties have taken all necessary steps to comply with the requirements in the area of managing and preventing conflicts of interest, as laid down in the laws and regulations of applicable Luxembourg laws, and that it will oversee compliance with these requirements by the third parties.

In spite of all due care and best efforts, the possibility cannot be ruled out that the Management Company's organisational or administrative arrangements on handling conflicts of interest may not be sufficient to guarantee to a reasonable extent that potential harm has been prevented to the interests of the fund or its shareholders.

If such is the case, the unresolved conflicts of interest in question shall be disclosed to investors on the Management Company's website, in the prospectus, and in the interim or annual report.

Potential conflicts of interests could arise if the depositary transfers individual custodial tasks to a third party. If such third party should be a company affiliated with the Management Company or the depositary, conflicts of interest could arise from the interaction between said third party and the Management Company or depositary (e.g., the Management Company or depositary could give preference to an affiliated company over an equivalent supplier in assigning custodial tasks or in choosing sub-depositaries). If such, or other, conflicts of interest are identified in the future in connection with sub-custodial tasks, the depositary shall disclose details on the circumstances and the steps taken to prevent or minimise the conflict of interests in the retrievable documents of the Management Company's website at http://www.lri-invest.lu/Unterverwahrer M.M. Warburg & CO Luxembourg S.A..

Conflicts of interest may also arise if the depositary handles administrative tasks covered by Annex II, 2nd bullet point of the Law of 17 December 2010, such as registration and transfer tasks. The depositary may undertake such tasks only if there is a functional and line-manager separation in their execution as depositary from tasks that could potentially be in conflict and that it investigate, manage, and monitor the potential conflicts of interest and disclose them to investment fund shareholders.

Between the depositary and M.M.WARBURG & CO (AG & Co.) KGaA, as potential sub-depositary, there exists a group affiliation under which the depositary is a subsidiary of M.M.WARBURG & CO (AG & Co.) KGaA. Moreover, M.M. Warburg & CO (AG & Co.) KGaA is a member of the depositary's supervisory board. Potential conflicts of interest could arise from the transfer of custodial duties to affiliated companies.

The depositary and M.M.WARBURG & CO (AG & Co.) KGaA as potential sub-depositary, and in connection with the group affiliation, shall make sue of guidelines and processes in order to ensure that they:

a) are familiar with all conflicts of interest resulting from said affiliation;
b) have taken all suitable steps for preventing such conflicts of interests.

Potential conflicts of interest may also arise from the appointing of third parties as sub-depositaries. If third parties are appointed as sub-depositaries, the depositary shall ensure that it itself and the appointed third party have taken all necessary steps for complying with the requirements in the area of managing and preventing conflicts of interest, as they are stipulated in applicable Luxembourg laws and regulations and that they monitor compliance with said requirements.

At the time this prospectus is produced, no other relevant conflicts of interest with sub-depositarys are known, with the exception of the aforementioned group affiliation, which is being resolved in investors' interests' through the described steps. If such conflicts of interest should arise, they will be resolved in accordance with existing guidelines and procedures or, where applicable, disclosed to investors.

The Management Company has been provided with the aforementioned information on conflicts of interest in connection with the sub-depositary. The Management Company has verified the information for plausibility. However, it is dependent on the delivery of information by the depositary, and cannot verify its accuracy or completeness in detail.

Counterparty default risk
The issuer of a security held directly or indirectly or the debtor of a receivable held by the fund could become insolvent. The corresponding fund asset could thereby be rendered economically worthless.

Counterparty risk
Transactions that are not made on a stock exchange or regulated market ("OTC transactions") and securities lending transactions are, in addition to general counterparty default risk, subject to the risk that the counterparty in the transaction will become insolvent or fail to honour its obligations in full. This applies in particular to transactions involving techniques and instruments. To reduce counterparty risk in OTC derivatives and securities lending transactions, the Management Company may accept collateral, in compliance with, and with due regard to, the requirements of ESMA Guideline 2014/937.

Discounts are applied to the valuations of such collateral ("haircuts") to reflect the market price risks, exchange rate risks and liquidity risks of the underlying collateral. The Management Company applies a haircut strategy under which various haircuts are applied, depending on the type of each security and the related risks.

