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L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2022-04-01

Commission de Surveillance du Secteur Financier

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PA UCITS

*Société d'investissement à capital variable* incorporated in Luxembourg

PROSPECTUS

MARCH 2022

No person is authorised to give any information other than that contained in the Prospectus and in documents referred to herein. The original English text of this Prospectus is the legal and binding version.

#### **NOTE TO THE READERS**

The attention of the reader is drawn to the fact that this Prospectus is composed of two parts.

The main part of the Prospectus describes the nature of PA UCITS (the “Fund”), presents its general terms and conditions and sets out its management and investment parameters which apply to the Fund as well as to the different Compartments that compose the Fund.

The second part groups the appendices relating to each of the Compartments in operation. The investment policy of each Compartment, as well as its specific features, are described in the appendices attached to the end of the main body of the Prospectus.

The appendices are an integral part of this Prospectus; they will be updated with the creation of each new Compartment.

For further information, please refer to the table of contents on page 2 of this Prospectus.

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## MANAGEMENT AND ADMINISTRATION

Registered office of the Fund	15, avenue J.F. Kennedy L-1855 Luxembourg
Directors	Mr Maurice Picard <i>Chief Executive Officer, Picard Angst AG</i> Bahnhofstrasse 13-15 CH-8808 Pfäffikon SZ Switzerland
	Mr Daniel Gerber <i>Picard Angst AG</i> Bahnhofstrasse 13-15 CH-8808 Pfäffikon SZ Switzerland
	Mr Claude Noesen <i>Independent Non-Executive Director, 7F S.à r.l.</i> 25, um Séintchen L-8363 Greisch Grand Duchy of Luxembourg
Management Company	FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy, L-1855 Luxembourg Grand Duchy of Luxembourg
Board of directors of the Management Company	Mr Marc Briol <i>CEO Pictet Asset Services</i> Banque Pictet & Cie S.A., Geneva 60, route des Acacias, CH-1211 Genève 73 Switzerland
	Mr Dorian Jacob <i>Managing Director, Chief Executive Officer</i> FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy, L-1855 Luxembourg Grand Duchy of Luxembourg
	Mr Geoffroy Linard De Guertechin, <i>Independent Director</i> 15, avenue J.F. Kennedy, L-1855 Luxembourg Grand Duchy of Luxembourg

Day-to-day managers of the Management Company

Mr Dorian Jacob, *Chief Executive Officer*

Mr Abdellali Khokha, *Conducting Officer in charge of Risk Management, Conducting Officer in charge of Compliance*

Mr Pierre Bertrand, *Conducting Officer in charge of Fund Administration of Classic Funds and Valuation*

Mr Frédéric Bock, *Conducting Officer in charge of Fund Administration of Alternative Funds*

Depositary

Pictet & Cie (Europe) S.A.  
15A, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

Administrative Agent

Fund Partner Solutions (Europe) S.A.  
15, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

Investment Manager

Picard Angst AG  
Bahnhofstrasse 13-15  
CH-8808 Pfäffikon SZ  
Switzerland

Auditor

Deloitte Audit, *société à responsabilité limitée*  
20, Boulevard de Kockelscheuer  
L-1821 Luxembourg  
Grand Duchy of Luxembourg

Legal advisor

Allen & Overy, *société en commandite simple*  
5, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## SUMMARY

The main part of the Prospectus describes the nature of the Fund, presents its general terms and conditions and sets out its management and investment parameters which apply to the Fund as well as to the different Compartments that compose the Fund.

The Directors, whose names appear hereafter, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

The Shares are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund, the Directors and/or the Management Company. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

The information contained in this Prospectus will be supplemented by the KIIDs, the financial statements and further information contained in the latest annual and semi-annual reports of the Fund, copies of which may be obtained free of charge from the registered office of the Fund.

The Fund is an open-ended investment company organised as a *société d'investissement à capital variable* (SICAV). The Fund is registered under Part I of the law dated 17 December 2010 on undertakings for collective investment, as may be amended from time to time (the "2010 Law"). This registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Fund.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Fund to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

**United States:** None of the Shares have been, nor will be registered under the United States Securities Act of 1933 and the Shares may not be offered or sold directly or indirectly in the United States of America or to any U.S. Person, as this term is defined by the Regulation S under the Securities Act of 1933 ("U.S. Person"). In addition, the Shares may not be offered or sold to any corporation controlled by, or a majority of whose Shares are held by U.S. Persons.

Furthermore, no person that could be considered as a U.S. taxpayer, as per the United States of America laws and regulations (as may be amended from time to time) is entitled to be registered in the books of the Fund as a Shareholder. The same applies to an entity which is held, for at least 10% of its Shares and/or interests, by such a U.S. taxpayer.

**Generally:** the above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective

applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

For further information, please refer to the table of contents of this Prospectus. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant or other professional adviser.

In view of economic and share market risks, no assurance can be given that the Fund will achieve its investment objectives and the value of the Shares can rise or fall.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in General Meetings, if the investor is registered himself/herself/itself and in his/her/its own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his/her/its own name but on behalf of the investor, it may not be possible for the investor to exercise certain Shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

### **Benchmark Regulation**

In accordance with the provisions of the Benchmark Regulation, supervised entities may use benchmarks in the EU if the benchmark is provided by an administrator which is included in the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation (the "Register"). Benchmark administrators located in the EU whose indices are used by the Fund are inscribed in the Register. Benchmark administrators located in a third country whose indices are used by the Fund benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear on the Register. Benchmark administrators whose indices are used by the Fund are detailed in the description of the Compartments.

The Management Company maintains a written plan setting out the actions that will be taken in the event that an index materially changes or ceases to be provided. The written plan is available upon request and free of charge at the registered office of the Management Company.

### **SFDR**

SFDR which is part of a broader legislative package under the European Commission's Sustainable Action Plan, will come into effect on 10 March 2021. To meet the SFDR disclosure requirements, the Management Company identifies and analyses Sustainability Risk as part of its risk management process. The Investment Manager believes that the integration of this risk analysis could help to enhance long-term risk adjusted returns for Shareholders, in accordance with the investment objectives and policies of the Compartments. Where Sustainability Risks occur for assets of a specific Compartment, there will be a negative impact on such Compartment that may result in a negative impact on the returns for the Shareholders of such Compartment. The Management Company therefore requires the Investment Manager to integrate Sustainability Risks in their investment process.

Unless otherwise set out in the relevant Compartment's Appendix, Sustainability Risks may not be considered by Investment Manager to be relevant because Sustainability Risks are not (a) systematically integrated by the relevant Investment Manager in the investment decisions of the relevant Compartment; and/or (b) a core part of the investment strategy of the Compartments due to the nature of the investment objectives of the Compartments. However it cannot be excluded that among other counterparties or

sectors in which such Compartments will invest may have bigger exposure to such Sustainability Risks than others. An ESG event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a Compartment's investment. Sustainability Risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Assessment of Sustainability Risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of Sustainability Risks can be many and varied according to a specific risk, region or asset class.

Unless otherwise provided for a specific Compartment in the relevant Compartment's Appendix, the Compartments do not promote environmental or social characteristics, and do not have as objective sustainable investment (as provided by Articles 8 or 9 of SFDR). The Compartments which do not promote environmental or social characteristics nor have as objective sustainable investments (as provided by Articles 8 or 9 of SFDR) will remain subject to Sustainability Risks.

