

# PROSPECTUS

for the permanent offer of shares in

## EDGEWOOD L SELECT

An investment company with variable capital (*Société d'investissement à capital variable*, "SICAV") organised and existing under the laws of Luxembourg, with multiple sub-funds

Shares in the sub-funds of Edgewood L SELECT (the "Company") may only be subscribed on the basis of the information contained in this prospectus (the "Prospectus") and its appendices as well as in the relevant key investor information document ("KIID") as mentioned in this document, which contain descriptions of the Company's various sub-funds.

This Prospectus may only be distributed in conjunction with the KIID, the last Company annual report and the last interim report published after the annual report.

No information should be taken into account other than that contained in the Prospectus, the KIID and the documents mentioned therein, which are available for consultation by the general public.

**31 May 2019**

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## DISCLAIMER

*No measures have been taken to allow the offer of the Company's shares or distribution of the Prospectus in any country whose legislation might require such measures to be taken. Consequently, this Prospectus may not be used for the purpose of offering or soliciting a sale in any country or in any circumstance where such an offer or solicitation has not been authorised. Distribution of the Prospectus and the offer of shares in the Company are likely to be restricted in some jurisdictions; it is therefore the responsibility of persons in possession of the Prospectus to ascertain for themselves any likely restrictions and to comply with these restrictions. Potential buyers must enquire for themselves as to the legal and fiscal implications of investing in the Company.*

*No action has been taken with a view to registering the Company with the Securities and Exchange Commission as required by the law of 1940 governing American investment companies, and its amendments, or any other regulations concerning transferable securities. Consequently this document has not been approved by the above-mentioned authority. Any use of this document, especially on the basis of any statement to the contrary, its introduction or transmission to the United States of America ("the United States"), their territories and dependencies, to an American citizen or resident, to a commercial company, an association or any other entity registered in this country or governed by its laws (all the foregoing constituting "a US Person") is likely to violate American transferable securities regulations. The shares have not been registered under the United States Securities Act of 1933 and may not be offered directly or indirectly in the United States of America (including its territories and possessions) to nationals or residents thereof or to persons normally resident therein, or to any US Person.*

*In the United Kingdom, this document is intended for distribution only to the persons provided for in Article 11(3) of the 1986 Financial Services Act (Investment Advertisements) (Exemptions) Decree of 1995 (and its amendments), and it may not be provided to any party not complying with local regulations governing registration or any legal requirements. It may not be reproduced, distributed or delivered directly or indirectly to any party without the express written permission of Edgewood Management LLC.*

*Before subscribing to this product, investors are advised to read the Prospectus carefully and to consult the Company's last annual, and any subsequent interim report. Subscriptions may only be registered in accordance with the terms provided for in the*

*Prospectus and in the relevant KIID. Copies of the Company's reports, the Prospectus and the KIID are available from BNP Paribas Securities Services, Luxembourg Branch, 60, avenue J.F. Kennedy, L-1855 Luxembourg and will be provided to investors free of charge.*

*Edgewood Management LLC and its subsidiaries shall not accept any liability for any omission, error or inaccuracy in this document, within the limits authorised by law and by any other current regulations to which they are subject.*

*No broker, dealer or other person is authorised by the Company or its Board of Directors to advertise, provide information or make a statement of any kind concerning the offer or sale of units other than those mentioned in this Prospectus; any advertising, information provided or declaration made under these conditions shall be worthless since it will not have been authorised by the Company or its management. With regard to the offer or sale of shares made in connection with this Prospectus, any purchase made by any person on the basis of information or statements not contained in this Prospectus or not conforming with the contents of this Prospectus and/or in the relevant KIID, shall be made entirely at the purchaser's own risk.*

*In view of the economic and stock market risks involved, no assurances can be given that the Company will achieve its investment objectives. The value of its shares may go down as well as up.*

<b>COMPANY ORGANISATION</b>
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**REGISTERED OFFICE**

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

**BOARD OF DIRECTORS OF THE COMPANY**

***Mr. Alexander Farman-Farmaian***, Chairman

Edgewood Management LLC,  
535 Madison Avenue, 15th Floor,  
New York, New York 10022  
United States of America

***Mr. Alan Breed***, Edgewood Management LLC,

535 Madison Avenue, 15<sup>th</sup> Floor  
New York, New York 10022  
United States of America

***Mr. Kevin Seth***, Edgewood Management LLC,

535 Madison Avenue, 15th Floor,  
New York, New York 10022  
United States of America

***Mr. Fausto Rotundo***, Edgewood Management LLC,

535 Madison Avenue, 15th Floor,  
New York, New York 10022  
United States of America

***Ms. Olivia Fleming***, Edgewood Management LLC,

535 Madison Avenue, 15th Floor,  
New York, New York 10022  
United States of America

***Mr. Jacques Elvinger***, Avocat, Elvinger Hoss Prussen, *société anonyme*

2, place Winston Churchill,  
L-1340, Luxembourg  
Grand Duchy of Luxembourg

**MANAGEMENT COMPANY**

**Carne Global Fund Managers (Luxembourg) S.A.**

6b, route de Trèves  
L-2633, Senningerberg  
Grand Duchy of Luxembourg

**BOARD OF MANAGERS OF THE MANAGEMENT COMPANY**

*Mr. John Alldis*

*Mr. William Blackwell*

*Mr. Steve Bernat*

*Mr. Kevin Nolan*

**DEPOSITARY BANK AND DOMICILIATION AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**

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

**ADMINISTRATIVE, REGISTRAR AND TRANSFER AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**

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

**INVESTMENT MANAGER**

**Edgewood Management LLC**

535 Madison Avenue, 15<sup>th</sup> Floor, New York  
New York 10022  
United States of America

**APPROVED STATUTORY AUDITOR**

**Deloitte Audit S.à r.l.**

560, rue de Neudorf  
L-2220 Luxembourg  
Grand-Duchy of Luxembourg

**LEGAL ADVISER**

**Elvinger Hoss Prussen**

*société anonyme*  
2, place Winston Churchill  
L-1340 Luxembourg  
Grand-Duchy of Luxembourg

## IMPORTANT

The Company is a registered collective investment scheme in conformity with the law of 17 December 2010 on undertakings for collective investment, as amended from time to time (the "Law"), and with the law of 10 August 1915 on commercial companies, as amended from time to time. It is in particular subject to the provisions of part I of the Law, specific to collective investment schemes implementing the European Union Directive 2009/65/EC of 13 July 2009. However, this registration does not require any authority in Luxembourg to comment, favourably or otherwise, upon the appropriateness or the accuracy of this Prospectus, nor the portfolio of securities held by the Company. Any declaration to the contrary would be unauthorised and illegal.

The Company's board of directors (the "Board of Directors" or the "Directors") has taken all the necessary precautions to ensure that the facts presented in the Prospectus are accurate and correct and that nothing of significance has been omitted that might invalidate any of the statements made herein. All of the members of the Board of Directors accept their responsibility in this matter.

A KIID for each available class of each sub-fund shall be made available to investors free of charge prior to their subscription for shares. Prospective investors must consult the KIID for the relevant class and sub-fund in which they intend to invest. Prospective investors should review this Prospectus and the appropriate KIID carefully and in its entirety and consult with their legal, tax and financial advisors in relation to: (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, converting, redeeming or disposing of shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, converting, redeeming or disposing of shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of shares; and (iv) any other consequences of such activities.

Any information or statement not contained in this Prospectus, the KIIDs, or the reports that form an integral part thereof, must be considered to be unauthorised. Neither the provision of this Prospectus and the KIIDs, nor the offer, issue or sale of the Company's shares constitute a statement to the effect that the information given in this Prospectus shall continue to be accurate at any time after the date of the Prospectus. This Prospectus shall be updated immediately as and when necessary in order to take into account any significant changes, especially the opening of a new sub-fund of shares. Investors are consequently advised to contact the Company or its Management Company to find out whether an updated Prospectus has been published.

Potential subscribers and purchasers of shares in this Company are advised to ascertain the existence of any fiscal implications, legal controls and exchange restrictions and controls likely to affect them in their country of domicile or residence or their country of origin that might regulate the subscription, purchase, ownership or sale of the Company's shares.

The Company's shares may be marketed in Luxembourg, Austria, France, the Netherlands, the United Kingdom, Sweden, Norway, Finland, Spain, Italy, Germany and Switzerland, Belgium, and Liechtenstein. It is expected that the shares may be marketed in other countries at a later date.

Any mention of the terms or acronyms below refers to the following currencies:

EUR            The euro, legal tender in member states of the European Economic and Monetary Union.

USD            The United States dollar.

GBP            The Pound Sterling.

CHF            The Swiss Franc.

## I. GENERAL DESCRIPTION

### 1. INTRODUCTION

The Company is an investment company with variable share capital (*société d'investissement à capital variable*) set-up as an umbrella structure. Each sub-fund may hold a portfolio of distinct assets consisting of transferable securities denominated in a variety of currencies. The characteristics and investment strategy of each sub-fund are defined in each sub-fund's fact sheet (hereafter, the sub-fund schedule).

The Company's capital may be divided between a number of sub-funds, each able to offer several categories of shares as defined in chapter IV below ("The Company's Shares") and in the respective sub-fund schedules. Furthermore, some categories may offer two classes of shares, one capitalisation (capitalisation shares or "C" shares), and the other distribution (distribution shares or "D" shares), as defined in chapter IV below.

For the time being, the Company offers shares in one sub-fund. The Company has however the option of creating new sub-funds, categories and/or share classes. Whenever new sub-funds, categories and/or classes of shares are created, the appropriate amendments shall be made to this Prospectus, and the schedules drawn up for each sub-fund shall give detailed information on the new sub-funds, categories and/or classes of shares.

The opening of any new sub-fund, or of any category or class of shares of a sub-fund mentioned in the Prospectus, shall be subject to a resolution by the Board of Directors that will determine in particular the price and period of initial subscription, and the payment date of said initial subscriptions. Shareholders shall be informed of any opening of a new sub-fund by a notice in the press, as provided in chapter XI.

The Company's shares are issued and redeemed at a price set at least twice per month in Luxembourg for each sub-fund, category and/or share class (the day of calculation referred to hereinafter as the "Valuation Day") as indicated more specifically for each sub-fund separately in the relevant schedule.

The price of each sub-fund, category and/or class of shares is based on the net asset value of the sub-fund, category or class of shares.

The net asset value of each sub-fund of shares shall be denominated in the currency in which the sub-fund is denominated, as indicated in chapter V, "Net Asset Value". The Board of Directors may nevertheless decide to open, within a sub-fund, a category and/or class of shares denominated in a currency other than the reference currency of the sub-fund. In this event the net asset value of this category and/or class of shares shall be expressed in this other currency.

Unless stated otherwise in the respective sub-fund schedule, a transfer from one sub-fund to another may be made on any Valuation Day by converting shares of

one sub-fund to shares of another sub-fund, in exchange for a conversion fee to the extent provided in the relevant sub-fund schedule.

Conversion from one category and/or class of shares to another shall be carried out according to the terms and procedure described in chapter IV.4 below.

## **2. THE COMPANY**

The Company was founded in Luxembourg on 20 December 1996 for an unlimited term, with the name "COM SELECTION". The Company changed its name from "COM SELECTION" to "L SELECT" on 19 January 2007 and from "L SELECT" to "EDGEWOOD L SELECT" on 22 May 2012.

The minimum capital is set at EUR 1,250,000 (one million, two hundred and fifty thousand euro). The Company's capital at any time is the equivalent of the net asset value of all the Company's sub-funds, and is represented by shares of no nominal value.

Variations in capital take place automatically and do not have to be advertised or recorded in the Register of Commerce, as is required for increases and reductions in capital of *sociétés anonymes* (public limited companies).

The Company's Articles of Incorporation (the "Articles of Incorporation") were published in the *Mémorial C, Recueil des Sociétés et Associations* (which was replaced in 2016 by the *Recueil Electronique des Sociétés et Associations*, ("RESA"), Luxembourg's central electronic platform of official publication) of 10 February 1997 after being filed on 15 January 1997 with the Registrar of the *Tribunal d'Arrondissement* (District Court) of and in Luxembourg where they may be consulted and where copies may be obtained on payment of the Registrar's fee.

The Articles of Incorporation were last amended at a shareholders' extraordinary general meeting held on 8 June 2016. These amendments were published in the *Recueil électronique des sociétés et associations* (Luxembourg's central electronic platform of official publication).

The Company is registered in the Luxembourg Register of Commerce under no. B 57.507.

The Company's Board of Directors shall maintain, for each sub-fund, a separate portfolio of assets. As between shareholders, each sub-fund shall be treated as a separate legal entity. The shareholder shall only be entitled to the assets and profits of that sub-fund in which he/she participates, pro rata of his/her investment. The liabilities incurred by a sub-fund shall only be discharged by the assets of such sub-fund.

## II. MANAGEMENT AND ADMINISTRATION

### 1. THE MANAGEMENT COMPANY

The Board of Directors has appointed Carne Global Fund Managers (Luxembourg) S.A. to act as management company of the Company with responsibility for the performance, directly or by way of delegation, of investment management, administration and marketing functions as described in Annex 2 of the Law.

The Management Company has been authorised by the Company to delegate certain administrative, distribution and investment management functions to specialised service providers. In that context, the Management Company has delegated its administration functions to the Administrative Agent and may delegate marketing functions to a global distributor. The Management Company has also delegated its investment management functions to Edgewood Management LLC (the "Investment Manager") as more fully described below.

The Management Company was incorporated in Luxembourg on 17 September 2009 for an indefinite period and is subject to the provisions of Chapter 15 of the 2010 Law. It has its registered office in the Grand Duchy of Luxembourg, at 6B, route de Trèves, L-2633 Senningerberg. The articles of incorporation of the Management Company were most recently updated on 11 December 2015 and this amendment was published in the *"Mémorial, Recueil des Sociétés et Associations"* on 17 February 2016. The articles of incorporation of the Management Company are filed in their consolidated, legally binding form for public reference in the Luxembourg Trade and Companies Register under no. B 148 258. The Management Company is also authorised as an alternative investment fund manager pursuant to the Luxembourg law of 12 July 2013 on alternative fund managers.

As at the date of this Prospectus, the share capital of the Management Company is EUR 625,000 and has been fully paid and the own funds of the Management Company comply with the requirements of the Law.

The Management Company will monitor the activities of the third parties to which it has delegated functions on a continued basis. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties (and where the delegation was made at the request of the Company, to the extent required by applicable laws).

The Management Company will receive periodic reports from the Investment Manager detailing the Company's performance and analysing its investment portfolio. The Management Company will also receive reports from the Company's other services providers in relation to the services which they provide.

The board of directors of the Management Company is composed as follows:

- John Alldis
- William Blackwell

- Steve Bernat
- Kevin Nolan

The Management Company also acts as management company for other investment funds.

The Management Company has in place a remuneration policy in line with the European Commission Delegated Regulation (EU 2016/438) of 24 March 2016 supplementing the UCITS V Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

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

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

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

The remuneration policy is determined and reviewed at least on an annual basis by a remuneration committee.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are

available on the website <http://www.carnegroup.com/policies-and-procedures/>, a paper copy will be made available free of charge upon request.

The variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements of the applicable legislation and regulatory requirements. In consideration for its services, the Management Company is entitled to receive fees from the Company as stipulated in this Prospectus.

## **2. DEPOSITARY BANK AND DOMICILIATION AGENT**

The Board of Directors has appointed BNP Paribas Securities Services, Luxembourg Branch as depositary bank and domiciliary agent of the Company (the "Depositary Bank").

BNP Paribas Securities Services, Luxembourg Branch, is a branch of BNP Paribas Securities Services S.C.A. established in the form of a French partnership limited by shares (*société en commandite par actions*) and wholly owned by BNP Paribas S.A. The Luxembourg branch commenced operations on 28 March 2002. Its address is at 60, avenue J.F. Kennedy, L-1855 Luxembourg.

The Depositary Bank holds securities and cash that the Company owns or may acquire in the course of its investment activities. It also acts as paying agent for the Company.

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

The Depositary Bank is responsible in particular for:

- a) ensuring that sales, issues, redemptions and cancellations of shares effected by the Company or on its behalf, take place in accordance with the Law and the Articles of Incorporation;
- b) ensuring that the value of shares is calculated in accordance with the Luxembourg Law and the Articles of Incorporation;
- c) carrying out the instructions of the Company or the Management Company acting on behalf of the Company or the Management Company, unless they conflict with the Luxembourg Law or the Articles of Incorporation;
- d) ensuring that in the case of transactions affecting the Company's assets, remuneration of the assets involved is effected within the normal delays;
- e) ensuring that the Company's income is correctly appropriated in accordance with the Articles of Incorporation.