Valuation discount bands are provided in the table below on the basis of the type of collateral in terms of counterparty rating, maturity, currency and asset price volatility.

Type of collateral	Valuation discounts
Cash in the Sub-Fund's currency	0%
Cash in a currency other than that of the Sub-Fund but exclusively EUR, CHF, USD	up to 10%
Bonds and/or other debt securities or receivables at fixed or floating interest rates	up to 10%
In exceptional cases other assets meeting the requirements of collateral may be accepted	up to 30%

The possibility exists that OTC derivatives transactions may be accepted for the fund without the counterparty's being required to put up collateral.

Risk of suspension of redemptions
Investors/shareholders may generally demand the redemption of their Shares/units on any valuation day. However, the Management Company/Company may temporarily suspend redemptions of Shares/units in extraordinary circumstances and not redeem Shares/units until later at the then-valid price (for more details see "Temporary suspension of redemptions"). This price may be lower than the price before the suspension of redemption.

Depositary risk
A risk of loss could be incurred from the custody of Fund assets, especially abroad and in emerging markets. There exists the general possibility that access to the assets in custody could be hindered in whole or in part in the event of insolvency, breach of duty of care, or improper conduct by the depositary or a sub-depositary.

Notice on asserting investor rights
The Management Company notifies investors that any investor may assert his investor rights in their entirety directly with regard to the UCITS, including the right to take part in shareholder meetings, only if he has registered himself and in his own name in the UCITS shareholder register. In cases when an investor has invested in a UCITS via an intermediary, which takes over the investment in its own name but on the investor's behalf, the investor

may not necessarily be able to assert all investor rights directly with regard to the UCITS. Investors are advised to inform themselves of their rights.

The aforementioned risks include the main risks of an investment in **Fidecum SICAV– Contrarian Value Euroland**. Depending on the investment's focus, individual risks may be higher or lower.

Potential investors should be aware of the risks that may be incurred from investing in **Fidecum SICAV– Contrarian Value Euroland** and should seek out the advice of their personal investment advisor. In general investors are advised to consult their investment advisors regularly about the Fund's performance. No fundamental assurance can be offered that the objective of the investment policy will be achieved.

4. Eligible investors

The **Fidecum SICAV– Contrarian Value Euroland** Sub-Fund is meant for investors who have experience with volatile investments, possess solid knowledge of the capital markets and who wish to participate in the capital markets in order to pursue their specific investment objectives. Investors must expect fluctuations in value that could temporarily lead to heavy losses.

5. Risk management

To determine the market price risk a value-at-risk model is used for the Sub-Fund in accordance with CESR/10-788 (Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS). The market price risk has relatively limited value for the Sub-Fund. An equity index that reflects the performance of listed euro zone companies of various sizes serves as a benchmark portfolio for the relative limitation of risk.

In accordance with CESR/10-788 (Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS) leverage of up to 100% will be taken on for the Sub-Fund, but the possibility of higher leverage exists. It should be kept in mind that both the weighting of individual derivatives positions and the special nature of risk factors for each derivative may change with the market environment over time. The investor must also consider that the expected leverage ratio may change. Moreover, it must be stipulated that financial derivatives may also be used in whole or in part to hedge risks to which the Sub-Fund is otherwise exposed. To determine leverage an approach is used in accordance with Clause 3 of Box 24 of CESR Recommendation 10-788, in which the sum of the nominal values of the derivatives positions or their underlying assets may be used as a basis for calculation.

6. Total expense ratio

The **total expense ratio** is determined after the closing of the financial year of the Sub-Fund concerned on the basis of the historical value of the respective past year excluding transactions costs for each Sub-Fund and is provided in the respective annual report.

7. Portfolio turnover rate

The **portfolio turnover rate** is calculated on the basis of the following method:

Sum of the values of securities purchases in a period under review = X
Sum of the values of securities sales in a period under review = Y
Sum 1 = Sum of the values of Securities transactions = X + Y

Sum of the subscription values of a period under review = Z
Sum of the redemption values of a period under review = R
Sum 2 = Sum of the values of the share transactions = Z + R

Monthly average of the net fund assets = M

Portfolio turnover rate = [(Sum 1-Sum 2)/M]*100

The portfolio turnover rate expresses the transaction volume at the level of the Fund portfolio.