For the purposes of Article 7(2) of SFDR, the Management Company confirms in relation to the Fund and each Compartment that it does not consider the adverse impacts of investment decisions on sustainability factors at the present time. Sustainability factors are defined by SFDR as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The main reasons for which the Management Company is currently not considering adverse impacts is the absence of sufficient data and data of a sufficient quality to allow the Management Company to define material metrics for disclosure.

The Management Company intends to monitor the industry position closely and to update its approach in due course as the industry position evolves and further regulatory guidance is made available. Pictet Group, of which the Management Company is an integral part, has committed to comply with the provisions of a number of international and Swiss codes for responsible investment. In addition, as outlined in the Group's Sustainability & Responsible ambitions 2025, it is Pictet's intention to not only consider, but mitigate where possible, material adverse impacts of investments and operations. The Management Company expects to consider the adverse impacts of investment decisions on sustainability factors by the end of 2022.

## **Data Protection**

Investors or individuals related to potential investors are hereby informed that the Annex I to the Prospectus headed "Privacy Notice" (the "Privacy Notice") applies to the processing of their personal data by the Fund. If investors share personal data on individuals relating to such investors with the Fund, investors must ensure that they have provided a fair processing notice informing the data subjects of the Fund's processing of such personal data as described in the Privacy Notice, including notifying data subjects of any updates to the Privacy Notice. Where required, investors must obtain the necessary consent from data subjects to the processing of personal data as described in the Privacy Notice. Investors who share personal data relating to such investors with the Fund shall indemnify and hold the Fund harmless for any and against all direct and indirect damages and financial consequences arising from any breach of these warranties.



## DEFINITIONS

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

“2010 Law”	Means the law dated 17 December 2010 on undertakings for collective investment, as may be amended from time to time;
“Administrative Agent”	Means FundPartner Solutions (Europe) S.A. acting as central administrative agent of the Fund;
“Articles”	Means the articles of incorporation of the Fund as the same may be amended, supplemented or otherwise modified from time to time;
“Appendix”	Means each supplement to this Prospectus describing the specific features of a Compartment. Each such supplement is to be regarded as an integral part of the Prospectus;
“Auditor”	Means Deloitte Audit, <i>société à responsabilité limitée</i> ;
“Benchmark Regulation”	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds;
“Board of Directors”	Means the board of directors of the Fund;
“Business Day”	Means a day on which banks are open for business (during the whole day) in Luxembourg, (excluding, for the avoidance of doubt, 24 December);
“Business Year”	Means a 12 month period ending on 31 December;
“CHF”	Means Swiss franc, the currency of the Swiss Confederation;
“Circular 04/146”	Means the CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;
“Compartment”	Means a separate portfolio of assets established for one or more categories of Shares which is invested in accordance with a specific investment objective. The specifications of each Compartment will be described in their relevant Appendices;
“Contingent Convertible Bonds”	Refers to subordinated contingent capital securities, instruments issued by banking/insurance institutions to increase their capital buffers in the framework of new banking/insurance regulations. Under the terms of a contingent convertible bond, certain triggering events (such as a decrease of the issuer’s capital ratio below a certain threshold or a decision of the issuer’s regulatory authority) could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity;
“CSSF”	Means the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority;

“Depository”	Means Pictet & Cie (Europe) S.A. acting as depository of the Fund;
“Depository Agreement”	Means the agreement between the Fund and Pictet & Cie (Europe) S.A. acting as depository, as amended, supplemented or otherwise modified from time to time;
“Directive 2013/34/EU”	Means Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC;
“Directive 83/349/EEC”	Means Council Directive 83/349/EEC of 13 June 1983 based on the Article 54 (3) (g) of the Treaty on consolidated accounts, as amended from time to time;
“Directive 2007/16/EC”	Means Commission Directive 2007/16/EC of 19 March 2007 implementing Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended;
“Directive 2009/65/EC”	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);
“Directors”	Means the directors of the Fund, whose details are set out in this Prospectus and/or the annual and semi-annual reports;
“Eligible Investments”	Means eligible investments for investment by UCITS within the meaning of Article 41 (1) of the 2010 Act;
“ESG”	Means environmental, social and governance;
“ESMA Guidelines 2014/937”	Means ESMA Guidelines 2014/937 of 1 August 2014 on ETFs and other UCITS issues;
“EU”	Means the European Union;
“EU Member State”	Means a member State of the EU;
“EUR”	Means Euro, the single currency of the EU Member States that have adopted the Euro as their lawful currency;
“Fund”	Means PA UCITS;
“GBP”	Means Great Britain Pound, the currency of the United Kingdom;
“General Meeting”	Means a general meeting of the Shareholders;

“Grand-Ducal Regulation”	Means the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions;
“Group of Companies”	Means companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules;
“Initial Subscription Date” or “Initial Subscription Period”	Means, with respect to each Compartment, the first offering of Shares in a Compartment made pursuant to the terms of the Prospectus and the Appendix of the relevant Compartment;
“Initial Subscription Price”	Means the price at which Shares are issued in respect of subscriptions received during the Initial Subscription Period, as determined for each Compartment and category of Shares in the Appendix of the relevant Compartment;
“Institutional Investor”	Means an investor meeting the requirements to qualify as an institutional investor for purposes of article 174 of the 2010 Law;
“Investing Compartment”	Has the meaning as set out in Section 22.31 of the main body of the Prospectus;
“Investment Adviser”	Means such entity from time to time appointed as investment adviser of a particular Compartment as disclosed in the relevant Appendix;
“Investment Advisory Agreement”	Means the investment advisory agreement entered into with a particular Investment Adviser of a Compartment as further set out in the Appendix of the relevant Compartment;
“Investment Company Act”	Means the U.S. Investment Company Act of 1940, as amended;
“Investment Management Agreement”	Means the investment management agreement entered into with the Investment Manager, as amended, supplemented or otherwise modified from time to time;
“Investment Manager”	Means Picard Angst AG;
“KIID”	Means key investor information document in respect of each Compartment or category of Shares (as appropriate);
“Luxembourg”	Means the Grand Duchy of Luxembourg;

“Luxembourg Official Gazette”	Means the <i>Recueil des Sociétés et Associations</i> or the <i>Recueil Electronique des Sociétés et Associations</i> (“RESA”);
“Management Company”	Means FundPartner Solutions (Europe) S.A.;
“Management Company Services Agreement”	Means the agreement between the Fund and the Management Company as amended, supplemented or otherwise modified from time to time;
“Market Timing”	Means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, i.e., an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;
“Money Market Instruments”	Means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;
“Net Asset Value” or “NAV”	Means, (i) in relation to the Fund, the value of the net assets of the Fund, (ii) in relation to each Compartment, the value of the net assets attributable to such Compartment, and (iii) in relation to each category of Shares in a Compartment, the value of the net assets attributable to such category of Shares, in each case, calculated in accordance with the provisions of the Articles and the Prospectus;
“Net Asset Value per Share” or “NAV per Share”	Means the Net Asset Value of the relevant Compartment divided by the number of Shares in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption) or if a Compartment has more than one category of Shares in issue, the portion of the Net Asset Value of the relevant Compartment attributable to a particular category of Shares divided by the number of Shares of such category of Shares in the relevant Compartment which are in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption);
“OECD”	Means the Organisation for Economic Co-operation and Development;
“OECD Member State”	Means any of the member States of the OECD;
“OTC”	Means over-the-counter;
“OTC Derivative”	Means any financial derivative instrument dealt in over-the-counter;
“Other Regulated Market”	Means a market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation

of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed in current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a state or a public authority which has been delegated by that state or by another entity which is recognised by that state or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public;