The overriding objective of the Depositary Bank is to protect the interests of the Company's shareholders, which always prevail over any commercial interests.

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

Such other business relationships may cover services in relation to:

- Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas Securities Services, Luxembourg Branch or its affiliates act as agent of the Company or the Management Company, or
- Selection of BNP Paribas Securities Services, Luxembourg Branch or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

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

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

- a) Identifying and analysing potential situations of conflicts of interest;
- b) Recording, managing and monitoring the conflict of interest situations either in:
  - relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new information barrier (i.e. by separating functionally and hierarchically the performance of its depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - implementing a deontological policy;
  - recording of a cartography of conflicts of interest permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
  - setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interest, (ii) new products/activities of the Depositary Bank in order to assess any situation entailing a conflict of interest.

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

The Depositary Bank may delegate to third parties the safekeeping of the Company's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Bank agreement.

The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment.

Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary Bank's liability shall not be affected by any such delegation.

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

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

A list of these delegates and sub-delegates for its safekeeping duties is available on the website

[http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits\\_delegates\\_EN.pdf](http://securities.bnpparibas.com/files/live/sites/portal/files/contributed/files/Regulatory/Ucits_delegates_EN.pdf).

Such list may be updated from time to time. Updated information on the Depositary Bank's custody duties, delegations and sub-delegations and conflicts of interest that may arise may be obtained, free of charge and upon request, from the Depositary.

### **3. ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT**

BNP Paribas Securities Services, Luxembourg Branch, having its registered office at 60, avenue J.F. Kennedy, L-1855 Luxembourg, was appointed by the Management Company as Administrative Agent under the terms of an agreement effective as of 31 May 2019 to perform the administrative functions required by the Law, such as the Company's accounting, and calculation of net asset values per share. The administrative agent oversees the dispatch of all statements, reports, notices and other documents to the shareholders.

BNP Paribas Securities Services, Luxembourg Branch, also performs the duties of Transfer Agent and Registrar for the Company, in accordance with an agreement made with the Management Company effective as from 31 May 2019. Consequently, it maintains the register of registered shares. It is also responsible for handling share subscriptions and redemption requests, and on occasions, requests for share conversions and receipt of transfers of funds.

#### **4. INVESTMENT ADVISERS AND/OR INVESTMENT MANAGERS**

The Management Company is aided by one or more investment advisers and/or investment managers to provide investment advice / management in relation to or undertake the daily management of a sub-fund's assets, whose names appear in the relevant sub-fund's schedule. Control over and responsibility for the Adviser(s) and/or Managers' activities resides ultimately with the Company's Board of Directors.

The rate and method of calculation of investment advisory and/or investment management fees shall be defined in the relevant sub-fund's schedule, where paid to the investment adviser(s) and/or investment managers by the Company.

The investment advisers and/or investment managers may have arrangements with brokers, under which the brokers provide certain services ("soft commissions"). The investment advisers and/or investment managers may decide to grant a broker a higher level of commission than another broker would have requested for the same service, provided that the broker agrees to provide a "best execution" service to the Company, and that the investment advisers and investment managers consider the level of commission to be reasonable given the value of the brokerage and other services supplied or paid for by this broker. These services, which might take the form of research, pricing, and information services, portfolio analysis and management programs, specific execution possibilities and clarifications, may, in addition to being used by the Company, be used by the investment advisers and investment managers in connection with transactions not involving the Company. Payment of any soft commission shall be noted in the Company's financial statements.

Investment advisers and/or investment managers are only entitled to these services ("soft commissions") in the following circumstances: (i) the investment advisers and/or investment managers must act at all times in the Company's best interests whenever they conclude such arrangements; (ii) the services provided must relate directly to the investment advisers' and/or investment managers' activities; (iii) brokerage fees on transactions affecting the Company's portfolio may only be attributed by the investment advisers and/or investment managers to dealer-brokers that are legal entities and not to private individuals, and (iv) the investment advisers and/or investment managers must provide the Board of Directors with reports concerning the soft commission arrangements concluded with the brokers, including details of the type of services provided.

#### **5. NOMINEE DISTRIBUTORS - DISTRIBUTORS**

The Management Company may decide to appoint distributors or nominee distributors to assist in the distribution of the Company's shares in countries where these may be promoted.

Nominee distributor agreements or distributor agreements shall be concluded between the Management Company and the various nominee distributors or distributors respectively.

In accordance with the nominee distributor agreements, the nominee shall be recorded on the shareholders' register and not the clients who have invested in the Company.

Investors who have invested in the Company through a nominee may in principle request that the shares subscribed through the nominee be transferred into their name, subsequent to which the client shall be recorded on the shareholders' register under their own name as soon as transfer instructions are received from the nominee.

Shareholders may make subscriptions directly with the Company without having to subscribe through one of the nominee distributors or distributors.

## **6. APPROVED STATUTORY AUDITOR**

Auditing of the Company's accounts and annual reports has been entrusted to the approved statutory auditor, Deloitte Audit S.à r.l, 560 route de Neudorf, L-2220 Luxembourg.

### III. INVESTMENT STRATEGY

The Company's principal aim is to offer shareholders the option of benefiting from professional management of securities portfolios, and of short term money market instruments on an ancillary basis, as defined in the Company's sub-fund schedules at the end of this prospectus.

***The objective for the relevant sub-fund is to maximise the value of the assets invested. The Company shall take reasonable risks in order to achieve the agreed objective; however it gives no guarantee of achieving that objective, in view of the stock market fluctuations and other risks to which the securities invested in shall be exposed.***

#### 1. INVESTMENT STRATEGY – GENERAL PROVISIONS

The individual investment strategies described in the relevant sub-fund schedule have been defined by the Board of Directors.

The Company allows shareholders to change the focus of their investments and any currencies of investment by converting the shares of one sub-fund, category and/or class of shares held, into the shares of another sub-fund, category and/or class of the Company's shares.

#### 2. SPECIAL RULES AND RESTRICTIONS CONCERNING INVESTMENTS

The general provisions set forth below shall apply to all of the Company's sub-funds, except where they conflict with the particular investment objectives of a sub-fund. In this event the sub-fund schedule shall set out the particular investment restrictions that shall take precedence over the general provisions.

##### A. The Company's investments may consist of:

- (1) Transferable Securities and Money Market Instruments admitted to or dealt in on a regulated market as defined by the Law (a "Regulated Market").
- (2) Transferable Securities and Money Market Instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognised and open to the public.
- (3) Transferable Securities and Money Market Instruments admitted to an official listing in Eastern and Western Europe, Africa, the American continents, Asia, Australia and Oceania or dealt in on another market in the countries referred to above, provided that such market is regulated, operates regularly and is recognised and open to the public.
- (4) In recently issued Transferable Securities and Money Market Instruments, provided that the terms of the issue include an undertaking that an

application will be made for admission to an official listing on any of the stock exchanges or other Regulated Markets referred to above and provided that such listing is secured within one year of the issue.

- (5) Units of collective investment schemes referred to as UCITS and/or other UCIs, within in the meaning of the of Article 1 paragraph (2), points a) and b) of Directive 2009/65/EC, irrespective of whether they are established in an EU member state, on condition that:
- said other UCIs comply with legislation requiring them to be supervised in a manner the CSSF (*Commission de Surveillance du Secteur Financier* – Financial Sector Supervisory Authority) deems equivalent to that provided for by EU legislation, and that there be a satisfactory level of cooperation between these two bodies;
  - the level of protection guaranteed to holders of units in said other UCIs is equivalent to that afforded to holders of units in an UCITS, and in particular that the rules governing the division of assets, borrowings, loans, and short sales of Transferable Securities and Money Market Instruments are equivalent to the stipulations of the Directive 2009/65/EC;
  - the activities of said other UCIs are reported on half year and annual bases, so that the assets, liabilities, profits and transactions for the period in question can be evaluated;
  - the proportion of the assets of the UCITS or other UCIs in which it is intending to invest, that can be invested entirely in units of other UCITS or other UCIs in accordance with their incorporating documents, does not exceed 10%.
- (6) Deposits with a credit institution, that offer instant access, or that can be withdrawn and are of a maturity of twelve months or less, provided that the credit institution has its registered office in an EU member state, or if the credit institution's registered office is located in another country, that it is subject to prudential rules deemed by the CSSF to be equivalent to those provided for in EU legislation.
- (7) Financial derivatives, including similar instruments settled for cash, traded on a regulated market of the type specified in points (1), (2) and (3) above, and/or financial derivatives traded over-the-counter ("over-the-counter derivatives") provided that:
- (i) - the underlying consists of instruments listed in this section A, financial indices, interest rates, foreign exchange or currency rates, in which the Company may make investments in accordance with its investment objectives;
  - counterparties to the over-the-counter derivatives transactions are effectively supervised credit institutions belonging to the categories approved by the CSSF; and

- over-the-counter derivatives are reliably and transparently valued on a daily basis and may be sold, liquidated or closed out by a reverse transaction at any time and at fair market value.
- (ii) in no event should these transactions result in the Company deviating from its investment objectives.

The Company may in particular carry out options-related transactions, forward financial contracts and options on such contracts.

- (8) Money Market Instruments other than those traded on a Regulated Market, provided that the issue or issuer of these instruments are themselves subject to regulations intended to protect investors and savings, and that these instruments are:
- issued or guaranteed by a central, regional or local authority, by an EU member state's central bank, by the European Central Bank, by the EU or by the European Investment Bank, by another sovereign state, or, in the case of a federal state, by one of the members comprising the federation, or by an international public organisation of which one or more EU member states is a member; or
  - issued by a company whose securities are traded on the regulated markets stipulated in points (1), (2) or (3) above; or
  - issued or guaranteed by an institution subject to effective supervision according to the criteria set down in EU law, or by an institution subject to and complying with prudential rules deemed by the CSSF to be at least as strict as those provided for in EU legislation; or
  - issued by other entities belonging to the categories approved by the CSSF, provided that investments in these instruments are subject to regulations intended to protect investors to the same extent as those stipulated in the first, second and third sub-paragraphs, and that the issuer is a company with capital and reserves of at least ten million euro (EUR 10,000,000) that produces and publishes its annual accounts in compliance with directive 78/660/EEC - either an entity whose principal activity is group financing within a group that includes one or more listed companies, or an entity whose principal activity is the financing of securitisation vehicles using funding provided by a bank.

**B. The Company may also, within each sub-fund:**

- (1) Invest up to 10% of the sub-fund's net assets in Transferable Securities and Money Market Instruments other than those stipulated in section A points (1) to (4) and (8).
- (2) Hold cash and near-cash on an ancillary basis.
- (3) Borrow up to of 10% of the sub-fund's net assets, provided that these are temporary borrowings. Commitments related to options contracts, and purchases and sales of forward contracts are not treated as borrowings when calculating the investment limit.
- (4) Acquire currencies through the medium of a back to back loan.

**C. The Company shall also comply, concerning the net assets of each sub-fund, with the following investment restrictions with regard to issuers:**

**(a) Rules governing diversification of risk**

In calculating the limits described in points (1) to (5) and (8) above, companies from the same group of companies shall be treated as one issuer.

In so far as an issuer is a legal entity with multiple sub-funds where the assets of one sub-fund correspond to the investors' rights relative to this sub-fund and those of the creditors whose claim arose in connection with the creation, operation or liquidation of the sub-fund, each sub-fund is treated as a distinct issuer for the purpose of applying rules governing diversification of risk.

**• Transferable Securities and Money Market Instruments**

- (1) A sub-fund may not acquire additional Transferable Securities and Money Market Instruments of one and the same issuer if, subsequent to this acquisition:
  - (i) more than 10% of its net assets correspond to Transferable Securities or Money Market Instruments issued by this entity;
  - (ii) the total value of Transferable Securities and Money Market Instruments held with issuers where more than 5% is invested in each, exceeds 40% of the value of its net assets. This limit does not apply to deposits held with financial institutions subject to effective supervision and to over-the-counter derivatives transactions with these institutions.

- (2) The 10% limit set in point (1)(i) rises to 20% if the Transferable Securities and Money Market Instruments are issued by the same group of companies.
- (3) The 10% limit set in point (1)(i) rises to 35% if the Transferable Securities and Money Market instruments are issued or guaranteed by an EU member state, by its regional public bodies, by another sovereign state or by international public organisations to which one or more EU member states belong.
- (4) The 10% limit set in point (1)(i) increases to 25% for certain bonds, when these have been issued by a credit institution having its registered office in an EU member state and legally subject to a special supervision by the public authorities, intended to protect the holders of this type of bond. In particular, the sums raised from the issue of these bonds must be invested, in compliance with the legislation, in assets that, for the lifetime of the bonds, can cover the liabilities created by the bonds, and in the event of the issuer's insolvency would be used primarily for the repayment of principal and the payment of interest outstanding. In the event that a sub-fund invests more than 5% of its assets in bonds of this kind, issued by one issuer, the total value of these investments may not exceed 80% of the value of the net assets of this sub-fund.
- (5) The securities mentioned above in points (3) and (4) are not included when calculating the 40% threshold stipulated in point (1) (ii).
- (6) **Notwithstanding the limits described above, each sub-fund is authorised to invest, in line with the principle of diversification of risk, up to 100% of its assets in different issues of Transferable Securities and Money Market Instruments issued or guaranteed by an EU member state, by its regional public bodies, by a member state of the Organisation for Economic Cooperation and Development (OECD) such as the United States, or by international public bodies to which one or more EU member states adhere, provided that (i) these securities are spread across at least six different issues and (ii) the securities of any single issue do not exceed 30% of the sub-fund's net assets.**
- (7) Without prejudice to the limits set in section (b) hereinafter, the limits set in point (1) are raised to a maximum of 20% for investments in shares and/or debt securities issued by a single entity, whenever the Company's investment strategy aims to reproduce the composition of a particular equity or bond index recognised by the CSSF, on the following bases:
  - the composition of the index is sufficiently diversified,

- the index constitutes a standard unit representative of the market to which it refers,
- it is advertised in an appropriate publication.

The 20% limit increases to 35% whenever it is justified by exceptional market conditions, especially on regulated markets where certain Transferable Securities or Money Market Instruments are predominant. Investment up to this limit is allowed for one issuer only.

- **Bank deposits**

- (8) The Company may not place more than 20% of each sub-fund's net assets on deposit with a single entity.

- **Derivatives**

- (9) Counterparty risk in over-the-counter derivatives transactions may not exceed 10% of the sub-fund's net assets if the counterparty is one of the credit institutions described in section A (6) above, or 5% of its assets in other cases.
- (10) Investments may be made in financial derivatives provided that the overall risk to which the underlying assets are exposed do not exceed the investment limits set in points (1) to (5), (8), (9), (13) and (14). When the Company invests in financial derivatives based on an index, these investments are not necessarily combined within the limits set in points (1) to (5), (8), (9), (13) and (14).
- (11) Whenever a Transferable Security or Money Market Instrument includes an embedded derivative, this derivative must be taken into account when applying the provisions set forth in Section C point (14) and in Section D point (1), and when assessing the risks associated with derivatives transactions, so that the overall risk connected with derivatives does not exceed the total net asset value.

- **Units in open-ended funds**

- (12) The Company may not invest more than 20% of each sub-fund's net assets in the units of a single UCITS or other UCI, as defined in Section A point (5).

When a sub-fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding of more than 10% of the shares or voting rights, the Management Company or other company may not charge

subscription or redemption fees on account of the sub-fund's investment in the units of such other UCITS and/or UCIs and may only charge a reduced management fee (of up to 0.25%).

A sub-fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall, if applicable, disclose in the sub-funds' schedules under the heading "Shares" of this prospectus the maximum level of the management fees that may be charged both to the sub-fund itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report, the Company shall indicate the maximum proportion of management fees charged both to the sub-fund itself and to the UCITS and/or other UCIs in which it invests.

- **Combined limits**

(13) Notwithstanding the individual limits set in points (1), (8) and (9) above, a sub-fund may not combine:

- investments in Transferable Securities or Money Market Instruments issued by a single entity,
- deposits placed with a single entity, and/or
- risks resulting from over-the-counter derivatives transactions with a single entity, that exceed 20% of its net assets.