A portfolio turnover rate that is close to zero shows that transactions have been carried out in order to invest inflows from subscriptions or divest outflows from redemptions. A negative portfolio turnover rate indicates that the sum of subscriptions and redemption was higher than the securities transactions in the Fund portfolio. A positive portfolio turnover rate shows that Securities transactions were higher than Fund share transactions.

The portfolio turnover rate is determined on an annual basis. The amount of the portfolio turnover rate is reported in the respective annual report.

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Sub-Fund 2: Fidecum SICAV- avant-garde Stock Fund

1. Investment objective and investment policy of Fidecum SICAV- avant-garde Stock Fund

The **Fidecum SICAV- avant-garde Stock Fund** Sub-Fund seeks to achieve long-term capital growth in line with a reasonable risk diversification by investing the Sub-Fund's assets primarily in shares and other equity-related securities of companies all over the world. The investment focus is such that at least 75% of the Sub-Fund's assets (excluding cash and cash equivalents) is invested in shares and other equity-related securities of companies that are domiciled or conduct most of their business in the euro zone. Depending on the actual situation, the investment focus may be on large-cap companies as well as on small and mid-cap companies.

Up to 25% of the Sub-Fund's assets may be invested in: Shares of companies all over the world that do not meet the above requirements as well as bonds, convertible bonds and warrant bonds whose warrants are issued on securities of companies worldwide that are denominated in a freely convertible currency. Notwithstanding the desired risk diversification, the Sub-Fund's assets may temporarily be concentrated on certain countries and sectors.

At least 51% of Sub-Fund assets are invested in equity investments. Equity investments in this sense include:

- shares in corporations that are admitted for official trading on a stock exchange, or are admitted to or included in another market that meets the criteria for regulated markets pursuant to Article 4 (14) Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;

- shares in corporations based in a member state of the European Union, or in another state party to the agreement on the European Economic Area, that are subject to corporate income tax in that state and are not exempted from it;

- shares in corporations based in a third country that are subject to corporate income tax of at least 15% in that state and are not exempted from it;

- shares in other investment funds, either at the ratio of shares in corporations as described above to their value as published on the valuation date on which they actually invest in such shares, or at the minimum ratio of such shares defined in the investment conditions of the other investment fund.

The Sub-Fund may hold an increased amount of liquid assets on a temporary basis.

Regarding Sub-Fund assets, Shares in other UCITS and other UCI will not be acquired.

The Sub-Fund may, within the framework of the investment guidelines and investment limits under the aforementioned Section V (Investment techniques and instruments), use Securities, financial futures and other financial instruments for the purpose of both proper management and hedging of Net Sub-Fund Assets, as long as that does not alter the basic features of the investment policy.

No securities financing transactions will be entered into for the Sub-Fund, in accordance with Regulation (EU) 2015/2365 of the European Parliament and the Council of 25 November 2015 on transparency in securities financing and the continued use and amendment of Regulation (EU) No. 648/2012.

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The Sub-Fund has been constituted for an indefinite term and is not benchmarked.

2. The Fidecum SICAV- avant-garde Stock Fund Sub-Fund at a glance

Founding date of the Fund	19 June 2008
Term of the Sub-Fund	The Sub-Fund has been established for an unlimited term.
Share class A and B	Natural persons and legal entities from an initial subscription and minimum holding amount of 2,500 euros.
Share class C and D	Natural persons and legal entities from an initial subscription and minimum holding amount of 100,000 euros.
Share-class R and X	Natural persons and legal entities from an initial subscription and minimum holding amount of 10,000,000 euros[1].
Initial issue price of the share class (plus issuance premium)	100 euros
Minimum initial subscription and minimum holding amount of share class A and B (plus issuance premium)	2,500 euros
Minimum initial subscription and minimum holding amount of share class C and D (plus issuance premium)	100,000 euros
Minimum initial subscription and minimum holding amount of share class R and X(plus issuance premium)	10,000,000 euros
Issuance premium of the share classes (paid to the distributor)	Maximum 5%
Redemption fee of both share classes	None
Exchange provision of both share classes	None
Payment day for subscriptions (including the initial subscription) and redemptions	Within three Luxembourg bank working days after the corresponding valuation day
Frequency of net asset value calculation	Daily, on each bank working day in Luxembourg with the exception of 24 and 31 December each year
Financial year	1 October to 30 September of the following year
Annual report and semi-annual report	
First annual report	30 September 2009
First semi-annual report **First interim report**	30 March 2009 30 September 2008