“Other State”	Means any state of Europe which is not a EU Member State and any state of America, Africa, Asia, Australia and Oceania and, as appropriate, of the OECD;
“PRC”	Means The People's Republic of China and for the purpose herein, excluding Hong Kong, Macau and Taiwan;
“Prospectus”	Means the sales prospectus relating to the issue of Shares in the Fund, as amended from time to time;
“Reference Currency”	Means, as the case may be, (i) in relation to the Fund, the currency in which the Net Asset Value of the Fund is calculated (ii) in relation to each Compartment, the currency in which the Net Asset Value of such Compartment is calculated, as stipulated in the Appendix of the relevant Compartment;
“Regulated Market”	Means a regulated market as defined by the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments (the “Directive 2004/39/CE”), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterised by the fact that regulations issued or approved by the competent authorities define the conditions for the operations of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/CE;
“REITs”	Means real estate investment trusts;
“Repurchase Transaction”	Means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a Repurchase Transaction agreement for the counterparty selling the securities and a reverse Repurchase Transaction agreement for the counterparty buying them;
“Section”	Means a section of this Prospectus;

“Securities Act”	Means the U.S. Securities Act of 1933, as amended;
“Securities Financing Transaction” or “SFT”	Means (i) a Repurchase Transaction; and (ii) Securities Lending and Securities Borrowing as defined under the SFTR;
“Securities Lending” or “Securities Borrowing”	Means a transaction by which a counterparty transfers subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;
“SFDR”	Means Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector;
“SFTR”	Means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012;
“Shareholder”	Means a person who is the registered holder of Shares in the Fund;
“Shares”	Means shares in the Fund, of such category of Shares and denominated in such currencies and relating to such Compartments as may be issued by the Fund from time to time;
“Sustainability Risk”	Means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and potentially a total loss of its value and therefore an impact on the Net Asset Value of the concerned Compartment;
“Target Compartment”	Has the meaning as set out in Section 22.31 of the main body of the Prospectus;
“Taxonomy Regulation”	means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
“Transferable Securities”	Means <ul style="list-style-type: none"> <li>• shares and other securities equivalent to shares;</li> <li>• bonds and other debt instruments;</li> <li>• any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments, within the meaning of the 2010 Law;</li> </ul>

“TRS”	TRS means total return swap, i.e., a derivative contract as defined in point (7) of article 2 of the SFTR in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty;
“UCI”	<p>Means an undertaking for collective investment within the meaning of article 1, paragraph (2), points a) and b) of the UCITS Directive, whether situated in a EU Member State or not, provided that:</p> <ul style="list-style-type: none"> <li>• such UCI is authorised under laws which provide that it is subject to supervision that is considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;</li> <li>• the level of guaranteed protection for Shareholders in such UCI is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;</li> <li>• the business of such UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;</li> </ul>
“UCITS”	Means an undertaking for collective investment in transferable securities under the UCITS Directive;
“UCITS-CDR”	Means the Commission Delegated Regulation of 17 December 2015 supplementing Directive 2009/65/EC with regard to obligations of depositaries;
“UCITS Directive”	Means Directive 2009/65/EC;
“United States” or “U.S.”	Means the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;
“USD”	Means the United States Dollar, the currency of the United States of America;
“U.S. Person”	Means, unless otherwise determined by the Directors, (i) a natural person who is a resident of the United States; (ii) a corporation, partnership or other entity, other than an entity organised principally for passive investment, organised under the laws of the United States and which has its principal place of business in the United States; (iii) an estate or trust, the income of which is subject to United States income tax regardless of the source; (iv) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business in the United States; (v) an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who qualify as U.S. Persons or otherwise as qualified eligible persons represent in the aggregate ten per cent or more of the

beneficial interests in the entity, and that such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons; or (vi) any other "U.S. Person" as such term may be defined in Regulation S under the Securities Act, or in regulations adopted under the U.S. Commodity Exchange Act, as amended;

"Valuation Day"

Means each Business Day as at which the Net Asset Value will be determined for each category of Shares in each Compartment, unless otherwise stipulated in the Appendix of the relevant Compartment.



## MAIN PART OF THE PROSPECTUS

### 1. LEGAL STATUS

- 1.1 PA UCITS is an investment company with variable capital (*“société d’investissement à capital variable”* - SICAV) governed by Luxembourg law, established in accordance with the provisions of Part I of the 2010 Law.
- 1.2 The Fund was incorporated in accordance with the provisions of Part I of the 2010 Law relating to undertakings for collective investment for an indefinite period on 5 June 2019, under the name PA UCITS and its Articles will be published in the Luxembourg Official Gazette.
- 1.3 The Fund is in the course of registration with the Luxembourg trade and companies register.
- 1.4 The Reference Currency of the Fund is the USD. The initial capital of the Fund was forty thousand United States Dollars (USD 40,000). The Fund's capital shall at all times be equal to the value of its total net assets; it may never fall below the minimum capital as required by law. This minimum capital shall be reached within a period of six months following registration of the Fund in the official list of UCIs by the CSSF.

### 2. INVESTMENT OBJECTIVES AND FUND STRUCTURE

- 2.1 The purpose of the Fund is to offer investors access to a world-wide selection of markets and a variety of investment techniques via a range of speciality products (*“Compartments”*) included under a same and single structural umbrella.
- 2.2 The investment policy implemented in the various Compartments shall be laid down by the Board of Directors. A broad spread of risks will be achieved by diversifying investments over a large number of Transferable Securities and other liquid assets permitted by the 2010 Law. The selection of securities will not be limited - except under the terms of the restrictions specified in the Section 22 *“Investment Restrictions”* below as regards geographical area or economic consideration, nor as regards the type of eligible instruments.
- 2.3 The net assets forming each Compartment are represented by Shares which may belong to different categories of Shares. All the Compartments together form the Fund. Where different categories of Shares are issued, the information pertaining thereto is given in on the Appendix.
- 2.4 The Board of Directors is entitled to create new Compartments. A list of those Compartments in existence at present, together with a description of their investment policy and main features, is attached as Appendix to this Prospectus.
- 2.5 This list forms an integral part of this Prospectus and will be updated whenever new Compartments are created.

### 3. ORGANISATION OF MANAGEMENT AND ADMINISTRATION

- 3.1 The Board of Directors is responsible for managing the Fund, monitoring its operations as well as specifying and implementing investment policy.
- 3.2 Notwithstanding the foregoing, the Fund may designate a management company, in accordance with the relevant provisions of the 2010 Law.

## Management Company

### *Corporate information*

- 3.3 The Directors have appointed FundPartner Solutions (Europe) S.A. to serve as its designated management company of the Fund (the “Management Company”) within the meaning of the 2010 Law and pursuant to a management company services agreement entered into between the Fund and the Management Company with effect as of 5 June 2019 (the “Management Company Services Agreement”).
- 3.4 FundPartner Solutions (Europe) S.A. was incorporated as a *société anonyme* (public limited liability company) under Luxembourg law for an indefinite period on 17 July 2008, under the denomination Funds Management Company S.A. Its fully paid-up capital is CHF 6,250,000 at the date of this Prospectus.