(14) The limits stipulated in points (1), (3), (4), (8), (9) and (13) above may not be combined; consequently, each sub-fund's investments in Transferable Securities or Money Market Instruments issued by a single entity, in deposits held by a single entity, or in derivatives traded with this entity in compliance with points (1), (3), (4), (8), (9) and (13) may not exceed 35% in total of the sub-fund's net assets.

**(b) Restrictions on control**

(15) The Company may not purchase shares granting voting rights that would allow it to exercise a degree of influence over the management of an issuer.

(16) Each sub-fund may not purchase (i) more than 10% of a single issuer's shares without voting rights; (ii) more than 10% of a single issuer's bonds; (iii) more than 10% of Money Market Instruments issued by a single issuer; or (iv) more than 25% of the units of a single UCITS and/or other UCI.

It is possible that the limits set in points (ii) to (iv) might not be complied with if, at the time of acquisition, the gross amount of bonds or Money Market Instruments, or the net amount of securities issued, cannot be calculated.

The thresholds stipulated in points (15) and (16) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by an EU member state or its regional public bodies;
- Transferable Securities and Money Market Instruments issued or guaranteed by a state that does not belong to the EU;
- Transferable Securities and Money Market Instruments issued by international public bodies to which one or more EU member states adhere;
- Capital shares held in a company in another EU state, provided that (i) this company invests its assets mainly in the securities of issuers based in this state, when (ii) in accordance with this state's legislation, a shareholding of this kind constitutes the sole means by which the Company can invest in the securities of issuers in this state, and (iii) this company's investment strategy complies with the rules of diversification of risk and restrictions on control stipulated in Section C points (1), (3), (4), (8), (9), (12), (13), (14), (15) and (16) and Section D, point (2);
- Capital shares held in subsidiary companies providing management, advisory or marketing services solely for the Company in the country where the subsidiary is based, in connection with the redemption of units at the request of shareholders.

**D. The Company must moreover comply with the following investment restrictions, with regard to instruments:**

- (1) Each sub-fund must ensure that the overall risk connected with derivatives does not exceed the total net value of its portfolio.

Risks are calculated according to the current value of underlying assets, counterparty risk, foreseeable market developments and the time available to liquidate positions.

- (2) Investments in units of UCIs other than UCITS may not exceed 30% of the Company's net assets in total.

**E. Finally, the Company must ensure that each sub-fund's investments comply with the following rules:**

- (1) The Company may not purchase commodities, precious metals, or even certificates representing ownership of the aforementioned. However it is

agreed that transactions involving currencies, financial instruments, indices or equities, together with related forward, swap and options contracts, are not considered to be transactions involving goods within the meaning of this restriction.

- (2) The Company may not purchase real property except where such acquisitions are required directly in the operation of its business.
- (3) The Company may not pledge its assets as guarantee for securities.
- (4) The Company may not issue warrants or other instruments conferring the right to acquire the Company's shares.
- (5) Without prejudice to the Company's right to purchase bonds and other types of debt securities, and to hold bank deposits, the Company may not give credit, nor stand as guarantor on behalf of a third party. This restriction does not prevent the purchase of Transferable Securities, Money Market Instruments or other non-paid up financial instruments.
- (6) The Company may not make short sales of securities, money market instruments or other financial instruments mentioned in Section A points (5), (7) and (8).
- (7) In addition, a sub-fund may invest in shares of another sub-fund of the Company (the "Target Sub-Fund") provided that:
  - i) the Target Sub-Fund does not, in turn, invest in the sub-fund invested in this Target Sub-Fund;
  - ii) no more than 10% of the assets of the Target Sub-Fund whose acquisition is contemplated may be invested in aggregate in units of other UCIs;
  - iii) voting rights attached to the relevant shares are suspended for as long as they are held by the sub-fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports;
  - iv) in any event, for as long as these shares are held by the Company, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
  - v) there is no duplication of management, performance, subscription or redemption fees amongst the Target Sub-Fund and the investing sub-fund.

**F. Notwithstanding all the aforementioned provisions:**

- (1) The limits set previously might not be complied with during the exercise of subscription rights connected to Transferable Securities or Money Market Instruments comprising the assets of the sub-fund in question.
- (2) In the event of any limit being breached for reasons beyond the Company's control, or as a result of the exercising of subscription rights,

the Company must aim primarily, through its sales transactions, to rectify the situation whilst taking shareholders' interests into account.

The Board of Directors is entitled to impose other investment restrictions in so far as these limits are necessary to comply with the laws and regulations of the countries in which the Company's shares shall be offered or sold.

### **3. FINANCIAL INSTRUMENTS AND TECHNIQUES**

#### **A. General provisions**

For the purposes of efficient portfolio management and/or in order to protect its assets and liabilities, the Company may make use of instruments and techniques in each sub-fund in connection with Transferable Securities and Money Market Instruments within the conditions and limits provided by CSSF circular 08/356 issued by the CSSF on 4 June 2008 (as may be amended, supplemented or replaced), CSSF circular 14/592 regarding the ESMA Guidelines on ETFs and other UCITS issues and any guidelines issued from time to time by the European Securities and Markets Authority ("ESMA").

To this end, each sub-fund or share category is in particular authorised to undertake transactions with the purpose of selling or buying forward interest rate contracts, forward currency contracts, and currency call and put options, in order to protect its assets against currency fluctuations or to optimise their investment return, i.e., to optimise the management of the portfolio and subject to the conditions described in the relevant sub-fund schedule.

When a sub-fund invests in total return swaps or in other financial derivative instruments with similar characteristics, information relating to the underlying assets and strategy and to the relevant counterparties shall be described in the relevant sub-fund schedule.

When a sub-fund invests in financial derivative instruments related to an index, information on the index and its rebalancing frequency shall be disclosed in the relevant sub-fund schedule, by way of reference to the website of the index sponsor as appropriate.

If these transactions involve the use of derivatives, the terms and limits set out previously in Section A, point (7), Section C, points (9), (10), (11), (13) and (14), and Section D, point (1), must be complied with.

The Company shall disclose in the relevant sub-fund schedule the applicable policy regarding direct and indirect operational costs/fees deducted from the revenue of the sub-fund resulting from instruments and techniques used for the efficient portfolio management of the sub-funds.

In no event should the use of transactions involving derivatives or other financial instruments and techniques result in the Company failing to achieve the investment objectives set out in the Prospectus.

All assets subject to the abovementioned transactions will be recorded as assets of the relevant sub-fund in the books of the Depositary Bank. Any collateral will be held in a separate collateral cash and securities account opened in the name of the sub-fund in the books of the Depositary Bank.

The Company will not enter into total return swaps, buy-sell back or sell-buy back transactions, repurchase agreements/reverse repurchase agreements and margin lending transactions within the meaning of Regulation (EU) (2015/2365) on transparency of securities financing transactions and of reuse (the "SFT Regulation") in order to reduce risks or expenses or to provide the Company with capital gains or income. If the Company were to use such securities financing transactions in the future, the present Prospectus will be modified in accordance with the SFT Regulation.

## **B. Risks - Disclaimer**

In order to optimise the investment return from their portfolio, all the sub-funds are authorised to make use of the techniques and derivatives described above (especially interest rate, currency, and other financial swaps, forward contracts, and options on securities, interest rates or forward contracts) in compliance with the aforementioned terms and conditions and the relevant sub-fund's schedule.

Investors are reminded that market conditions and current regulations may limit the use of these instruments. No guarantees can be given as to the success of these strategies. The sub-funds using these instruments and techniques incur risks and costs connected to these investments that they would not have incurred if they had not used these strategies. Investors are also reminded of the increased risk of volatility that the use of these instruments and techniques by the sub-funds entails. In the event that the investment managers' and sub-managers' expectations concerning equity, currency and interest rate market movements turn out to be incorrect, the sub-fund in question might find itself in a worse position than if these strategies had not been used.

When using derivatives, each sub-fund may place over-the-counter forward and spot contracts on indices and other financial instruments, as well as index or other financial swaps with specialised first-class banks or brokerages as counterparties. The annual report of the Company shall provide details regarding the counterparties and collateral received. Although the corresponding markets are not necessarily reputed to be more volatile than other forward markets, market participants are less protected against total losses resulting from their transactions on these markets because contracts traded thereon are not guaranteed by a clearing agency.

In respect of the reinvestment of the collateral received within the context of the securities lending transactions and repurchase agreement transactions, the attention of the investors is drawn to the fact that the reinvestment involves risks linked to the type of investment made. The reinvestment of the collateral may create a leverage which will be taken into account for the global risk calculation of the Company.

In relation to repurchase transactions, investors must notably be aware that (A) in the event of the failure of the counterparty with which cash of a sub-fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the sub-fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (C) repurchase transactions will, as the case may be, further expose a sub-fund to risks similar to those associated with optional or forward derivative financial instruments.

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

### **Additional risks associated with financial instruments and techniques**

#### ***Legal risk***

There is a risk that agreements are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, a sub-fund may be required to cover any losses incurred.

Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

#### ***Operational risk***

The Company's operations (including investment management) are carried out by the service providers mentioned in this Prospectus. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of shares) or other disruptions.

### ***Custody risk***

The Company's assets are held in custody by the Depositary Bank, which exposes the Company to custody risk. This means that the Company is exposed to the risk of loss of assets placed in custody as a result of insolvency, negligence or fraudulent trading by the Depositary Bank.

### ***Liquidity risk***

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

### ***Counterparty risk***

The sub-fund may enter into transactions in OTC markets, which will expose the sub-funds to the credit risk of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the relevant agreements are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. However this risk is limited in view of the Investment Restrictions laid down in the Section III.2. of the General Section.

Certain markets in which the sub-funds may effect their transactions are over-the-counter or interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. To the extent a sub-fund invests in over-the-counter transactions, on these markets, such sub-fund may take credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections. This exposes the sub-fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the sub-fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Company has concentrated its transactions with a single or small group of counterparties. In addition, in the case of a default, the respective sub-fund could become subject to adverse market movements while replacement transactions are executed. The sub-fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the sub-fund has no internal credit function which evaluates the creditworthiness of their counterparties.

## **C. Lending and borrowing of securities**

The Company may undertake transactions to lend and borrow securities provided it complies with the following rules:

- (1) The Company may only lend or borrow securities within a standardised system organised by a recognised securities clearing institution, through a lending program organized by a financial institution or by a first-class financial institution specialised in this type of transaction subject to prudential supervision rules which are considered by the CSSF as equivalent to those provided by EU law.
- (2) The approval and selection process for counterparties to securities lending transactions is a dynamic assessment based on various criteria which may include credit strength and regulatory risk profile; ability to provide liquidity and execution of specialized trades; accessibility, speed and responsiveness; willingness to compromise, and to resolve escalated issues; quality and value of research or information on financial markets, markets covered; efficiency of trade settlement operations; system capabilities. The legal status, country of origin and minimum credit rating of the counterparty will also be taken into account in the selection process.
- (3) The Company must receive, at the same time or prior to the transfer of securities lent, collateral which meets the requirements for collateral set out below under "E. Collateral Management".
- (4) The Company will ensure that it will be able at any time to recall any security that has been lent out or terminate the securities lending agreement.
- (5) The Company shall ensure, at all times, that the level of securities lending transactions entered into at any one time permits the Company to meet its redemption obligations.
- (6) The net exposures (i.e. the exposures of the Company less the collateral received by the Company) to a counterparty arising from securities lending transactions shall be taken into account in the 20% limit provided for in Article 43(2) of the Law.
- (7) The Company may not dispose of securities borrowed for the duration of the securities lending transactions, unless it has a hedge using financial instruments that allows the Company to return the borrowed securities on closure of the transaction.
- (8) The Company may only undertake securities borrowing transactions in the following exceptional circumstances: (i) when the Company has sold securities in its portfolio at a time when these securities are in the process of registration with a government authority and are consequently not available; (ii) when securities that have been lent have not been returned by the agreed time; and (iii) in order to avoid the situation whereby

securities cannot be delivered as promised because the Depositary has not fulfilled its obligation to deliver the securities concerned.

- (9) In compliance with the relevant provisions of CSSF Circular 08/356 only equity may be subject to securities lending transactions.

#### **D. Repurchase ("*répéré*") agreements**

The Company may, on an ancillary or principal basis, as specified for each sub-fund in the description of its investment policy disclosed in its schedule, and in order to boost the portfolio, make repurchase agreements that consist of the buying and selling of securities with a clause reserving to the seller the right to buy back the securities from the buyer at a price and on terms fixed at the time of concluding the contract.

The Company may make use of repurchase agreements either as buyer or seller. Use of these transactions is, however, subject to the following rules:

- (1) The Company can only partake in repurchase agreements if the counterparty to these transactions is a first-class financial institution specialised in this type of transaction subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law.
- (2) The Company is able at any time to recall the full amount of cash or to terminate a reverse repurchase agreement on either an accrued basis or a mark-to-market basis.
- (3) For the term of a repurchase agreement, the Company may not sell the securities concerned by the contract before the counterparty has exercised its right to repurchase the securities or the repurchase period has expired except to the extent the Company has other means of coverage.
- (4) When the Company is accepting redemptions, it must ensure that the extent of its repurchase agreements remains at a level such that it is able to meet its redemption commitments at all times.
- (5) The net exposures (*i.e.* the exposures of the Company less the collateral received by the Company) to a counterparty arising from repurchase agreement transactions shall be taken into account in the 20% limit provided for in Article 43(2) of the Law.

#### **E. Collateral management**

Assets received from counterparties to securities lending transactions, reverse repurchase transactions, and OTC derivative transactions ("**EPM transactions**") other than currency forwards constitute collateral.

In the course of its securities lending operations, the Company shall receive appropriate collateral to reduce risk exposure, the value of which must be, for the whole duration of the transaction, equal at any time to at least 90% of the total value of the securities lent.

Collateral shall comply with applicable regulatory standards, in particular CSSF circular 14/592 regarding the ESMA guidelines on ETFs and other UCITS issues.

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

- (a) any collateral received other than cash should be of high quality, highly liquid and traded in a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) it should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (c) it should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) it should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the sub-fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Sub-Fund may be fully collateralised in transferable securities and money market instruments issued by an EU Member State, one or more of its local authorities, OECD countries or a public international body to which one or more EU Member States belong. In that case the Sub-fund shall receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the net asset value of the Sub-fund.

It should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

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

- (a) cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) bonds issued or guaranteed by an OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
- (c) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

- (d) shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;
- (e) bonds issued or guaranteed by first class issuers offering adequate liquidity;
- (f) shares admitted to or dealt in on a Regulated Market of an EU Member State or on a stock exchange of an OECD Member State, on the condition that these shares are included in a main index.

The risk related to collateral management such as operational, liquidity counterparty, custody and legal risks are described under "3.B Risks-Disclaimers" above.

The collateral will be marked to market daily and may be subject to daily variation margin requirements.

Collateral may be offset against gross counterparty exposure provided it meets applicable regulatory standards, including those for liquidity, valuation, issuer credit quality, correlation and diversification. In offsetting collateral, its value is reduced by a percentage (a "haircut") which provides, inter alia, for short term fluctuations in the value of the exposure and of the collateral.

The level of haircut may fluctuate depending on various factors, such as, but not limited to, the type of collateral received (equities or bonds), the type of issuers (governments or companies) as well as on the correlation between the transactions and the collateral received in respect thereof and short term fluctuation in the value of the exposure and of the collateral. Collateral levels should be maintained so as to ensure that the net counterparty exposure remains within the limits provided above under section "C. (a) Rules governing diversification of risk" of part "2. Special Rules And Restrictions Concerning Investments".

The following haircuts for collateral are applied by the Investment Manager (the Management Company reserves the right to vary this policy at any time):

<b>Eligible Collateral</b>	<b>Haircut</b>
<b>Cash (cash in a currency other than the Company's reference currency)</b>	0% (2%)
<b>Investment grade Sovereign Debt</b>	at least 2%
<b>Other</b>	at least 2%

Collateral received in form of cash will be denominated in the same currency as the currency of the derivatives or securities lent that they cover.

Non cash collateral received by the Company in respect of any EPM transactions may not be sold, reinvested or pledged.