[1] However, the Board of Directors reserves the right to specify a lower minimum investment amount at any time.

Share denomination	Global certificates
Distribution policy	Share class A: accumulating
	Share class B: distributing
	Share class C: accumulating
	Share class D: distributing
	Share class R: accumulating
	Share class X: distributing
***Taxe d'abonnement* (subscription tax)**	0.05% p.a.
ISIN code	
Share class A	LU0187937411
Share class B	LU0279295835
Share class C	LU0187937684
Share class D	LU0719477852
Share class R	LU1004823040
Share class X	LU1004823123
Security identification number	
Share class A	A0B91Q
Share class B	A0LHC2
Share class C	A0B91R
Share class D	A1JSPY
Share class R	A1XAV2
Share class X	A1XAV3
Date of the most recent publication of the notice of filing of the coordinated articles in RESA	24 November 2011
Management and domiciliation fees	Maximum: 0.12% p.a., Minimum 30,000 euros p.a. The percentage fees are to be calculated on each net asset value day on the basis of the Sub-Fund Net Asset Value of the previous valuation day and paid out quarterly in arrears.
Fixed fund management fees	Share class A and B: **Fixed:** maximum 0.9% p.a. Share class C and D: **Fixed**: maximum 0.6% p.a. Share class R: **Fixed**: maximum 0.35% p.a. Share class X: **Fixed**: maximum 0.5% p.a. The fixed fee is determined on each valuation day on the basis of the Sub-Fund Net Asset Val-

	ue of the previous valuation day and paid out on a monthly basis in arrears.
Fixed investment advisory fees	Share class A and B: **Fixed:** maximum 0.9% p.a. Share class C and D: **Fixed**: maximum 0.6% p.a. Share class R: **Fixed**: maximum 0.35% p.a. Share class X: **Fixed**: maximum 0.5% p.a. The fixed fee is determined on each valuation day on the basis of the Sub-Fund Net Asset Value of the previous valuation day and paid out on a monthly basis in arrears.
Performance-fee for the fund management and investment advisory	Additionally, the fund manager and the investment advisor receive a performance-fee in equal parts. The performance fee amounts to 15% of the dividend-adjusted net gain per share resulting from the Sub-Fund's business activity that outperforms the STOXX 600 EUROPE TOTAL RETURN INDEX (SXXR) (the Performance Index). On each valuation day, the index's performance is compared with the net asset value of the corresponding share class. If the net asset value outperforms the index, a performance fee shall be calculated and set aside in the Sub-Fund assets. If the net asset value underperforms the index during a quarter, part of the performance fee from

	the respective previous quarter shall be reversed, based on a daily comparison. The performance fee shall be paid on a quarterly basis. If, in a given quarter, the net asset value per share underperforms the benchmark index, this is to be carried forward with regard to the calculation of the performance fee of the following quarters (the high-water mark). During the quarter of the initial issuance of shares the calculation shall be based on the issuance price. If the Company or Sub-Fund should be liquidated, the net asset value for each share class shall be based on the date on which the decision to liquidate the Company or Sub-Fund was made. Both the performance fee and the high-water mark refer to the relative performance of the net asset value per share and not absolute performance. It is therefore possible that at the time of distribution of the net assets per share no high-water mark will have been reached. At the time of the switch in the performance fee (1 October 2016), the reference for the relative high-water mark shall be the value of the index and the fund at the time of the most recent payout.
Depositary and paying agent fees	Maximum 0.04% p.a., Minimum 12,000 euros p.a. plus VAT The percentage fees are to be calculated on each net asset value day on the basis of the Sub-Fund Net Asset Value of the previous valuation day and paid out quarterly in arrears.