### *Duties*

- 3.5 The Management Company will provide, subject to the overall control of the Board of Directors, and without limitation: (i) asset management services; (ii) central administration, registrar and transfer agency services; and (iii) distribution services to the Fund. The rights and duties of the Management Company are further set out in articles 101 et seq. of the 2010 Law.
- 3.6 The Management Company must at all-time act honestly and fairly in conducting its activities in the best interests of the Shareholders, and in conformity with the 2010 Law, this Prospectus and the Articles.
- 3.7 The Management Company is vested with the day-to-day management and administration of the Fund. In fulfilling its duties pursuant to the 2010 Law, and the Management Company Services Agreement, the Management Company is authorised, for the purposes of the efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Fund, and subject to the approval of the CSSF, part, or all of its functions and duties to any third party, which, having regard to the nature of the functions, and duties to be delegated, must be qualified and capable of undertaking the duties in question.
- 3.8 The Management Company will require any such agent to which the Management Company intends to delegate its duties to comply with the provisions of the Prospectus, the Articles, and the relevant provisions of the Management Company Services Agreement, as well as the 2010 Law.
- 3.9 In relation to any delegated duty, the Management Company shall implement appropriate control mechanisms, and procedures, including risk management controls, and regular reporting processes in order to ensure the effective supervision of the third parties to whom functions, and duties have been delegated, and that the services provided by such third party service providers are in compliance with the Articles, this Prospectus and the agreements entered into with the relevant third party service providers, as well as the 2010 Law. When delegating a duty or a function, the Management Company shall ensure that nothing in the related agreement shall prevent it from giving at any time further instructions to the party to whom such duty or function has been delegated or from withdrawing the relevant mandate with immediate effect when this is in the interests of the Shareholders.

- 3.10 The Management Company shall be careful, and diligent in the selection, and monitoring of the third parties to whom functions and duties may be delegated, and ensure that the relevant third parties have sufficient experience, and knowledge, as well as the necessary authorisation required to carry out the functions delegated to such third parties.
- 3.11 The following functions have been delegated by the Management Company to third parties:
- (a) investment management of the Compartments; and
  - (b) marketing and distribution,
- as further set out in this Prospectus
- 3.12 The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Fund (the "Remuneration Policy").
- 3.13 The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Fund or the Compartments.
- 3.14 The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Fund and the Shareholders and includes measures to avoid conflicts of interest.
- 3.15 In particular, the Remuneration Policy will ensure that:
- (a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
  - (b) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
  - (c) the 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;
  - (d) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;

- (e) if at any point of time, the management of the Fund were to account for 50 % or more of the total portfolio managed by the Management Company, at least 50 %, of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (e); and
  - (f) a substantial portion, and in any event at least 40 %, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Fund.
- 3.16 Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of the staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [www.group.pictet/fps](http://www.group.pictet/fps).
- 3.17 A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.
- 3.18 The Management Company Services Agreement has been entered into for an undetermined period of time, and may be terminated, in particular, by either party upon serving to the other a written notice at least ninety (90) days prior to the termination.

### **Investment Management**

- 3.19 Picard Angst AG (the “Investment Manager”) is the investment manager of each Compartment. The Management Company has, with the consent of the Fund, delegated to the Investment Manager full authority to act on behalf of the Fund to carry out investment management services and be responsible for the investment activities of the Fund in respect of each Compartment as it deems necessary in relation to the management of the assets of the relevant Compartment, as is stipulated in the relevant Appendix.
- 3.20 The Investment Manager is a company established under Swiss law on 16 July 2003 as a public limited liability company (*société anonyme*) for an unlimited period of time with registered office at Bahnhofstrasse 13/15, CH-8808 Pfäffikon, Switzerland. The Investment Manager is registered with the Company Register Schwyz under the number CHE-110.153.901. The Investment Manager is under the supervision of the FINMA and authorised by the FINMA as an investment manager.
- 3.21 The Investment Manager may delegate its functions with respect to one or more Compartments, with the approval of the CSSF, the Management Company and the Fund, to one or more sub-investment managers as set out in the relevant Appendix.
- 3.22 Unless otherwise stated in the relevant Appendix, the Investment Manager is responsible for, among other matters, identifying and acquiring the investments of the Fund. The Investment Manager is granted full power and authority and all rights necessary to enable it to manage the investments of the Compartments and provide other investment management services to assist the Management Company to achieve the investment objectives and policy set out in this Prospectus and any specific investment objective and policy set out in the relevant Appendix. Consequently, the responsibility for making decisions to buy, sell or hold a particular security or asset rests the Investment Manager and, as the case may be, the relevant sub-investment manager

appointed by it, subject always to the overall policies, direction, control and responsibility of the Board and the Management Company.

### **Depositary**

- 3.23 Under the terms of the depositary agreement signed on 5 June 2019 (the “Depositary Agreement”), Pictet & Cie (Europe) S.A. has been appointed for an indefinite period as depositary of the Fund (the “Depositary”). The Depositary Agreement may be terminated by either signatory party in accordance with the terms of the Depositary Agreement.
- 3.24 The Depositary was incorporated as a public limited liability company (*société anonyme*) under Luxembourg law on 3rd November 1989 for an indefinite period. Its fully paid-up capital, as at the date of this Prospectus, amounts to CHF 70,000,000.
- 3.25 The Depositary will assume its functions and responsibilities in accordance with applicable Luxembourg law and regulations and the Depositary Agreement. With respect to its duties under the 2010 Law, the Depositary will ensure the safekeeping of the Fund's assets. The Depositary has also to ensure that the Fund's cash flows are properly monitored in accordance with the 2010 Law.
- 3.26 In addition, the Depositary will:
- (a) ensure that the sale, issue, repurchase, redemption and cancellation of the Shares are carried out in accordance with Luxembourg law and the Articles;
  - (b) ensure that the value of the Shares is calculated in accordance with Luxembourg law and the Articles;
  - (c) carry out the instructions of the Fund and the Management Company, unless they conflict with Luxembourg law or the Articles;
  - (d) ensure that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
  - (e) ensure that the Fund's incomes are applied in accordance with Luxembourg law and the Articles.
- 3.27 The Depositary may delegate its safekeeping duties with respect to the Fund's financial instruments held in custody or any other assets (except for the cash) in accordance with the UCITS Directive, the UCITS-CDR and applicable law.
- 3.28 An up-to-date list of the delegates (and sub-delegates) of the Depositary is available on the website [http://www.pictet.com/corporate/fr/home/asset\\_services/custody\\_services.html](http://www.pictet.com/corporate/fr/home/asset_services/custody_services.html).
- 3.29 The Depositary will be liable to the Fund or to the Shareholders for the loss of the Fund's financial instruments held in custody by the Depositary or its delegates to which it has delegated its custody functions. A loss of a financial instrument held in custody by the Depositary or its delegate will be deemed to have taken place when the conditions of article 18 of the UCITS-CDR are met. The liability of the Depositary for losses other than the loss of the Fund's financial instruments held in custody will be incurred pursuant to the provisions of the Depositary Agreement.