As the case may be, cash collateral received by the Company in relation to EPM transactions may be reinvested in a manner consistent with the investment objectives of the Company:

- (a) on deposit with credit institutions having its registered office in a Member State or with a credit institution situated in a non-Member State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (b) in high-quality government bonds;
- (c) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on an accrued basis;
- (d) in short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

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

#### **4. RISK MANAGEMENT PROCESS**

In accordance with the Law and other applicable regulations, in particular CSSF Circular 11/512 dated 30 May 2011, as amended by CSSF Circular 18/698, the Management Company, on behalf of the Company, shall employ a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each sub-fund. The Management Company or the Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Unless otherwise provided in the relevant sub-fund's schedule to the Prospectus, the Management Company will employ the commitment approach to calculate the global exposure of the sub-fund.

In relation to financial derivative instruments which may be held by the Company, the Management Company employs a process for accurate and independent assessment of the value of OTC derivatives and the Management Company ensures for each sub-fund of the Company that the sub-fund's global exposure relating to financial derivative instruments does not exceed the total net value of its portfolio.

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

Each sub-fund may invest, according to its investment policy and within the limits laid down in Section 2 above in financial derivative instruments provided that the

global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Section 2 above.

When a sub-fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section 2 above.

When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of this Section.

Upon request of an investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each sub-fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

## **5. CONFLICTS OF INTEREST**

The Management Company, the Investment Manager, the distributors, the Administrative Agent, the Registrar and Transfer Agent and the Depositary Bank may from time to time act as management company, investment manager or adviser, distributors, administrative agent, registrar and transfer agent or depositary bank in relation to, or be otherwise involved in, other investment funds which have similar investment objectives to those of the Company or any sub-fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Company or any sub-fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any sub-fund. In particular, but without limitation to its obligations to act in the best interests of the shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

There is no prohibition on the Company entering into any transactions with the Management Company, the distributors, the Administrative Agent, the Registrar and Transfer Agent or the Depositary Bank or with any of their affiliates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length.

## IV. THE COMPANY'S SHARES

### 1. THE SHARES

The Company's capital is represented by the assets of the Company's sub-funds. Subscriptions are invested in the assets of the sub-fund in question.

The Board of Directors may decide to issue, within a sub-fund, categories and/or classes of shares with specific characteristics, distinguished among other things by their distribution policy, their cost structure, or by the fact of being denominated in a currency other than the reference currency of the sub-fund to which they belong.

In so far as such categories and/or classes of shares have been issued, the pertinent information shall be provided in the respective sub-fund schedule.

If the Board of Directors decides to create within a sub-fund one or more categories of shares denominated in a currency other than the reference currency of the sub-fund in question ("the alternative currency category"), the Board of Directors may place forward currency contracts for the alternative currency category in order to minimise the effect on the net asset value of each share of this category of fluctuations between the currency in which this category is denominated and the reference currency of the sub-fund in question. The costs and other implications resulting from these forward currency contracts shall be borne by the alternative currency category. The calculation method for the net asset value per share of the alternative currency categories is set out below in the chapter "Net Asset Value".

Where offered in a currency other than the reference currency of the sub-fund, the class of shares' currency may be hedged to the reference currency of the sub-fund. The class of shares will be designated as such by the abbreviation H in the relevant class of shares name.

These classes of shares will apply hedging techniques aimed to mitigate foreign exchange risk between the reference currency of the sub-fund and the currency of the class of shares, while taking into account practical considerations including transaction costs. All expenses arising from hedging transactions are borne separately by the Shareholders of the relevant hedged class of shares.

Whilst holding shares of hedged classes of shares may substantially protect the investor against losses due to unfavourable movements in the exchange rates of the reference currency of the sub-fund against the class currency of the hedged classes of shares, holding such shares may also substantially limit the benefits of the investor in case of favourable movements. Investors should note that it will not be possible to always fully hedge the total net asset value of the hedged classes of shares against currency fluctuations of the reference currency of the sub-fund. The aim will be to hedge between 98% and 102% of the proportion of the net asset value attributable to a hedged class of shares. Changes in the value of the portfolio or the volume of subscriptions and redemptions may however lead to the level of currency hedging temporarily surpassing the limits set out

above. In such cases, the currency hedge will be adjusted without undue delay. The net asset value per shares of the hedged classes of shares does therefore not necessarily develop in the same way as that of the classes of shares in the reference currency of the sub-fund. It is not the intention of the Board of Directors to use the hedging arrangements to generate a further profit for the hedged class of shares.

Investors should also note that there is no legal segregation of liabilities between the individual classes of shares within the sub-fund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a hedged class of shares could result in liabilities affecting the net asset value of the other classes of shares of the sub-fund. In such case, assets of other classes of shares of the sub-fund may be used to cover the liabilities incurred by the hedged class of shares. An up-to-date list of the classes of shares with a contagion risk will be available upon request at the registered office of the Company.

Consequently the shares of this category have a different net asset value from the shares denominated in the reference currency of the sub-fund.

The Board of Directors may moreover issue, for each sub-fund and/or category, distribution shares ("class D" shares or "D" shares) or capitalisation shares ("class C" shares or "C" shares) at the subscription price calculated at each valuation of the net asset value.

These shares are differentiated by their distribution policy; one pays a dividend, the other reinvests its income. Whenever a dividend is distributed to the "D" shares, the assets attributable to shares of class "D" are reduced by the total of the dividend (resulting in a decrease in the proportion of total net assets attributable to this class of shares, "D") whereas the net assets attributable to shares of class "C" remain unchanged (resulting in an increase in the proportion of the total net assets attributable to this class of shares).

Any payment of a dividend will therefore result in an increase in the ratio of the value of "C" shares to "D" shares of the sub-fund and/or category in question. This ratio is referred to as "parity" in this Prospectus.

All shareholders may at any time exchange, within a sub-fund and/or category, their "C" shares for "D" shares and vice-versa. Any such exchange is effected on the basis of the parity at the time.

All shareholders may request the conversion of their shares into shares of one or more other sub-funds, categories and/or classes (see point 4 of this chapter).

Any private individual or legal entity may purchase shares representing the Company's net assets in exchange for payment of the subscription price as set out in point 2 of this chapter.

The shares have no face value and grant no preferential subscription rights when new shares are issued. All shares grant a voting right at shareholders' General Meetings, irrespective of the net asset value.

All the Company's shares must be fully paid-up.

Shares shall, as defined by the Board of Directors (see the sub-fund schedule), be registered shares.

Fractions of shares up to three decimal points may, at the discretion of the Board of Directors, be used for registered certificates. These fractions of shares shall not carry voting rights, but shall be entitled to the proceeds of liquidation as well as the dividend from the share represented by these fractions. Where applicable this decision shall be mentioned in each sub-fund schedule.

Share transfer forms for the sale of registered shares are available from the Company's registered office and from the Depositary Bank.

## **2. SHARE ISSUES AND SUBSCRIPTION PRICE**

Subscription applications may be made during each business day to the Administrative Agent or any distributors or nominee distributors or at the counters of other institutions or representatives appointed by the Management Company for this purpose.

The subscription lists are closed at the date and time specified in the sub-fund schedule. Any subscription application received after the set time shall automatically be treated as if it had been received on the following bank business day.

The subscription price is equal to the net asset value determined in compliance with chapter V "Net Asset Value", plus any subscription fees in accordance with the rates specified in the sub-fund schedule. Any change to the fees set out in the sub-fund schedule must be authorised by the Board of Directors. This change shall be noted in the annual report and the sub-fund schedule shall be updated.

Unless otherwise stated in the sub-fund schedule, payment for shares subscribed is made in the reference currency of the sub-fund, the category and/or the class of shares in which the investor wishes to invest, within five bank business days following calculation of the subscription price.

At the discretion of the Board of Directors, shares may be subscribed in consideration of a contribution in kind of securities on the basis of the investment policy of the relevant sub-fund and will be valued in an auditor's report as required by Luxembourg law. The costs of a contribution in kind of securities will be borne by the relevant shareholder.

Any taxes and brokerage fees payable in connection with the subscription shall be for the account of the subscriber. In no event may these charges exceed the maximum authorised by the laws, regulations and banking practices of the countries where the shares are purchased.

The Board of Directors may at any time suspend or interrupt the issue of shares of a sub-fund, category and/or class of the Company's shares. It may also, at its own discretion and without providing justification for its decision:

- refuse any share subscription;

- cancel at any time shares in the Company that are unlawfully held or subscribed.

If the Board of Directors decides to resume the issue of shares of one or more sub-funds, categories and/or classes of shares after having suspended issues for any period of time, all outstanding subscriptions shall be executed on the basis of the same net value calculated subsequent to the resumption of calculations.

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the amended Law of 12 November 2004 on the fight against money laundering and the financing of terrorism, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556, 15/609 and 17/650 concerning the fight against money laundering and terrorist financing, and any respective amendments), imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from acts/occurrences of money laundering and financing of terrorism. As a result of such provisions, the register and transfer agent of a Luxembourg UCI must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The register and transfer agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the register and transfer agent, as delegate of the Company, may request any other information that the Company may require in order to comply with its legal and regulatory obligations, including, but not limited to the above mentioned laws and regulations, the CRS Law and the FATCA Law.

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in the event of redemption, payment of redemption proceeds delayed. Neither the undertaking for collective investment nor the register and transfer agent will be held responsible for said delay or for failure to process deals resulting from not providing documentation or providing incomplete documentation.

From time to time, shareholders may be asked to supply additional or updated identification documents in accordance with clients' ongoing due diligence obligations according to the relevant laws and regulations.

### **3. REDEMPTION OF SHARES**

All shareholders may at any time redeem part or all of their shareholdings for cash. Redemption requests, which are irrevocable, should be sent either to the Administrative Agent, any distributors, to the counters of other institutions or representatives appointed by the Management Company for this purpose, or to the Company's registered office. Each request must provide the following information: identity and exact address of the person requesting the redemption, stating the number of shares to be redeemed, the sub-fund, the category and/or class of shares represented by these shares and the name of the person appointed to receive the payment.

The redemption lists are closed at the date and time specified in each sub-fund schedule. Redemption applications received after the set time shall automatically be treated as if they had been received on the following bank working day.

The redemption price of the shares shall be paid in the currency in which the sub-fund, the category and/or class of shares concerned is denominated.

For each share tendered, the amount payable to the shareholder is equal to the net asset value of the sub-fund, the category and/or class of shares concerned, determined on the first date of calculation of the NAV following receipt of the redemption request, less any fees as specified in the sub-fund schedule.

The redemption value may be higher than, lower than or equal to the purchase value. Unless otherwise stated in the sub-fund schedule, the proceeds of the redemption shall be paid within five bank business days following calculation of the redemption value.

If in exceptional circumstances the liquidity of a given sub-fund is not sufficient to enable a redemption payment to be made within such a period, such payment shall be made as soon as reasonably practicable thereafter but without interest.

Payment of redemption proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Company's control which make it impossible to transfer the redemption proceeds to the country where the redemption was requested.

The Board of Directors or any duly appointed agent may decide to compulsorily redeem shares if the subscription has not been made in accordance with the Prospectus, if the shares have not been paid for or if the wired subscription amount is insufficient to cover the relevant subscription price (including, for the avoidance of doubt, any applicable subscription charge) whilst retaining the right to claim fees and commissions due. Such compulsory redemption will be carried out under the most favourable conditions for the Company, including among other the possibility for the Company to keep the difference between the redemption price and the subscription price when the latter is lower than the former or to request the difference from the relevant investor when the latter is higher than the former.

With the consent of or upon request of the shareholder(s) concerned, the Board of Directors may satisfy redemption requests in whole or in part in kind by allocating to the redeeming shareholder(s) investments from the portfolio in value equal to the net asset value attributable to the shares to be redeemed. Such redemption will be subject to a special audit report by the approved statutory auditor of the Company (if legally required or requested by the Company's supervisory authority) confirming the number, the denomination and the value of the assets which the Board of Directors will have determined to be contributed in consideration for the redeemed shares. The costs for such redemptions in kind, in particular the costs of the special audit report, will be borne by the shareholder requesting the redemption in kind or by a third party, but will not be borne by the Company unless the Board of Directors considers that the redemption in kind is in the interests of the Company or made to protect

the interests of the Company, in which case such costs may be borne in whole or in part by the Company. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of shares in the relevant sub-fund.

Suspension of calculation of the Company's net asset value shall result in the suspension of issues, redemptions and conversions of shares. Any suspension of redemptions is notified through all the appropriate channels to shareholders who have sent in applications that have thus been deferred or suspended.

Notice of any suspension of redemptions is, moreover, published as soon as possible, as indicated in chapter V point B of this Prospectus.

Neither the Board of Directors nor the Depositary Bank may be held responsible for a payment default of any kind that has resulted from the application of any exchange controls or other circumstances beyond their control, that might restrict or prevent the transfer overseas of the proceeds of a redemption of shares.

#### **4. CONVERSION OF SHARES**

All shareholders may request conversion, within a sub-fund or between sub-funds, of part or all of their shares of a given category and/or class of shares into shares of another or the same category and/or class, by making their request in writing, by telex or by fax to the Administrative Agent, any distributors or the other institutions or representatives appointed by the Management Company for this purpose, indicating whether the shares to be converted and the shares of the new sub-fund to be issued are of class "D" or class "C", and if necessary the category to which the shares correspond. Unless specified to the contrary, shares shall be converted into shares of the same category and class.

Conversion lists are closed at the same time as subscription and redemption lists.

Subject to a suspension of calculation of the net asset value, shares may be converted on each Valuation Day following receipt of the conversion request, based on the net asset value of the shares of the relevant sub-funds, categories and/or classes of shares calculated on said Valuation Day.

The rate at which some or all of the shares of a given sub-fund, category and/or class of shares ("the sub-fund, category and/or class of origin") is converted into shares of another sub-fund, category and/or class of shares ("the new sub-fund, category and/or class of shares") is calculated in accordance with and as closely as possible to the following formula:

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

Where

- A:** is the number of shares of the new sub-fund, new category and/or class of shares to be attributed;
- B:** is the number of shares of the originating sub-fund, category and/or class of shares to be converted;
- C:** is the net asset value per share of the originating sub-fund, category and/or class of shares effective on the day in question;
- D:** is the net asset value per share of the new sub-fund, new category and/or class of shares effective on the day in question;
- E:** is the exchange rate applicable at the time of the transaction between the currency of the sub-fund, category and/or class of shares to be converted and the currency of the sub-fund, category and/or class of shares to be attributed.

After conversion, the shareholders shall be advised by the Administrative Agent of the number of shares of the new sub-fund, new category and/or class of shares that they have received as a result of the conversion, and their price.

**In converting shares of one sub-fund, category and/or class of shares into another sub-fund, another category and/or class of shares, fractions of shares may be attributed. In this event, any fraction of shares arising from the conversion of shares shall be refunded to the shareholder who shall be deemed to have requested their redemption; the shareholder shall be refunded the difference between the net asset values of the shares exchanged, unless this difference is less than EUR 10.-, or the equivalent value as the case may be. Undistributed fractions shall be pooled and allocated to the sub-fund, category and/or class of shares to which the shareholder subscribes.**

## **5. PROTECTION OF INVESTORS AGAINST LATE TRADING AND MARKET TIMING PRACTICES**

The Board of Directors shall never knowingly authorise any practices associated with market timing or late trading and reserves the right to refuse any orders for share subscriptions or conversions from investors that the Board of Directors suspects of engaging in these or other similar practices and to take, where necessary, appropriate measures to protect the Company's other investors.

Market timing refers to the arbitrage technique by which an investor systematically subscribes and then redeems or converts the Company's shares over a short timescale by exploiting time differences and/or imperfections or shortcomings in the system for calculating the net asset value of the Company's shares.

Late trading refers to the acceptance of a share subscription, conversion or redemption application received after the cut-off time for accepting orders on the day of valuation, and its execution at the price based on the net asset value applicable on the day of valuation of the shares.

## 6. DATA PROTECTION

Any information concerning Shareholders who are natural persons and other related natural persons (together the "Data Subjects") which allows the Data Subjects to be directly or indirectly identified (the "Data"), which is provided to, or collected by or on behalf of, the Company and the Management Company (directly from Data Subjects or from publicly available sources) will be processed by the Company and the Management Company as joint data controllers (the "Controllers" – contact details available at [www.edgewoodselectfund.com](http://www.edgewoodselectfund.com) or in section "Company Organisation" of the prospectus) in compliance with applicable data protection laws, in particular Regulation (EU) 2016/679 of 27 April 2016.

Failure to provide certain Data may result in the investor not being able to invest or maintain an investment in the Company.