	The depositary fees do not include delivery costs.
Registrar and transfer agent fee	None at the moment.

3. Notice of risks

The **Fidecum SICAV- avant-garde Stock Fund** Sub-Fund invests on the basis of risk management particularly in euro zone Shares. In addition, it may occasionally invest in other assets.

In choosing the investment assets, the main concern is the expected return. It is therefore stipulated that, alongside opportunities for price gains and income, investing in assets also carries risks, as market prices may fall below the original subscription price.

No assurance is offered that the investment policy's objectives will actually be met.

Experience has shown that **Shares and equity-like Securities** are subject to wide price fluctuations. This offers opportunities for considerable price gains but also incurs corresponding risks. The main factors influencing equity prices are the earnings performance of individual companies and sectors as well as macroeconomic developments and the political outlook that determine expectations on the Securities markets and, hence, price performance.

The Sub-Fund may also, in principle, invest on an accessory basis in Shares of smaller, less well-known companies called small caps. On an exceptional basis, small caps may account for the vast majority of Net Sub-Fund Assets. Such investments carry higher risks and, hence, possibilities for wider price fluctuations than with large caps.

The main factors influencing price fluctuations in **fixed-rate Securities** are interest rate trends on the capital markets, which, in turn, are influenced by macroeconomic factors. When market interest rates rise, fixed-rate Securities can suffer price declines, and when market interest rates fall, prices can rise. Price fluctuations are also dependent on maturities or residual maturities of fixed-rate Securities. As a rule, fixed-rate Securities with short maturities incur lower price risks than fixed-rate Securities with longer maturities. However, this also, as a rule, comes with lower returns and, because of more frequent maturities of the Securities, higher reinvestment costs.

Convertible and callable bonds are fixed-rate partial debentures offering holders the chartered right to convert bonds into Shares within a certain time period under a pre-determined exchange or, occasionally, for an additional payment. Convertible and callable bonds therefore incur both the typical risks of fixed-rate Securities and the typical risks of Shares.

The price risk is higher with **zero-coupon bonds** (interest-bearing Securities without regular payouts) than with fixed-interest-bearing Securities with interest coupons, as the interest is condensed into the price for the entire life of the zero-coupon bond. Because of their comparatively longer maturity and the lack of ongoing interest payments, special attention must be paid to monitoring the credit rating and assessing the issuers of interest-bearing Securities without regular interest payments and zero-coupon bonds. During times of rising capital markets such bonds may be harder to trade. Also noteworthy in fixed-rate Securities is the credit rating, i.e., the loss risk through issuer insolvency (issuer risk).

Certificates and structured products are composed products. Certificates and structured products may also contain embedded derivatives and/or other techniques and instruments. Hence, in addition to the risks of holding Securities, the risks of derivatives and other tech-

niques and instruments must be monitored. **Certificates** are part of the investment group of financial derivatives, which contain the right to be redeemed a certain sum of money by the certificate issuer. The redeemed sum and liquidity of a certificate can therefore depend on the rating of the certificate issuer. A certificate is always based on an underlying asset or a basket of underlying assets. A certificate's price performance depends on the performance of its underlying assets. Certificates are generally limited in term and have a fixed end date. But there also exist open-end certificates with no maturity dates.

Even when acquired Securities have been selected carefully, issuer risk cannot be ruled out. If an issuer is insolvent the Fund may lose its claim to capital and income in full.

Sub-Fund assets are denominated in euros. When investing in assets that are denominated in other currencies, there exist exchange rate opportunities and risks. The so-called **exchange rate risk** can work in favour of or against the investor.