- 3.30 In case of loss of the Fund's financial instruments held in custody by the Depositary or any of its delegates, the Depositary will return financial instruments of identical type or the corresponding amount to the Fund without undue delay. However, the Depositary's liability will not be triggered if the Depositary can prove that the conditions of article 19 of the UCITS-CDR are fulfilled.
- 3.31 In carrying out its functions, the Depositary will act honestly, fairly, professionally, independently and solely in the interest of the Fund and the Shareholders.
- 3.32 Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Fund, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Fund and/or other funds for which the Depositary (or any of its affiliates) acts.
- 3.33 Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Fund and will treat the Fund and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Fund than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's custodian functions from its other potentially conflicting tasks and by the Depositary adhering to its own conflicts of interest policy.
- 3.34 Details of the conflict of interest policy of the Depositary are available on the website [www.pictet.com](http://www.pictet.com). A paper copy of the summarised conflict of interest policy of the Depositary is available free of charge to the Shareholders upon request.
- 3.35 Under no circumstances will the Depositary be liable to the Fund, the Management Company or any other person for indirect or consequential damages and the Depositary will not in any event be liable for the following direct losses: loss of profits, loss of contracts, loss of goodwill, whether or not foreseeable, even if the Depositary has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.
- 3.36 The Depositary is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Fund and is not responsible for the preparation of this document and accepts no responsibility for any information contained in this document other than the above description. The Depositary will not have any investment decision-making role in relation to the Fund. Decisions in respect of the purchase and sale of assets for the Fund, the selection of investment professionals and the negotiation of commission rates are made by the Fund and/or the Management Company and/or their delegates. Shareholders may ask to review the Depositary Agreement at the registered office of the Fund should they wish to obtain additional information as regards the precise contractual obligations and limitations of liability of the Depositary.
- 3.37 The Depositary or the Fund may, among others, at any time and without cause, by giving at least 90 days' written notice to the other party, terminate the Depositary's appointment, it being understood that any decision by the Fund to end the Depositary's appointment is subject to the

condition that another depositary bank take on the functions and responsibilities of the Depositary within two months as defined in the Articles, provided, furthermore, that if the Fund terminates the Depositary's appointment, the Depositary shall continue to assume the functions of depositary until such time as the Depositary has been dispossessed of all the Fund's assets that it held or had arranged to be held on behalf of the Fund. Should the Depositary revoke the appointment, the Fund shall be required to appoint a new depositary to take on the functions and responsibilities of the Depositary as defined in the Articles within two months, it being understood that, from the date when the notice of termination expires until such time as a new depositary is appointed by the Fund, the Depositary will only be obligated to undertake all necessary measures to ensure that the Shareholders' interests are safeguarded.

### **Administrative Agent**

- 3.38 The Administrative Agent, whose tasks are fulfilled by the Management Company, is responsible for the provision of accounting services (in particular, carrying out the calculation of the NAV of the Fund and the drafting of the financial statements), processing subscriptions for, redemptions and conversions (if any) of, Shares, calculating issue and redemption proceeds and maintaining the records of the Fund as well as other general administrative services to the Fund, as further detailed in the relevant agreement, and paying agent of the Fund responsible for, the payment of dividends and redemption proceeds (if any).
- 3.39 The Administrative Agent is entitled to a fee calculated on the net assets of the Fund and payable on a quarterly basis, as further detailed under Section 14 "Fund Expenses" of the main part of the Prospectus. The fees paid to the Administrative Agent will be shown in the Fund's financial statements.

### **Investment Advisers**

- 3.40 Each Investment Manager may, on its own responsibility, appoint one or more investment advisors for each Compartment for which it has been appointed as investment manager (the "Investment Adviser"). Their mission will be to advise it on investment opportunities and obtain assistance for the Compartments whose assets it manages.
- 3.41 The Investment Managers may be assisted by investment advisers (the "Investment Advisers") as set out in more details in each relevant Appendix. The Investment Advisers will provide the Investment Managers with recommendations, advice and opinions regarding investment choice and selection of securities and any other assets that make up the portfolio of the various Compartments.

### **Auditors**

- 3.42 The auditing has been entrusted to Deloitte Audit, *société à responsabilité limitée*, whose registered office is at 20, Boulevard de Kockelscheuer, L-1821 Luxembourg.

## **4. RIGHTS OF THE SHAREHOLDERS**

### **Shares**

- 4.1 The Shares in each Compartment are issued in registered and dematerialised form, with no par value and fully paid-up. A holder of dematerialised Shares will have its Shares deposited on a

securities account in the name of its beneficiary. Fractions of Shares may be issued up to five decimals. Fractional Shares do not confer the right to vote, however do confer the right to participate, in pro rata, to any proceeds upon liquidation and dividend distributions.

- 4.2 No certificates will be issued. All owners of the Shares will have their names entered into the Shareholders' register which will be held at the Fund's registered office. Shares repurchased by the Fund shall be cancelled.
- 4.3 All Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Compartment (or the category of Shares respectively) to which they pertain.
- 4.4 Each Share has one vote. Shareholders are also entitled to the general Shareholder rights as described in the Luxembourg law dated 10th August 1915 on commercial companies and its subsequent amendments, with the exception of pre-emption rights to subscribe to new Shares.
- 4.5 Shareholders will only receive confirmation that their names have been recorded in the Shareholders' register.
- 4.6 The Fund draws the attention of the investors to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Fund if the investor is registered himself/herself/itself on in his own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his/her/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 Fund.

### **Compartments**

- 4.7 The Appendix to this Prospectus lists the current Compartments. The Board of Directors may, at any time, decide to create additional Compartments.
- 4.8 The subscription price for Shares in each Compartment is invested in the assets of the relevant Compartment. In principle, all assets and liabilities related to a specific Compartment are allocated to that Compartment. To the extent that costs and expenses are not directly chargeable to a specific Compartment, they shall be shared out proportionally among the various Compartments according to their net asset values or, if circumstances warrant it, allocated on an equal footing to each Compartment. The assets of a specific Compartment will only meet the liabilities, commitments and obligation relating to such Compartment.

### **Categories of Shares**

- 4.9 The Board of Directors may also decide to create for each Compartment two or more categories of Shares whose assets are generally invested in accordance with the specific investment policy of the relevant Compartment, but where categories of Shares may be distinguished by specific commission and/or redemption structures, by specific exchange-risk hedging policies, by specific distribution policies and/or by specific management or advisory commission or by other specific characteristics applying to each category of Shares. Such information is, if necessary, defined in the Appendix to the Prospectus.



- 4.10 Certain categories of Shares in certain Compartments, indicated in the Appendix to the Prospectus, may, on the decision of the Board, be subdivided into several sub-classes with a different reference currency than the Reference Currency of the Compartment. The attention of investors is drawn to the fact that, depending on whether foreign exchange hedging instruments are used in respect of each such category of Shares, an investor may be exposed to the risk that the Net Asset Value of one category of Shares denominated in a given currency may fluctuate in a way that compares unfavourably to that of another category of Shares denominated in another currency. To the extent permitted by the Prospectus, and in relation to sub-classes that are denominated in a currency other than the Reference Currency of a Compartment, the Fund may employ techniques and instruments intended to provide protection, so far as possible, against movements of the currency in which the relevant sub-class is denominated. Any decision to hedge will be systematically applied. All costs and expenses associated with the financial instruments, if any, used for the purpose of hedging foreign exchange risks related to the sub-class concerned will be allocated to that sub-class only.
- 4.11 The Appendix to this Prospectus lists the current categories of Shares.