Data will be processed by the Controllers and disclosed to, and processed by, service providers of the Controllers such as the Depositary Bank and the Administrative Agent, Registrar and Transfer Agent, the Investment Manager, the approved statutory auditor, the legal adviser, any of the Company's distributors and sub-distributors, financial advisers and other potential service providers of the Company and the Management Company (including their respective information technology providers, cloud service providers and external processing centres), any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns (the "Processors") for the purposes of (i) offering, managing investments and performing the related services, (ii) developing and processing the business relationship with the Processors, (iii) complying with legal, regulatory and/or tax (including FATCA/CRS) obligations and (iv) other related services rendered by any service provider of the Controllers and Processors in connection with the holding of shares of the Company (the "Purposes").

The Processors shall act as processors on behalf of the Controllers and may also process Data as controllers for their own purposes.

Any communication (including telephone conversations) (i) may be recorded by the Controllers and the Processors in compliance with all applicable legal or regulatory obligations and (ii) will be retained for a period of 10 years from the date of the recording.

Data may be transferred outside of the European Union, to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data, including but not limited to the United States of America.

Shareholders providing the Data of third-party data subjects to the Controllers need to ensure that they have obtained the authority to provide that Data and are therefore required to inform the relevant third-party data subjects of the processing of the Data and their related rights. If necessary, Shareholders are required to obtain the explicit consent of the relevant third-party data subject for such processing.

Data of Data Subjects will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods.

The Shareholders have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

Detailed information about how Data is processed is contained in the application form and in the Company's privacy notice available upon request from [EdgewoodLSelect@edgewood.com](mailto:EdgewoodLSelect@edgewood.com) and/or the Management Company. The privacy notice notably sets out in more detail the data subjects' rights described above, the nature of the Data processed, the legal bases for processing, the recipients of the Data and the safeguards applicable for transfers of Data outside of the European Union.

The Shareholders' attention is drawn to the fact that the data protection information is subject to change at the sole discretion of the Controllers, and that they will be duly informed prior to the implementation of any change.

## **7. STOCK MARKET LISTING**

The shares of each of the Company's sub-funds, categories and/or classes of shares may, at the discretion of the Board of Directors, be admitted for official listing on the *Bourse de Luxembourg* (Luxembourg Stock Exchange), as specified in the relevant sub-fund(s)' schedule.

## V. NET ASSET VALUE

### 1. GENERAL INFORMATION

#### A. Calculation of net asset value

The net asset value per share of each sub-fund, category and/or class of shares is calculated in Luxembourg by the Administrative Agent under the ultimate responsibility of the Board of Directors, on each Valuation Day, as indicated in each sub-fund schedule and at least twice per month. If this day is a public holiday in Luxembourg, the net asset values of the sub-funds, categories and/or classes of shares shall be calculated on the next bank business day.

Net asset values are expressed in the reference currency of the sub-fund in question. For an alternative currency category the net asset value is expressed in the alternative currency as defined in the respective sub-fund schedule for this alternative currency category.

The net asset value of this kind of alternative currency category is calculated in the reference currency of the sub-fund concerned. However, the net asset value per share of the alternative currency category in question is expressed in the currency in which this alternative currency category is denominated.

To calculate the net asset value in the currency in which an alternative currency category is denominated, the net asset value of the category concerned shall be converted from the reference currency of the sub-fund into the currency in which this alternative currency category is denominated, at the average market exchange rate between the reference currency of the sub-fund and the currency in which the alternative currency category is denominated.

The value of the shares of each sub-fund is obtained by dividing the net asset value of the sub-fund in question by the number of shares of this sub-fund in circulation.

If the sub-fund in question comprises more than one category and/or class of shares, the fraction of the net asset value corresponding to each category and/or class shall be divided by the number of shares issued in each of these categories or classes.

For the shares of a given sub-fund, category and/or class of shares of the Company, the value of each "D" share is obtained by dividing the net asset value of the sub-fund, category and/or class of shares in question by the number of "D" shares in circulation, plus the number of "C" shares in circulation multiplied by the parity at the time. The value of the "C" share corresponds to the value of the "D" share multiplied by the parity.

$$\begin{array}{l} NAV \\ \text{value of D share} = \frac{nD + [(nC) \times P]}{\dots} \end{array}$$

D = ONE distribution share

C = ONE capitalisation share =>  $C = D \times P$

n = number of class D or C shares

P = Parity (see article V.1 above)

## B. Definition of portfolio of assets

For each sub-fund the Board of Directors shall define a distinct portfolio of net assets. In dealings between shareholders and with third parties, this portfolio shall be allocated only to shares issued for the sub-fund in question, if necessary allowing for the breakdown of this portfolio between the various categories and/or classes of shares of this sub-fund in compliance with the aforementioned provisions. With regard to third parties, and by way of a departure from article 2093 of the Civil Code, the assets of a specific sub-fund correspond only to the debts, liabilities and obligations of the sub-fund in question.

For the purpose of defining distinct portfolios of assets corresponding to sub-fund or to two or more categories and/or classes of shares of a given sub-fund, the following rules shall apply:

1. if two or more categories and/or classes of shares relate to a specific sub-fund, the assets allocated to these categories and/or classes shall be invested together, according to the specific investment policy of the sub-fund in question;
2. the proceeds arising from the issue of shares of one category and/or class of shares shall be allocated in the Company's books to the sub-fund that offers this category and/or class of shares, on the understanding that if several categories and/or classes of shares are issued by this sub-fund, the corresponding amount shall increase the proportion of net assets of this sub-fund attributable to the category and/or class of shares to be issued. The assets, liabilities, income and charges related to a sub-fund shall be allocated to the category (or categories) and or class(es) of shares corresponding to this sub-fund;
3. the assets, liabilities, income and charges related to currency transactions or the use of financial instruments or techniques relating to a given sub-fund, category and/or class of shares shall be allocated to the sub-fund, category and/or class of shares in question. In particular, the costs and charges associated with the conversion of sums related to the purchase, cancellation and exchange of shares of one alternative currency category, and the hedging of currency risk for this alternative currency category, shall be factored into the net asset value of this category;
4. whenever an asset ensues from another asset, this asset shall be allocated in the Company's books to the same sub-fund as the asset from which it

resulted, and on each revaluation of an asset, the increase or decrease in its value shall be allocated to the sub-fund to which this asset belongs;

5. whenever the Company bears a liability related to an asset of a specific sub-fund or to a transaction carried out in relation to an asset of a specific sub-fund, this liability shall be allocated to this sub-fund;
6. in the event that an asset or liability of the Company cannot be allocated to a specific sub-fund, this asset or liability shall be allocated proportionally to all the sub-funds according to the net asset value of the categories and/or classes of shares concerned, or in a manner to be determined in good faith by the Board of Directors;
7. subsequent to the payment of dividends to holders of distribution shares, the net asset value of this sub-fund, category and/or class of shares shall be reduced by the amount of these dividends.

### **C. Valuation of assets**

Valuation of the assets and liabilities of each of the Company's sub-funds shall be effected according to the following principles:

1. The value of cash in hand or on deposit, sight drafts and bills and receivables, prepaid expenses, and dividends and interest payable shall consist of the nominal value of these assets, except where it appears unlikely that this value will be received. In the latter case the value shall be determined by writing off an appropriate sum in order to reflect the real value of these assets.
2. The valuation of securities officially listed on a stock market or traded on a regulated, recognised market that is functioning normally and open to the public, is based on the last known closing price, and if this security is traded on several markets, it is based on the last known closing price of this security's principal market. If the last known price is unrepresentative, the valuation shall be based on the probable market value, estimated conservatively and in good faith.
3. Unlisted securities and securities not traded on a stock market or on a regulated, recognised market that is functioning normally and open to the public, shall be valued on the basis of their probable market value, estimated conservatively and in good faith.
4. Securities quoted in a currency other than the currency of quotation for the sub-fund concerned are converted at the last known price.
5. The liquidation value of forward contracts and options contracts not traded on regulated markets shall be the equivalent of their net liquidation value determined according to the policies adopted by the Board of Directors, on a basis applied consistently to each type of contract. The liquidation value of forward contracts or options contracts traded on regulated markets shall be based on the last available settlement price of these contracts on the

regulated markets on which the Company has placed these forward contracts or options contracts; in the event that a forward contract or an options contract cannot be liquidated on the day on which the net assets are valued, the Board of Directors shall determine the basis for calculating the liquidation value of the contract in a just and equitable manner.

6. If accepted practice allows, liquid assets, money market instruments and any other instruments may be valued at the last known closing prices or using the straight line depreciation method. In the case of straight line depreciation the portfolio's positions are reviewed regularly by the Board of Directors in order to determine whether there is a divergence between valuations using the last known closing prices and valuations using straight line depreciation. If there is a divergence likely to result in a dilution, or to be detrimental to shareholders, the appropriate corrective measures may be taken, including if necessary, calculation of the net asset value using the last known closing prices.
7. Units of UCITS and/or other UCIs shall be valued at their last known net asset value per share.
8. Interest rate swaps shall be valued at their market value determined by reference to the applicable rate curves. Index swaps or swaps on financial instruments shall be valued at their market value determined by reference to the index or financial instrument in question. Swaps contracts related to these indices or financial instruments shall be valued according to the market value of these swap transactions according to the procedures defined by the Board of Directors.
9. Any other securities and assets shall be valued at their market value determined in good faith and in compliance with the procedures determined by the Board of Directors.
10. Any other assets are valued at their probable realisable value, which must be estimated conservatively and in good faith.

Appropriate deductions shall be made for expenses to be borne by the Company and the Company's liabilities shall be taken into account according to equitable and prudent criteria. The Company shall be responsible for all of its operating costs. The Company shall be responsible for payment of fees to the Management Company, the investment advisers and managers, the depositary bank and, if applicable, the correspondents' fees, the financial and administrative agent's fees, the registrar's and paying agent's fees, the domiciliation agent's charges, the approved statutory auditor's charges and fees, shareholders' information and publication costs, especially for printing and distribution of interim reports and prospectuses, set-up costs, especially the costs of having certificates printed and procedures requisite for incorporation of the Company, its stock market flotation and its approval by the competent authorities, brokerage fees and fees generated by transactions involving securities in the portfolio, any taxes and duties payable on its income, the registration tax together with any fees due to supervisory authorities, costs related to the distribution of dividends, advisors' charges (such as legal advisor's fees) and the costs of other exceptional items, especially those

incurred for expert opinions or court proceedings necessary to protect shareholders' interests, and annual stock market listing fees.

Furthermore, any reasonable expenses and costs advanced, including, but not limited to, telephone, telex, telegram, and carriage costs incurred by the depositary bank in the course of purchases and sales of securities for the Company's portfolio, shall be borne by the Company.

## **2. SUSPENSION OF CALCULATION OF NET ASSET VALUE; SHARE ISSUES, CONVERSIONS AND REDEMPTIONS**

1. The Board of Directors may suspend the determination of the net asset value of shares of one or more sub-funds, categories and/or classes of the Company's shares and of the value per share of the sub-fund(s), category or categories, and/or classes of share(s) concerned, as well as issues, redemptions of shares and conversion of shares of any category and/or class of shares:
  - A) during any period when any of the principal stock exchanges or markets on which any substantial portion of the investments of the Company attributable to such sub-fund from time to time are quoted is closed or during which dealings therein are restricted or suspended;
  - B) during any period when the determination of the net asset value per share of the underlying funds or the dealing of their shares/units in which a sub-fund is a materially invested is suspended or restricted;
  - C) during any period when the publication of an index, underlying of a financial derivative instrument representing a material part of the assets of the relevant sub-fund is suspended;
  - D) during any breakdown in the means of communication normally employed in determining the price or value of any of the relevant Sub-Fund's and/or class of shares' investments or the current prices or values on any market or stock exchange in respect of the assets attributable to such sub-fund, category and/or class of shares;
  - E) during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant sub-fund's investments is not possible or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of shares cannot in the opinion of the Directors be effected at normal rates of exchange;
  - F) during the existence of any state of affairs which constitutes an emergency as a result of which disposals or valuation of investments of the relevant sub-fund by the Company would be impracticable;
  - G) during any period when in the opinion of the Directors there exist circumstances outside the control of the Company where it would be

impracticable or unfair towards the shareholders to continue dealing in shares of any sub-fund of the Company;

- H) from the date on which the Board of Directors decides to liquidate or merge one or more sub-fund(s), categories and/or class(es) of shares or in the event of the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up or merge the Company or one or more sub-fund(s), categories and/or class(es) of shares is to be proposed.

Such suspension shall be notified, using all appropriate means, to all persons concerned and to shareholders applying for redemption of shares.

In the absence of misconduct, gross negligence or obvious error, all decisions taken by the Board of Directors or by its representative concerning the calculation of the net asset value will have definite and compulsory effect on the Company and its shareholders.

## **VI. DIVIDENDS**

### **1. DIVIDEND DISTRIBUTION POLICY**

The shareholders' annual general meeting (the "AGM") votes, on a proposal by the Board of Directors, on the allocation of net profits for the year based on the accounts for the period ending on the 31 December of each year.

It may decide to distribute to class "D" shares their share of net income from investments together with realised or unrealised capital gains, less any realised or unrealised capital losses. Furthermore, income reverting to class "C" shares shall be reinvested in these same shares.

The AGM reserves the right to have the option of distributing the net assets of each of the Company's sub-funds, categories and/or classes of shares up to the legal minimum capital requirement. The type of distribution shall be specified in the Company's financial statements.

Any resolution by the AGM concerning distribution of dividends to shareholders of a sub-fund, category and/or class of shares, must be approved beforehand by the shareholders of said sub-fund, category or class of shares by a majority vote, as specified in the Company's Articles of Association.

The Board of Directors may decide to pay interim dividends to class "D" shares, and reinvest income reverting to class "C" shares.

### **2. PAYMENT**

Dividends and interim dividends allocated to Class "D" shares shall be paid on the date and in the place determined by the Board of Directors.

Dividends and interim dividends issued for payment but not claimed by the shareholder for five years from the date of payment issue may no longer be claimed, and shall revert to the sub-fund, category and/or class of shares concerned.

No interest shall be paid on dividends or interim dividends that have been announced and are held by the Company on behalf of eligible shareholders of the sub-fund, category and/or class of shares concerned, up to the aforementioned cut-off date.

Dividends shall only be due and payable if currency regulations in force in the beneficiary's country allow for payment thereof.

## **VII. COSTS AND CHARGES TO BE BORNE BY THE COMPANY**

The Company shall be responsible for the payment of:

- set-up costs, including the costs of requisite procedures for incorporation of the Company, its flotation on the Stock Market and its authorisation by the competent authorities as well as, where applicable, the cost of printing certificates;
- the approved statutory auditors' costs and fees;
- the costs of publications and information for the shareholders, and the costs of translating, printing and distributing interim reports, Prospectuses and brochures;
- brokerage fees and fees incurred by transactions in the portfolio's securities;
- any duties and taxes due on income;
- the registration tax together with fees due to the supervisory authorities and costs related to distributions of dividends;
- advisers' costs (such as legal advisor's costs) and other exceptional costs such as those incurred for expert opinions or court proceedings necessary to protect shareholders' interests;
- annual stock market listing fees, where applicable.

These costs and expenses shall be paid from the assets of the various sub-funds pro rata their net assets.

In payment for the services of depositary bank, paying agent and domiciliation agent provided to the Company, the Depositary Bank shall receive the following fees from the Company:

### For the "US SELECT GROWTH" sub-fund

The Depositary Bank shall be paid an annual fee of up to 0.15%, based on the average quarterly Net Asset Value of the sub-fund.

In payment for the services of administrative agent, transfer agent and registrar (accounting, book-keeping, calculation of net asset values, registration functions, secretarial support) provided to the Company, the Administrative Agent shall receive the following fees from the Company:

### For the "US SELECT GROWTH" sub-fund

The Administrative Agent shall be paid an annual fee of up to 0.05%, based on the average quarterly Net Asset Value of the sub-fund.

Furthermore, any reasonable expenses and costs advanced, including, but not limited to, telephone, telex, telegram, and carriage costs incurred by the Depositary Bank in the course of purchases and sales of securities for the Company's portfolio, together with correspondents' charges, shall be borne by the

relevant sub-fund of the Company. As paying agent, the Depositary Bank may deduct its usual fee.

The Management Company is entitled to an annual flat fee of EUR 185,000 and the reimbursement of its out-of-pocket expenses.

In accordance with the investment advice and/or management agreements concluded by the Management Company with the investment adviser(s) and/or investment manager(s), the Company shall pay them an investment advice and/or investment management fee in conformity with the rates indicated in the sub-fund schedules.