Derivatives and other techniques and instruments (such as, for example, options, futures, and financial futures, including swaps) offer considerable opportunities but also incur considerable risks. Because of the leverage of these products, a relatively small capital investment can lead to high obligations or losses for the Fund. The amount of the loss risk is often not known in advance and can exceed the collateral that may have been put up. The loss risk can rise if the obligations from these transactions are denominated in currencies other than the reference currency. **Counterparty ratings for a swap contract can worsen so much that the receivables that the Fund has in these companies are not realisable.** If, for example, options, futures or swap transactions or other derivative techniques are used for the Fund, the Fund may be subject to the risk that the counterparty is unable to honour its obligations under the respective contract. If derivatives and other techniques and instruments are used for efficient portfolio management, their use must be in the best interests of the Fund and its investors.

Potential conflicts of interest
To prevent or manage potential conflicts of interest, which cannot be completely ruled out in the use of derivatives and other techniques and instruments used in efficient portfolio management for the Fund, the Management Company LRI Invest S.A. has established a conflict-of-interest policy, whose current details and potential formations of conflicts of interest may be viewed or downloaded at any time on the website of the Management Company www.lri-invest.lu. In the event that the occurrence of a conflict of interests threatens shareholders' interests, the asset management shall disclosed the type and source of such conflict on its website, in its prospectus, and in its annual or interim reports. In outsourcing tasks to third parties, the Management Company shall ensure that the third parties have taken all necessary steps to comply with the requirements in the area of managing and preventing conflicts of interest, as laid down in the laws and regulations of applicable Luxembourg laws, and that it will oversee compliance with these requirements by the third parties.

In spite of all due care and best efforts, the possibility cannot be ruled out that the Management Company's organisational or administrative arrangements on handling conflicts of interest may not be sufficient to guarantee to a reasonable extent that potential harm has been prevented to the interests of the fund or its shareholders.
If such is the case, the unresolved conflicts of interest in question shall be disclosed to investors on the Management Company's website, in the prospectus and in the interim or annual report.

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positary could give preference to an affiliated company over an equivalent supplier in assigning custodial tasks or in choosing sub-depositaries). If such, or other, conflicts of interest are identified in the future in connection with sub-custodial tasks, the depositary shall disclose details on the circumstances and the steps taken to prevent or minimise the conflict of interests in the retrievable documents of the Management Company's website at http://www.lri-invest.lu/Unterverwahrer M.M. Warburg & CO Luxembourg S.A..

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Between the depositary M.M.WARBURG & CO LUXEMBOURG S.A. and M.M.WARBURG & CO (AG & Co.) KGaA, as potential sub-depositary, there exists a group affiliation under which the depositary is a subsidiary of M.M.WARBURG & CO (AG & Co.) KGaA. Moreover, M.M. Warburg & CO (AG & Co.) KGaA is a member of the depositary's supervisory board. Potential conflicts of interest could arise from the transfer of custodial duties to affiliated companies.

The depositary and M.M.WARBURG & CO (AG & Co.) KGaA as potential sub-depositary, and in connection with the group affiliation, shall make sue of guidelines and processes in order to ensure that they:

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At the time this prospectus is produced, no other relevant conflicts of interest with sub-depositaries are known, with the exception of the aforementioned group affiliation, which is being resolved in investors' interests' through the described steps. If such conflicts of interest should arise, they will be resolved in accordance with existing guidelines and procedures or, where applicable, disclosed to investors.

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Transactions that are not made on a stock exchange or regulated market ("OTC transactions") and securities lending transactions are, in addition to general counterparty default risk, subject to the risk that the counterparty in the transaction will become insolvent or fail to hon-

our its obligations in full. This applies in particular to transactions involving techniques and instruments. To reduce counterparty risk in OTC derivatives and securities lending transactions, the Management Company may accept collateral, in compliance with, and with due regard to, the requirements of ESMA Guideline 2014/937.

Discounts are applied to the valuations of such collateral ("haircuts") to reflect the market price risks, exchange rate risks and liquidity risks of the underlying collateral. The Management Company applies a haircut strategy under which various haircuts are applied, depending on the type of each security and the related risks.

Valuation discount bands are provided in the table below on the basis of the type of collateral in terms of counterparty rating, maturity, currency and asset price volatility.

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Cash in the Sub-Fund's currency	0%
Cash in a currency other than that of the Sub-Fund but exclusively EUR, CHF, USD	up to 10%
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The possibility exists that OTC derivatives transactions may be accepted for the fund without the counterparty's being required to put up collateral.