### **General Meetings**

- 4.12 The annual General Meeting shall be held each year within 4 months of the end of the financial year at the Fund's registered office or at any other location in Luxembourg which will be specified in the convening notice to the meeting.
- 4.13 Convening notices shall be sent to all registered Shareholders at least 8 days prior to the annual General Meeting. These notices shall include details of the time and place of this meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as laid down by Luxembourg law.
- 4.14 The convening notice to a General Meeting may provide that the quorum and majority requirements will be assessed against the number of Shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the relevant meeting (the "Record Date") in which case, the right of any Shareholder to participate in the meeting will be determined by reference to his/her/its holding as at the Record Date. In case of dematerialised shares (if issued) the right of a holder of such Shares to attend a General Meeting and to exercise the voting rights attached to such Shares will be determined by reference to the Shares held by this holder as at the time and date provided for by Luxembourg laws and regulations.
- 4.15 In accordance with the Articles and Luxembourg law, all decisions taken by the Shareholders pertaining to the Fund shall be taken at the General Meeting. Any decisions affecting Shareholders in one or several Compartments may be taken by just those Shareholders in the relevant Compartments to the extent that this is permitted by law. In this particular instance, the requirements on quorum and majority voting rules as laid down in the Articles shall apply.

## **5. SUBSCRIPTIONS**

- 5.1 The list of Compartments already in operation is included in Appendix 1 to this Prospectus.
- 5.2 Appendix 1 will be updated to take into account the activation or the decision to activate any added Compartment or any added category of Shares.

- 5.3 Subscriptions for Shares in each Compartment already in operation shall be accepted at the issue price, as defined hereunder in Section 7 “Issue price“, at the office of the Depositary as well as at any other establishments authorised to do so by the Fund.
- 5.4 At the discretion of the Board of Directors, Shares may be issued against contributions of Transferable Securities or other eligible assets to the Compartments provided that these assets are Eligible Investments and the contributions comply with the investment policies and restrictions laid out in this Prospectus and have a value equal to the issue price of the Shares concerned. The assets contributed to the Compartment, as described above, will be valued separately in a special report of the Auditor. These contributions in kind of assets are not subject to brokerage costs. The Board of Directors will only have recourse to this possibility (i) at the request of the relevant investor and (ii) if the transfer does not negatively affect current Shareholders. All costs related to a contribution in kind will be paid for by the Compartment concerned provided that they are lower than the brokerage costs which the Compartment would have paid if the assets concerned had been acquired on the market. If the costs relating to the contribution in kind are higher than the brokerage costs which the Compartment concerned would have paid if the assets concerned had been acquired on the market, the exceeding portion thereof will be supported by the subscriber.
- 5.5 Unless specifically mentioned under Appendix I, for any subscription received by the Fund or by a distributor, prior to 2 p.m., on the Valuation Day, the Net Asset Value calculated on the said Valuation Day will be applicable.
- 5.6 For any subscription arriving at the Fund or at a distributor after the deadline set at 2 p.m. on the Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the next following Valuation Day.
- 5.7 The amount for the subscription shall be paid or transferred, in the reference currency of the relevant Compartment or category/class of Shares, into the account of the Depositary, to the order of the Fund with reference to the Compartment(s) concerned within two (2) Business Days counting from the relevant Valuation Day or any other day as set out in the Appendix 1.
- 5.8 The Fund does not permit practices of Market Timing and reserves the right to reject subscription and conversion orders from an investor who the Fund suspects of using such practices and, if appropriate, to take the necessary measures to protect the other investors of the Fund.
- 5.9 The Fund may also, at any time and at its discretion, temporarily discontinue, cease permanently or limit the issue of Shares in one or more Compartments to persons or corporate bodies resident or domiciled in some countries or territories. The Fund may prohibit them from acquiring Shares if such a measure is necessary to protect the Shareholders as a whole and the Fund. In particular, the Fund is entitled to reject, at its discretion, any application to subscribe to Shares.

## **6. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS**

- 6.1 Measures aimed towards the prevention of money laundering as provided by Luxembourg laws and the circulars as issued by the CSSF are the responsibility of the Fund, that delegates to the Administrative Agent such controls.
- 6.2 These measures may require the Administrative Agent to request verification of the identity of any prospective investor. By way of example, an individual may be required to produce a copy

of his/her passport or identification card duly certified by a competent authority (e.g. embassy, consulate, notary, police officer, solicitor, financial institution domiciled in a country imposing equivalent identification requirements or any other competent authority). In the case of corporate applicants, this may require, amongst others, production of a certified copy of the certificate of incorporation (and any change of name) and investor's memorandum and articles of association (or equivalent), a recent list of its shareholders showing a recent stake in its capital, printed on the letterhead of the investor duly dated and signed, an authorised signature list and an excerpt of the trade register. It should be noted that the above list is not exhaustive and that the investors may be required to provide further information to the Administrative Agent in its discretion as part of the on-going due diligence process or in order to ensure the identification of the final beneficial owner of the Shares in accordance with Luxembourg laws and regulations.

- 6.3 Until satisfactory proof of identity is provided by potential investors or transferees as determined by the Administrative Agent, it reserves the right to withhold issue or approval of registration of transfers of Shares. Similarly, redemption proceeds will not be paid unless compliance with these requirements has been made in full. In any such event, the Administrative Agent will not be liable for any interest, costs or compensation.
- 6.4 In case of a delay or failure to provide satisfactory proof of identity, the Administrative Agent may take such action as it thinks fit. Further information or updated documentation may be required as per the on-going due-diligence requirements.
- 6.5 These identification requirements may be waived by the Administrative Agent in the following circumstances:
- (a) in the case of a subscription through a financial intermediary which is supervised by a regulatory authority which imposes an investors' or transferees' identification obligation equivalent to that required under Luxembourg laws for the prevention of money laundering and to which the financial intermediary is subject;
  - (b) in the case of a subscription through a financial intermediary whose parent is supervised by a regulatory authority which imposes an investors' or transferees' identification obligation equivalent to that required under Luxembourg laws for the prevention of money laundering and where the law applicable to the parent or the group policy imposes an equivalent on its subsidiaries or branches.

## **7. ISSUE PRICE**

- 7.1 The issue price for Shares in each Compartment is equal to the net asset value of each Share (or each category of Shares, respectively) in that Compartment, calculated on the first Valuation Day following the day of subscription.
- 7.2 Under certain circumstances, the Board of Directors has the power to charge a "dilution levy" on the issue price as described hereafter under Section 10 "Dilution Levy". In any case, the effective dilution levy charged on any Valuation Day shall be identical for all issues effected on such day.
- 7.3 The issue price may be increased by sales commissions, which will be paid to intermediaries and do not exceed 5% of the net asset value of each Share.

7.4 The issue price will also be increased to cover any duties, taxes and stamp duties which may have to be paid.

## 8. REDEMPTIONS

### General

8.1 Shareholders are entitled at any time to redeem all or part of their Shares at the redemption price as further set out in Sections 8.7 to 8.11 headed "Redemption price" below, by addressing an irrevocable application for redemption to the Fund, or other authorised establishments.