All of the members of the Board of Directors shall moreover be entitled, within reason, to reimbursement of any travel and hotel costs, and other expenses, incurred in the course of their attending Board meetings or General Meetings.

All recurrent general costs shall be deducted initially from current income, and if this is insufficient, from realised gains.

The costs of setting up the Company and creating new sub-funds shall be allocated between all existing, operational sub-funds pro rata their net assets. Accordingly, at the time of creating new sub-funds, the existing sub-funds must assume a proportionate share of the Company's undepreciated set-up costs.

After the Company has been established for five years, the costs incurred in the creation of any new sub-funds must be depreciated in full from the time of their occurrence and by all the existing sub-funds pro rata their net assets.

In the event of liquidation of a sub-fund, all undepreciated set-up costs shall be allocated to the other operational sub-funds.

## VIII. TAXATION – GOVERNING LAW – OFFICIAL LANGUAGE

### 1. TAXATION

#### A. Taxation of the Company

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Company.

The Company is however subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% per annum based on its net asset value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% per annum is applicable to any sub-fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax of 0.01% per annum is applicable to any sub-fund or class of shares provided that their shares are only held by one or more institutional investor(s).

A subscription tax exemption applies to:

- The portion of the sub-fund's assets (*prorata*) invested in a Luxembourg investment fund or any of its sub-funds to the extent it is subject to the subscription tax;
- Any sub-fund (i) whose securities are only held by institutional investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several classes of shares are in issue in the relevant sub-fund meeting (ii) to (iv) above, only those classes of shares meeting (i) above will benefit from this exemption;
- Any sub-fund whose main objective is the investment in microfinance institutions;
- Any sub-fund (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several classes of shares are in issue in the relevant compartment meeting (ii) above, only those classes of shares meeting (i) above will benefit from this exemption; and
- Any sub-fund only held by pension funds and assimilated vehicles.

#### *Withholding tax*

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the

countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

## **B. Taxation of the Company's Shareholders**

### **Luxembourg resident individuals**

Capital gains realised on the sale of the shares by Luxembourg resident individual investors who hold the shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the shares are sold before or within 6 months from their subscription or purchase; or
- (ii) if the shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal of more than 10% of the share capital of the Company.

Distributions received from the Company will be subject to Luxembourg personal income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*).

### **Luxembourg resident corporate entities**

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 26.01% (in 2018 for entities having their registered office in Luxembourg-City) on capital gains realised upon disposal of shares and on the distributions received from the Company.

Luxembourg resident corporate investors who benefit from a special tax regime, such as, for example, (i) an undertaking for collective investment subject to the Law, (ii) specialised investment funds subject to the law of 13 February 2007 on specialised investment funds, (iii) reserved alternative investment funds subject to the Law of 23 July 2016 on reserved alternative investment funds, or (iv) family wealth management companies subject to the law of 11 May 2007 on family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors except if the holder of the shares is (i) a UCI subject to the Law, (ii) a vehicle governed by the law of 22 March 2004 on securitization, (iii) a company governed by the law of 15 June 2004 relating to the investment company

in risk capital, (iv) a specialised investment fund subject to the law of 13 February 2007 on specialised investment funds, (v) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the law of 11 May 2007 on family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

### **Non Luxembourg residents**

Non-resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the shares nor on the distribution received from the Company and the shares will not be subject to net wealth tax.

### *Automatic Exchange of Information*

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

Accordingly, the Company may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status.

Under the CRS Law, the exchange of information will be applied by 30 September of each year for information related to the preceding calendar year. Under the Euro-CRS Directive, the AEOI will be applied by 30 September of each year to the local tax authorities of the Member States for the data relating to the preceding calendar year.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

**Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.**

## **C. UK Taxation**

The following is a brief summary of certain aspects of UK taxation law and practice relevant to the transactions contemplated in the Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.

The information given below is not exhaustive and does not constitute legal or tax advice and prospective Shareholders should consult their own professional advisers on the possible tax consequences of buying, selling, converting, holding or redeeming shares under the laws of the jurisdictions in which they may be subject to tax. Shareholders are also advised to inform themselves as to any exchange control regulations applicable in their country of residence.

### **The Sub-Funds**

The Directors intend to conduct the affairs of each sub-fund so that it should not become resident in the United Kingdom for the purposes of United Kingdom taxation.

Accordingly, and provided that each sub-fund does not carry on a trade in the United Kingdom through a permanent establishment situated therein, or that any such trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, each sub-fund should not be subject to United Kingdom corporation tax on its income and capital gains, and any United Kingdom tax liability should be limited to any withholding tax deducted from the sub-fund's United Kingdom source investment income.

The Directors and the Investment Manager each intend that the respective affairs of each sub-fund should be conducted in such a manner that these requirements are met in so far as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Dividends, interest and other income, as well as capital gains received by each sub-fund, may be subject to withholding taxes or similar taxes imposed by the country in which such dividend, interest, other income or capital gain originated.

### **Shareholders**

Under the UK Offshore Fund legislation, a Shareholder who is resident in the UK for taxation purposes and holds an interest in an "offshore fund" will be taxed on any accrued gain at the time of sale, redemption or other disposal as income ("offshore income gains") at the income tax rates, unless the relevant class is a "Reporting Fund" throughout their holding period.

Each class within a sub-fund is treated as a separate "offshore fund" for the purposes of the UK offshore funds tax regime in accordance with Part 8 of the Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010"). The regime is optional and a fund may elect into the reporting regime or not ("Non-Reporting funds").

If Reporting Fund status is obtained, UK investors shall be subject to income tax on the excess of any reportable income over actual distributions received from the Reporting Fund (as well as being taxed on the distributions themselves) on the fund distribution date - i.e. six months after the end of the reporting period.

Any gain accruing to the Shareholder upon the sale, redemption or other disposal of their interest in a reporting fund class will be subsequently taxed as a capital gain, with any undistributed income that has been subject to tax being treated as capital expenditure for the purpose of computing the amount of the chargeable gain.

The reportable income will be made available to each investor for each reporting period.

The Directors may decide in the future to apply for other sub-funds or share classes within sub-funds to join the UK Reporting Regime. Share classes for which reporting fund status has been obtained are listed on the Company's website at [www.edgewoodselectfund.com](http://www.edgewoodselectfund.com) along with any relevant investor information regarding reportable income amounts.

### **Transactions not treated as trading**

Under the reporting fund regime, a fund must calculate the excess reportable income per share and report this income to Her Majesty's Revenue and Customs ("HMRC") and relevant investors within 6 months of the fund's financial year end. The taxable income generated by a fund will often depend upon whether the transactions undertaken by the fund are treated for UK tax purposes as "investment" transactions, in which case any capital profit/loss would not be included in reportable income or, as a trading transaction where such income would be included.

Chapter 6 Part 3 of the Regulations provide that transactions undertaken by the Company which fall under the definition of "Investment transactions" within regulation 80 et seq. of the Regulations will not be treated as trading transactions for the purpose of the Regulations, provided that the Company meets the "Equivalence Condition" and the "genuine diversity of ownership condition" ("GDO Condition"). The Company should meet the Equivalence Condition as it is a UCITS fund.

The GDO Condition will also be met if the Company meets certain conditions relating to its Shareholders and how the Company is distributed. It is intended that the Company will be marketed and made available sufficiently widely to satisfy the GDO Condition.

### **Taxation of individual Shareholders**

According to their personal circumstances, individual Shareholders resident in the United Kingdom for tax purposes will, in general, be liable to income tax at the relevant dividend income rate on any distributions received from the Company (whether or not such dividends or distributions are reinvested) and any deemed

annual reportable income attributable to the Shareholder in excess of any amounts actually distributed.

Relief should be available for any accumulated or reinvested profits which have been subject to UK income tax on income. In certain circumstances, distributions are treated as interest payments – see below "Specific provisions – The "Qualifying Investments" test" for further information.

UK resident individuals will now benefit from an allowance in the form of an exemption from tax for the first £5,000 of all dividend income received in the relevant tax year. Dividends received in excess of this amount will be taxed at rates, depending on individual Shareholders' total annual income band, of 7.5%, 32.5% and 38.1%.

Under current law a disposal of shares (which includes a redemption) by an individual Shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes should be taxed at the current capital gains tax rate of 20% or 10% (depending on total taxable income in the year). The principal factors that will determine the extent to which such capital gains will be subject to capital gains tax are the level of annual allowance of tax free gains in the year in which the disposal takes place, the extent to which the Shareholder realises any other capital gains in that year and the extent to which the Shareholder has incurred capital losses in that or any earlier tax year.

Special rules and different rates apply to United Kingdom resident individual Shareholders who are not domiciled in the United Kingdom or are resident but not ordinarily resident in the United Kingdom.

Shareholders who are not resident in the United Kingdom for taxation purposes should not generally be subject to United Kingdom taxation on any gain realised on any sale, redemption or other disposal of their shares unless their holding of shares is connected with a branch or agency through which the relevant Shareholder carries on a trade, profession or vocation in the United Kingdom.

A Shareholder who is an individual who has ceased to be resident in the United Kingdom for tax purposes for a period of less than five years of assessment and who disposes of shares during that period may also be liable, on his return to the United Kingdom to taxation on offshore income gains and capital gains.

Individual Shareholders who are resident but not domiciled in the United Kingdom for tax purposes should note that, if they are applying for Shares, they may be required to make payment directly into a United Kingdom bank account. Where such an individual Shareholder intends to meet subscription proceeds from funds sources outside the United Kingdom, such a payment may give rise to a taxable remittance for the purposes of United Kingdom taxation, depending upon the particular circumstances of that individual. Accordingly, it is recommended that such individual Shareholders seek independent tax advice in this respect before making a subscription for Shares from such funds.

## *Chapter 2 Part 13 Income Tax Act 2007*

The attention of non-corporate Shareholders ordinarily resident in the United Kingdom is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of undistributed income and profits of the sub-fund on an annual basis where the income has not already been attributed to the individual under a separate provision of United Kingdom taxation.

## *Section 13 Taxation of Chargeable Gains Act 1992*

The attention of persons resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the UK for those purposes) is drawn to the provisions of section 13 Taxation of Chargeable Gains Act 1992 ("section 13") and the supplementary provision of the principal UK Reporting Regime. Section 13 could be material to any such person who has an interest in the Company as a "participator" for United Kingdom taxation purposes (which term includes, but is not limited to, a Shareholder) at a time when a chargeable gain accrues to the Company (such as on a disposal of any of its investments) if, at the same time, the Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes.

The provisions of section 13 would result in any such person who is a participator being treated for the purposes of United Kingdom taxation as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company. No liability under section 13 could be incurred by such a person, however, in respect of a chargeable gain accruing to the Company if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for United Kingdom taxation purposes does not exceed one-quarter of the gain. Section 13 was extended with effect from 6 April 2008 to individuals domiciled outside the United Kingdom, subject to the remittance basis in particular circumstances.

As disposals of non-reporting classes are subject to tax as offshore income gains, the UK Reporting Regime substitute "offshore income gains" for any reference to "chargeable gain" in section 13. There is some uncertainty as regards to whether the UK Reporting Regime actually operates in the way that was intended, since it may be interpreted as only applying to offshore income gains generated by offshore funds, as opposed to capital gains. Despite this uncertainty, it would be prudent to assume that the UK Reporting Regime apply to all capital gains realized by offshore funds in the same way as section 13, since this would appear to have been the intention of the UK tax authorities when the legislation was drafted.

## **Taxation of corporate Shareholders**

Shareholders who are subject to United Kingdom corporation tax should generally expect to be exempt from United Kingdom taxation in respect of dividends from each sub-fund assuming the dividend income is within one of the categories of exempt dividend under Part 9A of the Corporation Tax Act 2009, subject to the "Qualifying Investments" test outlined below and provided that the dividend income will not be treated as trading income.

Holders of Classes of Shares who are bodies corporate resident in the United Kingdom for taxation purposes will be taxed on any gains on disposal at the applicable corporation tax rate (currently 19% for the tax year 2017/18 (and 18% from 1 April 2020 and periods thereafter), but may benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail prices index.

Excess reportable income from relevant Classes of Shares will be exempt from UK corporation tax in the hands of a UK corporate investor if a distribution from the Sub-fund would be so exempt.

Special rules apply to insurance companies, investment trusts, authorized unit trusts and open-ended investment companies in the United Kingdom. Such investors should seek their own professional advice in relation to the tax consequences of an investment in a Sub-fund.

## **Controlled Foreign Companies ("CFC") rules**

UK resident corporate investors should be aware that if they invest into the Company, they could be subject to the UK Controlled Foreign Company ("CFC") provisions. From 1 January 2013, the new CFC rules use both a "pre-gateway" and "gateway" test to specifically define where profits are being artificially diverted out of the UK. Where profits of a foreign company pass both the pre-gateway and the gateway test and are not excluded by any other exemption, entry condition or safe harbour, they will be apportioned to UK companies with a relevant interest of 25 per cent or more in the Company. This CFC charge can be reduced by a credit for any foreign tax attributable to the apportioned profits and by any UK relief which could otherwise be claimed. There are specific provisions which seek to provide relief for companies which are participants in offshore funds where there is a reasonable expectation that the 25 per cent relevant interest test will not be met.

### ***Specific provisions***

#### **The "Qualifying Investments" test**

The attention of individual Shareholders subject to United Kingdom income tax is drawn to Section 378A of Income Tax (Trading and Other Income) Act 2005 which provides that certain distributions from offshore funds that are economically similar to payments of yearly interest will be chargeable to tax as if they were yearly interest. The "Qualifying Investments" test states that a fund meets the test where its holdings of Qualifying Investments do not exceed 60% of

its market value. For the purposes of the test, "Qualifying Investments" (per Part VI of the Corporation Tax Act 2009) are government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "Qualifying Investments" test. As such, where the offshore fund fails to satisfy this test at any point in the relevant period, then any distribution will be treated as interest for income tax purposes and the United Kingdom investors will be subject to income tax on such distributions at their appropriate marginal rate.

Shareholders within the charge to United Kingdom corporation tax should be aware that Part VI of the Corporation Tax Act 2009 (the "loan relationships regime") provides that, if at any time in an accounting period such a person holds a "interest" in an offshore fund, and there is a time in that period when that fund fails to satisfy the "Qualifying Investments" test, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the "Qualifying Investments" test at any time where more than 60% of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "Qualifying Investments" test. In that eventuality, the relevant interest will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on that interest in respect of such a person's accounting period (including gains, profits and losses) will be taxed or relieved as a loan relationship debit or credit on a "fair value accounting" basis.

Accordingly, such a person who acquires shares in the Company may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

### **Stamp Duty and Stamp Duty Reserve Tax (SDRT)**

The following comments are intended as a guide to the general United Kingdom stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. If a Shareholder is in any doubt as to their taxation position or if a Shareholder is subject to tax in any jurisdiction in addition to or other than the United Kingdom, they should consult an appropriate professional adviser immediately.

Transfers of shares in the Company or the sub-funds will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed (or relates to something done or to be done) within the United Kingdom when the transfer (if more than £1,000) will be liable to a technical United Kingdom ad valorem stamp duty charge at the rate of 0.5 per cent of the amount or value of the consideration provided rounded up to the nearest £5. No United Kingdom stamp duty reserve tax ("SDRT") is payable on any agreement to transfer shares in the Company or

the sub-funds, on the basis the shares are not registered in a register kept in the United Kingdom by or on behalf of the Company or a sub-fund.

If any redemption by an investor of shares in the Company or the sub-funds is satisfied by the transfer in specie to the Shareholder of any UK securities, a charge to United Kingdom stamp duty and SDRT may arise.

Transfers of UK securities to the Company or the sub-funds will generally give rise to a charge to United Kingdom ad valorem stamp duty and SDRT, both at the rate of 0.5 per cent of the amount or value of the consideration provided. Payment of the stamp duty should cancel the parallel SDRT charge.

### **Inheritance Tax**

The Shares are assets situated outside the United Kingdom for the purposes of United Kingdom inheritance tax. A liability to United Kingdom inheritance tax may arise in respect of gifts by, or on the death of, individuals domiciled, or deemed to be domiciled, in the United Kingdom.

On the basis the Company's share register is maintained outside the United Kingdom, the shares in the Company should be classified as a foreign situs asset for the purposes of inheritance tax.