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Investors/shareholders may generally demand the redemption of their Shares/units on any valuation day. However, the Management Company/Company may temporarily suspend redemptions of Shares/units in extraordinary circumstances and not redeem Shares/units until later at the then-valid price (for more details see "Temporary suspension of redemptions"). This price may be lower than the price before the suspension of redemption.

Depositary risk
A risk of loss could be incurred from the custody of Fund assets, especially abroad and in emerging markets. There exists the general possibility that access to the assets in custody could be hindered in whole or in part in the event of insolvency, breach of duty of care, or improper conduct by the depositary or a sub-depositary.

Notice on asserting investor rights
The Management Company notifies investors that any investor may assert his investor rights in their entirety directly with regard to the UCITS, including the right to take part in shareholder meetings, only if he has registered himself and in his own name in the UCITS shareholder register. In cases when an investor has invested in a UCITS via an intermediary, which takes over the investment in its own name but on the investor's behalf, the investor may not necessarily be able to assert all investor rights directly with regard to the UCITS. Investors are advised to inform themselves of their rights.

The aforementioned risks include the main risks of an investment in **Fidecum SICAV- avant-garde Stock Fund**. Depending on the investment's focus, individual risks may be higher or lower.

Potential investors should be aware of the risks that may be incurred from investing in **Fidecum SICAV- avant-garde Stock Fund** and should seek out the advice of their personal investment advisor. In general investors are advised to consult their investment advisors regu-

larly about the Fund's performance. No fundamental assurance can be offered that the objective of the investment policy will be achieved.

4. Eligible investors

The **Fidecum SICAV- avant-garde Stock Fund** Sub-Fund is suitable for investors who wish to participate in the performance of the equity markets in the Europe. This means that investors are subject to price fluctuations on these markets, with the result that the Sub-Fund is designed for long-term investors with a certain propensity to take risk.

5. Risk management

To determine the market price risk a value-at-risk model is used for the Sub-Fund in accordance with CESR/10-788 (Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS). The market price risk has relatively limited value for the Sub-Fund. An equity index that reflects the performance of listed euro zone companies of various sizes serves as a benchmark portfolio for the relative limitation of risk.

In accordance with CESR/10-788 (Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS) leverage of up to 100% will be taken on for the Sub-Fund, but the possibility of higher leverage exists. It should be kept in mind that both the weighting of individual derivatives positions and the special nature of risk factors for each derivative may change with the market environment over time. The investor must also consider that the expected leverage ratio may change. Moreover, it must be stipulated that financial derivatives may also be used in whole or in part to hedge risks to which the Sub-Fund is otherwise exposed. To determine leverage an approach is used in accordance with Clause 3 of Box 24 of CESR Recommendation 10-788, in which the sum of the nominal values of the derivatives positions or their underlying assets may be used as a basis for calculation.

6. Total expense ratio

The **total expense ratio** is determined after the closing of the financial year of the Sub-Fund concerned on the basis of the historical value of the respective past year excluding transactions costs for each Sub-Fund and is provided in the respective annual report.

7. Portfolio turnover rate

The **portfolio turnover rate** is calculated on the basis of the following method:

Sum of the values of securities purchases in a period under review = X
Sum of the values of securities sales in a period under review = Y
Sum 1 = Sum of the values of Securities transactions = X + Y

Sum of the subscription values of a period under review = Z
Sum of the redemption values of a period under review = R
Sum 2 = Sum of the values of the share transactions = Z + R

Monthly average of the net fund assets = M

Portfolio turnover rate = [(Sum 1-Sum 2)/M]*100

The portfolio turnover rate expresses the transaction volume at the level of the Fund portfolio.

A portfolio turnover rate that is close to zero shows that transactions have been carried out in order to invest inflows from subscriptions or divest outflows from redemptions. A negative portfolio turnover rate indicates that the sum of subscriptions and redemption was higher than the securities transactions in the Fund portfolio. A positive portfolio turnover rate shows that Securities transactions were higher than Fund share transactions.

The portfolio turnover rate is determined on an annual basis. The amount of the portfolio turnover rate is reported in the respective annual report.