8.2 Unless specifically mentioned under Appendix 1, for any request for redemption received by the Fund or by a distributor by 2 p.m. at the latest on the last Business Day before a Valuation Day, the Net Asset Value calculated on that Valuation Day shall be applicable.

8.3 Unless specifically mentioned under Appendix 1, for any request for redemption received by the Fund or by a distributor after the deadline of 2 p.m. on the last Business Day before a Valuation Day, the Net Asset Value applicable will be calculated on the following Valuation Day thereafter.

8.4 If, because of applications for redemption or conversion, it is necessary on a given Valuation Day to repurchase or convert a certain amount as determined by the Board of Directors in relation to the number of the Shares issued in a particular Compartment, the Board of Directors may decide that redemptions or conversions have to be postponed to the Valuation Day. On that Valuation Day, applications for redemption or conversion which had been postponed (and not withdrawn) shall be given priority over applications for redemption or conversion received for that particular Valuation Day (and which had not been postponed).

8.5 The Fund is entitled to repurchase, at any time, Shares which have been acquired in violation of a measure of exclusion taken by virtue of the Fund.

8.6 The price for the Shares presented for redemption shall be paid by transfer in the reference currency of the Compartment concerned within two (2) Business Days following the date when the net asset value applicable to the redemption was calculated (see Sections 8.7 to 8.11 on "Redemption price" below) or any day as set out in the Appendix 1.

### Redemption price

8.7 The redemption price for Shares in each Compartment is equal to the net asset value of each Share (or each category of Shares respectively) in that Compartment as calculated on the first applicable day after the application for redemption has been made.

8.8 In addition to this, the price may be reduced by a redemption fee of maximum 3% of the net asset value of each Share to be paid to intermediaries.

8.9 Under certain circumstances, the Board of Directors has the power to charge a dilution levy on the redemption price as described hereafter under Section 10 "Dilution Levy". In any case, the effective dilution levy charged on any Valuation Day shall be identical for all redemptions effected on such day.

- 8.10 The redemption price may also be reduced to cover any duties, taxes and stamp duties which might have to be paid.
- 8.11 The redemption price could be higher or lower than the subscription price paid, depending on how the net asset value has changed in the intervening period.

## **9. CONVERSION**

- 9.1 Subject to any potential restriction which may be set out in the Appendix to the Prospectus, any Shareholder may request the conversion of all or part of his/her/its Shares (or categories of Shares, respectively) in one Compartment into Shares of another Compartment, on the basis of the respective Net Asset Values as calculated on the Valuation Day of the Compartments (or category of Shares) concerned plus a conversion fee of maximum 1% of the Net Asset Value of each Share to be paid to intermediaries. In any case, conversions will not be permitted between Compartments with different Calculation and/or Valuation Days.
- 9.2 Unless specifically mentioned under Appendix 1, for any conversion requests received by the Fund or by a distributor by 2 p.m. at the latest on the last Business Day before a Valuation Day, the Net Asset Value calculated on the said Valuation Day will be applicable.
- 9.3 Unless specifically mentioned under Appendix 1, for any conversion requests received by the Fund or a distributor after the deadline of 2 p.m. on the last Business Day before a Valuation Day, the Net Asset Value applicable will be calculated on the next following Valuation Day thereafter.
- 9.4 Under certain circumstances, the Board of Directors has the power to charge a dilution levy on the conversion price as described hereafter under the Section 10 "Dilution Levy". In any case, the effective dilution levy charged on any Valuation Day shall be identical for all redemptions effected on such day.

## **10. DILUTION LEVY**

- 10.1 Under certain circumstances (for example, large volumes of deals) investment and/or disinvestments costs may have an adverse effect on the Shareholders' interest in the Fund. In order to prevent this effect, called "dilution", the Board of Directors has the power to charge a dilution levy on the issue, redemption and/or conversion of Shares. If charged, the dilution levy will be paid into the relevant Compartment and will become part of the relevant Compartment.
- 10.2 The dilution levy for each Compartment will be calculated by reference to the costs of dealing in the underlying investments of that Compartment, including any dealing spreads, commission and transfer taxes.
- 10.3 The need to charge a dilution levy will depend on the volume of issues, redemptions or conversions. The Board of Directors may charge a discretionary dilution levy on the issue, redemption and/or conversion of Shares, if in its opinion, the existing Shareholders (for issues) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:
- (a) where a Compartment is in constant decline (large volume of redemption requests);
  - (b) on a Compartment experiencing substantial issues in relation to its size;

- (c) in the case of “large volumes” of redemptions, subscriptions and/or conversions where “large volumes” refers to net redemptions or subscriptions exceeding 10% of the Compartment's entire assets;
- (d) in all other cases where the Board of Directors considers the interests of Shareholders require the imposition of a dilution levy.

10.4 In any case the dilution levy shall not exceed 2% of the net asset value per Share.

## 11. CALCULATION OF THE NET ASSET VALUE

11.1 The Net Asset Value as well as issue, redemption and conversion prices for Shares are calculated by the Administrative Agent for each Compartment in the Reference Currency used for the Compartment on the basis of the last known prices, at intervals which may vary for each Compartment and are specified in Appendix 1 (the “Valuation Day”). The Net Asset Value per Shares will be calculated up to two decimal places.

11.2 If the Valuation Day is not a Business Day, the Net Asset Value for that Compartment will be calculated on the next Business Day.

11.3 The Net Asset Value of a Share in each Compartment will be calculated by dividing the net assets of that Compartment by the total number of Shares outstanding of that Compartment. The Net Asset Value of a Compartment corresponds to the difference between the total assets and the total liabilities of the Compartment.

11.4 If different categories of Shares are issued for a Compartment, the Net Asset Value of each category of Shares in the Compartment concerned will be calculated by dividing the total Net Asset Value as calculated for the Compartment concerned and attributable to that category of Shares, by the total number of Shares issued for that category of Shares.

11.5 The percentage of the total Net Asset Value of the Compartment concerned attributable to each category of Shares, which was initially identical to the percentage of the number of Shares represented by that category of Shares, will change in respect of the distributions carried out in connection with dividend Shares as follows:

- (a) Upon payment of a dividend or any other distribution in respect of dividend Shares, the total net assets attributable to that category of Shares will be reduced by the amount of such distribution (the effect being to reduce the percentage of total net assets of the Compartment concerned attributable to dividend Shares), and the total net assets attributable to capitalisation Shares will remain identical (resulting in an increase in the percentage of the total net assets of the Compartment attributable to capitalisation Shares);
- (b) Upon the capital increase of the Compartment concerned by the issue of new Shares in one of the categories of Shares, the total net assets attributable to the category of Shares concerned will be increased by the amount received for such issue;
- (c) Upon the redemption by the Compartment concerned of the Shares in a particular category of Shares, the total net assets attributable to the corresponding category of Shares will be reduced by the price paid for the redemption of such Shares;