However, the United Kingdom Government has announced proposals to extend the scope of United Kingdom inheritance tax, from 6 April 2017, to individuals who have a foreign domicile who hold interests in offshore companies and overseas partnerships which derive value, whether directly or indirectly, from residential property situated in the United Kingdom.

If you are a non-United Kingdom domiciled Shareholder, you should seek tax advice in respect of this.

### **OECD CRS**

The OECD's CRS came into effect on 1 January 2016 and is a framework for governments to implement automatic tax information exchanges on financial institutions' customers and investors. This information exchange is aimed as a deterrent against taxpayers' use of offshore financial accounts (held directly or indirectly) to avoid tax liabilities in the jurisdiction in which they are tax resident.

The CRS requires financial institutions to undertake due diligence on both new and existing financial accounts, and ultimately report on their customers/investors to their local tax authority. Each tax authority will then share relevant information on those persons with other tax authorities. As such, the Company may be required to collect and share information on its investors, in a secure and confidential manner, with the Luxembourg tax authority which may then be passed on to other tax authorities, including HMRC in the UK.

#### **D. Foreign Account Tax Compliance Act ("FATCA")**

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Company/the Management Company, in its capacity as the Company's Management Company, may:

- a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
- b. report information concerning a shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;

- c. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign institution;
- d. deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Company in accordance with FATCA and the FATCA Law and the Luxembourg IGA; and
- e. divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

## **2. GOVERNING LAW**

Any dispute arising between the Company and its shareholders shall be settled by arbitration. The arbitration shall be subject to the laws of Luxembourg and the arbitrators' decision shall be final.

## **3. OFFICIAL LANGUAGE**

English is the official language of this Prospectus. However, the Board of Directors, the Management Company, the Depositary Bank and the Administrative Agent may for their own benefit and for that of the Company deem necessary the translation of the Prospectus into the languages of the countries where the Company's shares are offered and sold.

## **IX. FINANCIAL YEAR – GENERAL MEETING AND REPORTS**

### **1. FINANCIAL YEAR**

The Company's financial year shall start on **1 January and end on 31 December** of each year.

### **2. GENERAL MEETING**

The shareholders' annual general meeting (the "Annual General Meeting") will be held in Luxembourg at the Company's registered office on the third Thursday in April at 11.00 am. If this day is a public holiday in Luxembourg, the Annual General meeting will be held on the next bank working day.

Notices of Annual General Meetings, specifying the date and time of the Annual General Meeting together with the terms of attendance and quorum requirements, will be sent at least eight days before the Annual General Meeting, by recorded delivery (*lettre recommandée*), to all holders of registered shares at their address as recorded in the shareholders' register. The notice, specifying the agenda for the Annual General Meeting, shall be published in compliance with the laws of Luxembourg.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"), whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attaching to his/its/her shares shall be determined by reference to the shares held by this shareholder as at the Record Date.

Resolutions passed at general meetings shall apply to all the Company's shareholders, irrespective of the sub-fund, category and/or class of shares that they hold. Nevertheless, any resolution of the Annual General Meeting concerning the specific rights of shareholders of a given sub-fund, category and/or class of shares may be passed at a general meeting, but must be approved by the shareholders of this particular sub-fund, category and/or class of shares.

The Board of Directors draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general shareholders' meetings if the investor is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

### 3. INTERIM REPORTS

Annual reports to 31 December audited by the approved statutory auditor, and unaudited interim reports to 30 June shall be made available to shareholders free of charge at the office of the Administrative Agent, any distributors and at other designated institutions or representatives, as well as at the Company's registered office. These reports shall concern both individual sub-funds and the assets of the Company as a whole.

**The financial statements for each sub-fund are drawn up in the reference currency of the sub-fund but the consolidated accounts shall be denominated in euro.**

The annual reports shall be made available within four months of the end of the financial year. These reports should be made available at the Company's registered office and may be sent, at the discretion of the Board of Directors, to registered shareholders at the address mentioned on the shareholders' register, at least eight days before the Annual General Meeting.

Interim reports shall be made available within two months of the end of the half-year in question at the Company's registered office and may also be sent, at the discretion of the Board of Directors, to registered shareholders at the address recorded on the shareholders' register.

<b>X. DISSOLUTION AND LIQUIDATION – MERGER OF SUB-FUNDS</b>
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**1. LIQUIDATION OF THE COMPANY**

Liquidation of the Company shall be carried out in accordance with the Law.

**A. Minimum assets**

In the event that the Company's capital falls below two-thirds of the minimum capital requirement, the Board of Directors must propose the dissolution of the Company to a general meeting of shareholders (the "General Meeting of the Shareholders"), which shall deliberate without any quorum requirements and shall pass the resolution by a straight majority of the shares represented at the General Meeting of the Shareholders.

If the Company's capital falls below one quarter of the minimum capital requirement, the Board of Directors must propose the dissolution of the Company to a General Meeting of the Shareholders, which shall deliberate without any quorum requirements; the dissolution may be decided by shareholders holding one quarter of the shares represented at the General Meeting of the Shareholders.

The notice of the meeting must be issued so that the General Meeting is held within forty days of the date on which it is observed that the net assets have fallen below two thirds or one quarter of the minimum capital requirement. Furthermore, the Company must be dissolved by decision of a General Meeting of the Shareholders, passed in accordance with the provisions of the Articles of Association concerning this matter.

The decision by the General Meeting of the Shareholders or the Court to dissolve and liquidate the Company shall be published in the RESA and in two newspapers with appropriate circulation, at least one of which must be a Luxembourg newspaper. The liquidator(s) shall be responsible for arranging publication.

**B. Voluntary liquidation**

In the event of dissolution of the Company, it shall be liquidated by one or more liquidators appointed in accordance with the Company's Articles of Association and the Law, specifying the allocation of the net proceeds of the liquidation between shareholders after deduction of liquidation costs either in cash or, upon the prior consent of the shareholder, in kind.

Any sums not distributed at the end of the liquidation process shall be deposited with the Luxembourg *Caisse de Consignation* (official deposit office) for the benefit of their rightful owners until the statute of limitations expires.

The issue, redemption and conversion of shares shall cease as soon as the decision to dissolve the Company is taken.

## **2. LIQUIDATION, MERGERS, DIVISION OR CONSOLIDATION OF SUB-FUNDS, CATEGORIES AND/OR CLASSES OF SHARES**

In the event that for any reason the value of the net assets in any sub-fund, category and/or of any class of shares within a sub-fund has decreased to an amount determined by the Board of Directors from time to time to be the minimum level for such sub-fund or such category or such class of shares to be operated in an economically efficient manner, or if required in the interest of shareholders or if a change in the economic or political situation relating to the sub-fund category and/or class of shares concerned would have material adverse consequences on the investments of that sub-fund, category and/or class of shares, the Board of Directors may decide to compulsorily redeem all the shares of the relevant classes issued in such sub-fund or of a category and/or a class of shares at the net asset value per share, taking into account actual realisation prices of investments and realisation expenses and calculated on the Valuation Day at which such decision shall take effect.

The Company shall serve a notice to the shareholders of the relevant category and/or class of shares prior to the effective date of the redemption, which will indicate the reasons for and the procedure of the redemption operations. Unless it is otherwise decided in the interests of, or to maintain equal treatment between the shareholders, the shareholders of the sub-fund, category and/or class of shares concerned may continue to request redemption or conversion of their shares free of charge, taking into account actual realisation prices of investments and realisation expenses and prior to the date effective for the compulsory redemption.

Assets which could not be distributed to their owners upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed shares will be cancelled in the books of the Company.

Under the same circumstances provided for above the Board of Directors may decide to reorganise a sub-fund, a category or class of shares by means of a division into two or more sub-funds categories or classes of shares.

The Board of Directors may decide to consolidate a category and/or class of shares of any sub-fund. The Board of Directors may also submit the question of the consolidation of a category and/or class of shares to a meeting of holders of such category and/or class of shares. Such meeting will resolve on the consolidation with a simple majority of the votes cast.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraphs, a general meeting of shareholders of any sub-fund or category or class of shares as the case may be may, upon proposal from the Board of Directors, (i) decide that all shares of such sub-fund shall be redeemed and the net asset value of the shares (taking into account actual realisation prices of investments and realisation expenses) refunded to shareholders, such net asset

value calculated as of the Valuation Day at which such decision shall take effect, and/or (ii) decide upon the division of a sub-fund or the division, consolidation or amalgamation of categories and/or classes of shares in the same sub-fund. There shall be no quorum requirements for such general meeting of shareholders at which resolutions shall be adopted by simple majority of the votes cast if such decision does not result in the liquidation of the Company. Liquidation proceeds not claimed by the shareholders at the close of the liquidation of a sub-fund will be deposited at the *Caisse de Consignation* in Luxembourg. If not claimed they shall be forfeited in accordance with Luxembourg Law.

Any merger of a sub-fund with another sub-fund of the Company or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger to a meeting of shareholders of the sub-fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast. In case of a merger of one or more sub-fund(s) where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of shareholders for which no quorum is required and that may decide with a simple majority of votes cast. In addition, the provisions on mergers of UCITS set forth in the Law and any implementing regulation (relating in particular to the notification to the shareholders concerned) shall apply.

<b>XI. INFORMATION – DOCUMENTATION AVAILABLE TO THE PUBLIC</b>
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**1. SHAREHOLDER INFORMATION****A. Net asset value**

The net asset values of the shares of each sub-fund, category and/or class of shares will be available on each working day at the Company's registered office. The Board of Directors may at a later date decide to announce these net values in the newspapers of the countries where the Company's shares are offered or sold. They may also be obtained from the registered office of the Administrative Agent and from the following website: <http://www.edgewoodselectfund.com/>.

**B. Issue and redemption price**

The issue, redemption and conversion prices of the shares of each sub-fund, category and/or class of shares of the Company may be obtained daily from the Administrative Agent.

**C. Notices to shareholders**

Other information intended for shareholders shall be published in the RESA, if this publication is required by law and the Articles of Incorporation.

It may also be published in a Luxembourg daily newspaper and in the newspapers of any countries where the shares are marketed, at the discretion of the Board of Directors.

**D. Agreements**

The following agreements will be made available for consultation to the shareholders only at the registered office of the Company:

1. The Depositary Agreement effective as of 31 May 2019.
2. The Administration Agreement effective as of 31 May 2019.
3. The Investment Management Agreement between the Management Company, the Company and the Investment Manager effective as of 31 May 2019.
4. The Management Company Agreement concluded between the Company and the Management Company effective as of 31 May 2019.

The abovementioned agreements (the "Agreements") may be amended by mutual agreement between the parties concerned.

## **E. Additional Information**

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

## **F. Portfolio Information**

Subject to the principle of equal treatment of shareholders and to the extent that appropriate safeguards are in place to prevent market timing, the Investment Manager may, from time to time, provide historical information on the Company's portfolio positions to potential or current investors upon request, to enable investors to comply with their regulatory requirements. Further details regarding the nature of the information provided may be requested from the Investment Manager.

## **2. EU BENCHMARK REGULATION**

Regulation (EU) 2016/1011 (also known as the "EU Benchmark Regulation") requires the Company, with the assistance of the Management Company and the Investment Manager, to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided. The Company shall comply with this obligation. Further information on the plan is available on request and free of charge from the Company's registered office.

The S&P 500 Index is used as a benchmark in the performance fee calculation for the "US SELECT GROWTH" sub-fund and is provided by S&P Dow Jones Indices LLC, an administrator which is included in the ESMA register of benchmark administrators.

## **3. DOCUMENTATION AVAILABLE TO THE PUBLIC**

1. the Articles of Incorporation, a copy of which may be obtained from the registered office,
2. the Company's KIID(s), a copy of which may be obtained from the registered office,
3. the most recent annual and semi-annual reports of the Company are available for consultation by the general public at the Company's registered office.

The Prospectus, the KIID and the latest annual report and any subsequent half-yearly reports are also available free of charge in English on the following website: [www.edgewoodselectfund.com](http://www.edgewoodselectfund.com)

#### **4. SPECIFIC INFORMATION FOR UK INVESTORS**

##### **1. FACILITIES AGENT**

Shareholders should note that the following entity is the Facilities Agent of the Company in the United Kingdom:

##### **UNITED KINGDOM REPRESENTATIVE**

BNP Paribas Securities Services S.C.A., London Branch  
10 Harewood Avenue  
London NW1 6AA

In connection with the Company's recognition under section 264 of the FSMA, the Company, by way of a UK Facilities Agent Agreement dated 23 May 2012, has appointed BNP Paribas Securities Services (the "Facilities Agent") to maintain the facilities required of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook ("COLL") published by the FCA as part of the FCA's Handbook of Rules and Guidance governing recognised schemes.

The facilities will be located at the offices of the Facilities Agent at: BNP Paribas Securities Services SCA, London Branch c/o Company Secretarial Department, 10 Harewood Avenue, London NW1 6AA United Kingdom during usual business hours on any week day (other than UK public holidays):

At these facilities, any person may:

1. inspect (free of charge) a copy (in English) of:
  - (a) the Articles of Incorporation, the Agreements and any subsequent amendments thereto;
  - (b) the most recent Prospectus issued by the Company, as the same may be amended and supplemented from time to time;
  - (c) for a section 264 recognised scheme the EEA key investor information document;
  - (d) the latest annual and half-yearly reports of the Company; and
  - (e) any other documents required from time to time by COLL to be made available;
2. obtain a copy of any of the above documents (free of charge in the case of documents (b), (c) and (d));
3. obtain information (in English) about the prices of Shares;
4. redeem or arrange for the redemption of its Shares and obtain payment in relation to such redemption; any redemption requests received by the UK Facilities Agent shall be sent to BNP Paribas Securities Services Luxembourg (tel: +352 26 96 2030 / fax +352 26 96 9748) the administrator of the Company, for processing;

5. make a complaint about the operation of the Company, which complaint the Facilities Agent will transmit to the Company; and
6. obtain in English notices and documents sent by operator and depositary of the scheme in accordance with COLL. 4.4.12 and 4.4.13.

## **2. UK WITHDRAWAL FROM THE EUROPEAN UNION (BREXIT)**

On 23 June 2016, in a referendum on the UK's continued membership of the EU, the people of the UK voted to leave the EU (so called "Brexit"). The process for agreeing and implementing the UK's withdrawal from the EU has resulted, and is expected to continue to result, in significant political and economic uncertainty while the UK government and European Council negotiate the withdrawal agreement covering the terms of the UK's exit, and the UK's future relationship with the EU.

Withdrawal of the UK from the EU may have a detrimental effect on the Company, particularly if the withdrawal is disorderly. In particular, the nature of the future relationship between the UK and the EU may impact the ability to distribute shares to investors in the UK. Depending on the nature of the future relationship, it may be necessary to make changes to the Company upon or in advance of any withdrawal of the UK from the EU.

## **5. SPECIFIC INFORMATION FOR INVESTORS IN AUSTRIA**

### **Austrian Paying and Information Agent**

Raiffeisen Bank International AG  
Am Stadtpark 9  
A-1030 Vienna  
Republic of Austria

Paying and Information Agent:  
Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Wien.

Applications for the redemption and repurchase of shares may be sent to the Austrian Paying and Information Agent for transmission to the Company. All payments to investors, including redemption proceeds, potential distributions and other payments, may, upon request, be paid through the Austrian Paying and Information Agent.

The Prospectus, the key investor information documents, the Articles of Incorporation and the annual and semi-annual reports may be obtained, free of charge and in hardcopy, at the office of the Austrian Paying and Information Agent during normal business hours and are also available on the Company's website.

The issue, redemption, and conversion prices can be obtained free of charge and in printed form at the registered office of the Company and at the registered office of the Austrian Paying and Information Agent and as well on the Company's website on [www.edgewoodselectfund.com](http://www.edgewoodselectfund.com).

Shareholder notices and any other information to the shareholders, to which shareholders are entitled at the registered office of the Company can be obtained at the registered office of the Company and, if provided for that purpose, from the Austrian Paying and Information Agent.

Tax Representative:

Deloitte Tax Wirtschaftsprüfungs GmbH  
Renngasse 1  
1013 Vienne  
Austria

## **6. ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND**

The following information is provided in connection with the Company's offering of Shares in Switzerland:

### **1. REPRESENTATIVE**

The representative of the Company in Switzerland (the "Representative in Switzerland") is Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, 8021 Zurich.

### **2. PAYING AGENT**

The paying agent ("Paying Agent") of the Company in Switzerland is Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, 8021 Zurich.

### **3. PLACE WHERE THE RELEVANT DOCUMENTS MAY BE OBTAINED**

The Prospectus, Key Investor Information Documents, Memorandum and Articles of Association as well as the annual and semi-annual reports may be obtained free of charge from the Representative in Switzerland.

### **4. PUBLICATION**

Publications concerning the foreign collective investment scheme are made in Switzerland on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).

Each time units are issued or redeemed, the issue and the redemption prices or the net asset value together with a reference stating "excluding commissions" must be published for all unit classes on the electronic platform [www.fundinfo.com](http://www.fundinfo.com). Prices must be published at least twice per month and are currently published each business day.

## **5. PAYMENT OF RETROCESSIONS AND REBATES**

The Company may pay retrocessions out of the investment management fee as remuneration for distribution activity in respect of Company units in or from Switzerland.

This remuneration may be deemed payment for the following services in particular marketing and distribution services.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

In the case of distribution activity in or from Switzerland, the Company may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question.

Rebates are permitted provided that:

- they are paid from fees owed to the Company's investment manager and therefore do not represent an additional charge on the Company assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Company are as follows:

- the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the Company must disclose the amounts of such rebates free of charge.

## 6. PLACE OF PERFORMANCE AND JURISDICTION

In respect of the Shares distributed in Switzerland, the place of performance and jurisdiction is at the registered office of the Representative in Switzerland.

For further information on fees and expenses please refer to the section "Fees and Expenses" in the Prospectus.

## 7. ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

According to article 310 of the Investment Code, the Company has notified the Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority) of the intention to distribute Shares of the Company's sub-fund in the Federal Republic of Germany.

**BNP Paribas Securities Services S.C.A. Zweigniederlassung Frankfurt am Main, Europa-Allee 12, 60327 Frankfurt am Main**

has been appointed, by the Company, as the information agent in the Federal Republic of Germany (the "German Information Agent").

The Prospectus, the Key Investor Information Documents, the Articles of Incorporation of the Company, as well as the semi-annual and annual reports, if available, are obtainable from the German Information Agent, free of charge in hard copy during usual business hours.

The issue, redemption prices and conversion prices of Shares, are available during usual business hours from the German Information Agent.

Additionally the issue, redemption and conversion prices of Shares are published on the Company's homepage: <http://edgewoodselectfund.com/literature>.

Any notices to Shareholders are available upon request at the German Information Agent free of charge. Any notices to Shareholders are furthermore published on the Company's homepage: <http://edgewoodselectfund.com/literature>.

Additionally, the Shareholders in the Federal Republic of Germany are notified in the following cases by means of a durable medium (§ 167 Investment Code):

- a) suspension of the redemption of the Shares,
- b) termination of the management of the Company or its liquidation,
- c) any amendments to the Articles of Incorporation which are inconsistent with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of expenses that may be paid or made out of the asset pool,
- d) merger of the Company with one or more other funds, and
- e) the change of the Company into a feeder fund or the modification of a master fund.

## **8. ADDITIONAL INFORMATION FOR INVESTORS IN THE PRINCIPALITY OF LIECHTENSTEIN**

### **1. DISTRIBUTOR AND PAYING AGENT**

LGT Bank Ltd.  
Herrengasse 12  
FL-9490 Vaduz

### **2. INFORMATION TO THE SHAREHOLDERS**

#### **1. Obtaining documents**

The following documents are available free of charge from the Company's head office and from the Paying Agent in Liechtenstein:

- the English version of the Prospectus;
- the German versions of the Key Investor Information Documents (KIIDs);
- the English versions of the annual and semi-annual report and
- the articles of incorporation in English.

#### **2. Publication media**

- a) Any notices to the shareholders will be published on the Company's website on [www.EdgewoodLSelectfund.com](http://www.EdgewoodLSelectfund.com)
- b) The Net Asset Value and the issue and redemption prices of the shares are published every day on the Company's website on [www.EdgewoodLSelectfund.com](http://www.EdgewoodLSelectfund.com) and in addition the Net Asset Value is published every day on which there are issues and redemptions of shares, but at least twice a month on [www.EdgewoodLSelectfund.com](http://www.EdgewoodLSelectfund.com).

## **EDGEWOOD L SELECT**

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

<b>"US SELECT GROWTH" SUB-FUND SCHEDULE</b>
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### **INVESTMENT STRATEGY**

The principal objective of the "US SELECT GROWTH" sub-fund (denominated in USD) shall be to offer shareholders the option of benefiting from "professional" management of portfolios of equities and similar securities (especially subscription rights to convertible bonds) issued by international companies, principally businesses in the United States of America, North America and Europe considered by the Company to be stable, of high quality and demonstrating global growth prospects. In pursuit of this objective the sub-fund's assets shall be invested in particular in exchange-traded US common stock (securities issued by companies whose registered office is located in the United States or whose main economic activities are based in the United States or which hold, as holding companies, prominent participations in companies based in the United States) which shall at all times represent at least 2/3 of the US Select Growth sub-fund's total assets.

The Company applies the strictest selection criteria in order to ensure that only businesses of quality are chosen. These criteria are, among others, market share, unit growth, barriers to entry to the market that the business can impose on the sector in question, a track record of growth and profitability, production costs in comparison to the relevant business sector, government regulations, use of debt and quality of management.

The sub-fund shall invest principally in securities that are undervalued in relation to their potential, in order to generate profits.

Derivatives shall be used solely for the purpose of hedging.

Collective investment schemes (UCITS and UCIs) shall not comprise more than 10% of the sub-fund's net assets at any time.

### **Securities Lending**

The Company and the Management Company have agreed that the Investment Manager may lend the sub-fund's portfolio securities to specialised banks and credit institutions and other financial institutions of high standing and highly qualified registered brokers/dealers subject to complying with the provisions set forth in CSSF circular 08/356, CSSF circular 14/592 and section 3. "Financial Instruments and Techniques" of the main part of the Prospectus.

The Investment Manager has adopted a securities lending program to mitigate, among others, the risks associated with securities lending.

BNP Paribas USA as the Investment Manager's securities lending agent receives a 20% fee of the gross revenue generated from the securities lending for its services. There is no hidden revenue. As a result, the sub-fund receives 80% of the gross revenue generated from securities lending. All revenue will be returned to the sub-fund less

direct and indirect operational costs. The Investment Manager and the securities lending agent are not related to the Management Company. The securities lending agent is affiliated with the Depositary Bank, it is however not expected that this will give rise to any conflicts of interests.

The expected proportion of assets under management of the sub-fund that will be subject to securities lending is between 6-17 % of the sub-fund's net asset value subject to a maximum of 40%.

### **Risk profile**

Focusing as it does on international equity, the investment strategy of this sub-fund presents a significant degree of risk because of the volatility of these markets. The sub-fund may also incur additional risks linked to foreign investments and derivatives.

Specific risks in relation to securities lending are mentioned in the main part of the Prospectus under "B. Risks Disclaimer" of the section "Financial Instruments and Techniques".

### **Investor profile**

This sub-fund is suitable for investors seeking long term capital growth through diversified international investment exposed principally to equity.

### **Performance**

This sub-fund's recent performance is presented in the Company's KIID.

### **Disclaimer**

Past performances are not an indicator of future performance. The sub-fund is exposed to risks linked to investments in equities. The value of the assets in which the sub-fund invests may go down as well as up. Consequently there is no guarantee that investors will get back their original investment. No guarantee can be given that the sub-fund will achieve its investment objectives.

## **GENERAL INFORMATION**

**Sub-fund reference currency:** USD

**Frequency of calculation of Net Asset Value ("NAV") and valuation point:** Daily. Each bank business day in Luxembourg which is also a normal trading day of the New York Stock Exchange (i.e. which is not a market holiday of the New York Stock Exchange). The sub-fund's assets will be valued on the basis of the last known closing price, which in relation to securities listed on the New York Stock Exchange is 4 p.m. (EST).

**Investment Manager:** according to the terms of an agreement executed with effect as of 31 May 2019 for an unspecified term, but with the option of termination by either party at any time by giving notice by recorded delivery, Edgewood Management LLC was appointed by the Management Company as Investment Manager of this sub-fund.

Edgewood Management LLC ("Edgewood") is based in the United States at 535 Madison Avenue, 15<sup>th</sup> Floor, New York, N.Y. 10022. Edgewood is a Limited Liability Company, principally owned by Edgewood Management Company I Inc., (86.41%). Edgewood Management was founded in 1974 and has managed approximately USD 29 bn of assets as at 31 March 2019. Edgewood is registered with the United States Securities and Exchange Commission as an investment adviser.

In its role as Investment Manager, Edgewood Management LLC provides the Management Company with investment management services in relation to the sub-fund and is responsible for the actual day-to-day management of the sub-fund's assets under the ultimate control and responsibility of the Board of Directors.

**Investment Management Fee paid to the Investment Manager:** 1.80% p.a. of the sub-fund's assets for shares of sub-category "A" (0.90% for Class A USD R, Class A EUR R, Class A EUR R H, Class A GBP R and 1.40% for Class A USD AD, Class A EUR AD, Class A EUR AD H, Class A USD B, Class A EUR B and Class A EUR B H) and 1.40% for shares of sub-category "I" (0.90% for Class I EUR D (distribution), 1% for Class I GBP D, Class I GBP D H, Class I USD Z, Class I EUR Z, Class I EUR Z H, Class I CHF Z, Class I CHF Z H Shares and 0.70% for Class I USD P (plus Performance Fee (if any) as further detailed below)), calculated and paid monthly on the basis of the sub-fund's daily net assets.

#### **Subscription/Redemption/Conversion:**

**The subscription price** consists of the NAV of the sub-fund, category and/or class of shares calculated in accordance with chapter V of the Prospectus, plus a subscription fee of up to a maximum of 3% of the NAV per share, payable upfront to any distributors. Payment for shares subscribed is made in the reference currency of the sub-fund, the category and/or the class of shares within two bank business days in Luxembourg and New York following calculation of the subscription price.

**The redemption price** is equal to the NAV of the sub-fund, category and/or class of shares, determined in accordance with chapter V of the issued Prospectus without any redemption fees. The proceeds of the redemption shall be paid in the currency of the sub-fund, category and/or class of shares within two bank business days in Luxembourg which are also normal trading days of the New York Stock Exchange (i.e. which are not market holidays of the New York Stock Exchange) following calculation of the redemption price.

**The procedures for conversion** of shares of a sub-fund, category and/or class of shares to another sub-fund, another category and/or class of shares are described in chapter IV point 4 of the Prospectus.

The subscription/redemption/conversion lists are closed at noon CET at the latest on the day preceding calculation of the NAV.

**Shares:** In addition to the category of shares denominated in USD (USD category), alternative currency categories denominated in euro, in pound sterling and/or Swiss Franc (category EUR, GBP and/or CHF) shall also be issued within this sub-fund (details of these categories are indicated in the table below). These categories are divided into sub-

categories of shares, "I" reserved for institutional investors and "A" reserved for private investors.

Class I GBP Shares, Class I GBP D Shares and Class I GBP D H Shares may be offered in certain limited circumstances for distribution in certain countries via certain distributors and/or nominee distributors appointed by the Management Company, which have separate fee arrangements with their clients.

Class I EUR D (distribution) Shares will only be offered to investors approved by the Board of Directors.

Class I USD P Shares will only be offered to investors approved by the Board of Directors.

Class A GBP R Shares may only be offered to investors resident in the United Kingdom via certain distributors and/or nominees approved by the Board of Directors.

Class A USD B, Class A EUR B and Class A EUR B H Shares are available to investors who are prohibited from accepting and retaining inducements from third parties under applicable laws and regulations or court rulings, or who have a separate fee arrangement with their clients in relation to the provision of investment services and activities (for example, in the European Union, services and activities performed under MiFID II) and who have opted not to accept and retain inducements from third parties.

Class A USD R Shares, Class A EUR R Shares, and Class A EUR R H Shares may be offered to investors in every country where the sub-fund is registered for distribution via certain distributors and/or nominees approved by the Board of Directors.

Class A USD AD Shares, Class A EUR AD Shares and Class A EUR AD H Shares may be offered for distribution to investors in every country where the sub-fund is registered for distribution via certain distributors and/or nominees appointed by the Management Company, which have separate fee arrangements with their clients.

For this sub-fund, the Company issues registered shares for sub-category "I" and shares in tranches of 1, 10 and 100 shares for sub-category "A". For this sub-fund the Board of Directors has decided to issue capitalisation shares ("C") and distribution shares ("D") within each category and sub-category. Fractions of shares up to 3 decimal points may be issued.

Further information concerning categories of shares denominated in another currency is provided in the Prospectus in the sections entitled "Shares" and "Net Asset Value".

Category	Sub-Category	Class	Currency	Investment Management fee	Subscription fee	Redemption fee
USD	I	C and D	USD	1.40%	Maximum 3%	none
USD	A	C and D	USD	1.80%	Maximum 3%	none

USD Z	I	C and D	USD	1%	Maximum 3%	none
EUR H	I	C and D	EUR	1.40%	Maximum 3%	none
EUR H	A	C and D	EUR	1.80%	Maximum 3%	none
EUR	I	C	EUR	1.40%	Maximum 3%	none
EUR	I	D	EUR	0.90%	Maximum 3%	none
EUR	A	C and D	EUR	1.80%	Maximum 3%	none
EUR Z	I	C and D	EUR	1%	Maximum 3%	none
EUR Z H	I	C and D	EUR	1%	Maximum 3%	none
GBP	I	C and D	GBP	1.40%	Maximum 3%	none
A GBP R	A	C and D	GBP	0.90%	Maximum 3%	none
GBP D	I	C and D	GBP	1%	Maximum 3%	none
GBP D H	I	C and D	GBP	1%	Maximum 3%	none
CHF Z	I	C and D	CHF	1%	Maximum 3%	none
CHF Z H	I	C and D	CHF	1%	Maximum 3%	none
A USD R	A	C and D	USD	0.90%	Maximum 3%	none
A EUR R	A	C and D	EUR	0.90%	Maximum 3%	none
A EUR R H	A	C and D	EUR	0.90%	Maximum 3%	none
A USD AD	A	C and D	USD	1.40%	Maximum 3%	none
A USD B	A	C and D	USD	1.40 %	Maximum 3%	none
A EUR B	A	C and D	EUR	1.40%	Maximum 3%	none
A EUR B H	A	C and D	EUR	1.40%	Maximum 3%	none
A EUR AD	A	C and D	EUR	1.40%	Maximum 3%	none
A EUR AD H	A	C and D	EUR	1.40%	Maximum 3%	none

I USD P	I	C and D	USD	0.70% (plus performance fee)*	Maximum 3%	none
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\* The Investment Manager shall receive a Base fee of 0.70% (70 bps) per annum of the total net assets of the Class I USD P (the "Base Fee"). The Base Fee shall be calculated based on each NAV of the Class I USD P. The sub-fund pays the Investment Manager the Base Fee monthly in arrears.

The performance fee for Class I USD P will be calculated as follows:

The Investment Manager is entitled to receive a performance related fee of up to 0.60% (60 bps) per annum (the "Performance Fee") from the sub-fund in respect of the performance of the Class I USD P relative to that of the S&P 500 Index (ticker: SPXT, expressed in USD), with dividends reinvested (the "Index"). The Performance Fee calculation shall be performed based on total net assets. A provision of 20% for the Class I USD P's outperformance when compared to the Index for the Performance Fee will be made each time the NAV is calculated. In the event the Class I USD P's performance is negative but still outperforms the Index, the Performance Fee will still be calculated. The reference period shall begin on the first NAV of the calendar year and end with the last NAV for the month of December (the "Reference Period"). The first Reference Period started on 4 January 2016. The Performance Fee is payable annually after the last NAV for the Reference Period has been calculated. In the event shares in the Class I USD P are redeemed, the Investment Manager shall receive the provision for the Performance Fee for the portion corresponding to the redeemed shares. The total Base Fee plus Performance Fee is subject to a maximum rate of 1.30% per annum of the average total net assets during the Reference Period. No Performance Fee will be charged if the Class I USD P underperforms the Index over the calculation period. Underperformance during one Reference Period shall not be carried forward from one Reference Period to another.

**Listing on the Luxembourg Stock Market:** The shares of this sub-fund are not listed on the Luxembourg Stock Market.

**Registration tax:** The applicable rate for this sub-fund is 0.05% p.a., calculated on the basis of the sub-fund's assets at the end of the quarter (except for "I" shares which qualify for a reduced rate of 0.01%).