- (d) Upon the conversion of the Shares in one category of Shares into Shares in another category of Shares, the total net assets attributable to that category of Shares will be reduced by the net asset value of the Shares thus converted, the total net assets attributable to the category of Shares concerned being increased by that amount.
- 11.6 The Reference Currency of the Fund is the USD and corresponds to the difference between the total assets and the total liabilities of the Fund. In order to calculate this value, the net assets of each Compartment will, unless they are already expressed in USD, be converted into USD, and added together.
- 11.7 The assets of the Fund shall be valued as follows:
- (a) Transferable Securities or Money Market Instruments listed or traded in on an official stock exchange or any other Regulated Market, are valued on the basis of the last known price as of the relevant Valuation Day, and, if the securities or Money Market Instruments are listed on several stock exchanges or Regulated Markets, the last known price of the stock exchange which is the principal market for the security or Money Market Instrument in question, unless these prices are not representative.
  - (b) For Transferable Securities or Money Market Instruments not listed or traded in on an official stock exchange or any other Regulated Market, and for listed Transferable Securities or Money Market Instruments, but for which the last known price as of the relevant Valuation Day is not representative, valuation is based on the probable sales price estimated prudently and in good faith by the Board.
  - (c) Units and shares issued by UCITS or other UCIs will be valued at their last available NAV as of the relevant Valuation Day.
  - (d) The liquidating value of futures, forward or options contracts that are not traded in on exchanges or on Other Regulated Markets will be determined pursuant to the policies established in good faith by the Board, on a basis consistently applied. The liquidating value of futures, forward or options contracts traded in on exchanges or on other Regulated Markets will be based upon the last available settlement prices as of the relevant Valuation Day of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Valuation Day with respect to which a NAV is being determined, then the basis for determining the liquidating value of such contract will be such value as the Board may, in good faith and pursuant to verifiable valuation procedures, deem fair and reasonable.
  - (e) Liquid assets and Money Market Instruments with a maturity of less than twelve (12) months may be valued at nominal value plus any accrued interest or using an amortised cost method (it being understood that the method which is more likely to represent the fair market value will be retained). This amortised cost method may result in periods during which the value deviates from the price the Fund would receive if it sold the investment. The Board may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the Board. If the Board believes that a deviation from the amortised cost may result in material dilution or other unfair results to Shareholders, the Board will take such corrective action,

if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.

- (f) The swap transactions will be consistently valued based on a calculation of the net present value of their expected cash flows. For certain Compartments using over-the-counter financial derivative instruments (OTC Derivatives) as part of their main investment policy, the valuation method of the OTC Derivatives will be further specified in the relevant Compartment's Appendix.
- (g) Accrued interest on securities will be included if it is not reflected in the share price.
- (h) Cash will be valued at nominal value, plus accrued interest.
- (i) All assets denominated in a currency other than the reference currency of the respective Compartment/share class will be converted at the mid-market conversion rate as of the relevant Valuation Day between the reference currency and the currency of denomination.
- (j) All other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their probable realisation value, will be valued at probable realisation value, as determined with care and in good faith pursuant to procedures established by the Board.

11.8 The Board of Directors is entitled to adopt any other appropriate principles for valuing the Fund's assets in the event that extraordinary circumstances make it impracticable or inappropriate to determine the values according to the criteria specified above.

11.9 In cases when applications for subscription or redemption are sizeable, the Board of Directors may assess the value of the Share on the basis of rates during the trading session on the stock exchanges or markets during which it was able to buy or sell the necessary securities for the Fund. In such cases, a single method of calculation will be applied to all applications for subscription or redemption received at the same time.

## **12. SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION PRICES**

12.1 The calculation of the Net Asset Value or the issue, redemption and conversion prices of Shares in one or more Compartments may be suspended in the following circumstances:

- (a) when one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the assets of the relevant Compartment or share class, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the relevant Compartment or share class are denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
- (b) when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Board, disposal of the assets of the relevant Compartment or share class is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;



- (c) in the case of a breakdown in the normal means of communication used for the valuation of any investment of the relevant Compartment or share class or if, for any reason beyond the responsibility of the Board, the value of any asset of the relevant Compartment or share class may not be determined as rapidly and accurately as required;
- (d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable or if purchases and sales of the Compartment's assets cannot be effected at normal rates of exchange;
- (e) during the transfer of the Fund's assets as a result of a change of Depositary, as defined in the Articles;
- (f) when the Board so decides, provided that all Shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) upon publication of a notice convening a general meeting of shareholders of the Fund or of a Compartment for the purpose of deciding on the liquidation, dissolution, the merger or absorption of the Fund or the relevant Compartment and (ii) when the Board is empowered to decide on this matter, upon their decision to liquidate, dissolve, merge or absorb the relevant Compartment;
- (g) in case of the Fund's liquidation or in the case a notice of termination has been issued in connection with the liquidation of a Compartment or a class of shares;
- (h) where, in the opinion of the Board, circumstances which are beyond the control of the Board make it impracticable or unfair vis-à-vis the Shareholders to continue trading the Shares;
- (i) in the case of suspension of the calculation of the net asset value of one or several of the target UCIs or master funds in which the Fund or a Compartment has invested a substantial portion of its assets or in the context of a merger, contribution of assets, division or any other restructuring transaction; and
- (j) in any such circumstances the Board, acting in the best interests of the Shareholders, considers the suspension necessary, in order to avoid any detrimental effects on the Fund, a Compartment or a class of shares.

12.2 In such cases of suspension, Shareholders who have submitted applications to subscribe to, redeem or convert Shares in Compartments affected by the suspensions shall be notified.

12.3 The Fund may, at any time and at its discretion, temporarily discontinue, cease permanently or limit the issue of Shares in one or more Compartments to persons or corporate bodies resident or domiciled in some countries or territories. The Fund may also prohibit them from acquiring Shares if such a measure is necessary to protect the Shareholders as a whole and the Fund.

### **13. INCOME DISTRIBUTION**

13.1 The Board of Directors reserves the right to introduce a distribution policy which may vary according to Compartments and categories of Shares issued (capitalisation and distribution Shares).

- 13.2 Each distribution policy will be defined in the Appendices.
- 13.3 For those Compartments that do not comprise categories of Shares, the income will be capitalised on the understanding however that the Board of Directors reserves the right to introduce an income distribution policy. In such cases, dividends may be payable following a decision of the annual General Meeting within 6 months after the close of the Business Year.
- 13.4 In addition to the above dividends, the Fund may choose to pay interim dividends.
- 13.5 No distribution may be effected if as a result thereof the net assets of the Fund were to fall below EUR 1,250,000 (being provided that Shares of a Target Compartment held by an Investing Compartment will not be taken into account for the purpose of the calculation of the EUR 1,250,000 minimum capital requirement).
- 13.6 Dividends and allotments not collected within five years of their due date will lapse and revert to the Compartment.

## 14. FUND EXPENSES

### **Advisory fee and Management fee**

- 14.1 Each Investment Adviser and/or the Investment Manager is entitled to an advisory or management fee, payable on a quarterly basis at an annual rate which could vary according to the Compartments. The applicable rate for each Compartment is determined in Appendix 1 to the Prospectus. This commission is levied on each Compartment at a pro rata rate of its average net assets as determined during the relevant quarter concerned.
- 14.2 Any Investment Adviser and/or the Investment Manager may use part of the advisory or management fee received by the Fund to remunerate distributors and selling agents as further described for each Compartment in Appendix 1.

### **Performance fee**

- 14.3 In respect of certain Compartments, the Investment Manager and/or Investment Adviser may also be entitled to receive a performance fee, as may be specified in the relevant Appendix.

### **Other expenses**

- 14.4 Other costs charged to the Fund include:
- (a) All taxes and duties which might be due on the Fund's assets or income earned by the Fund, in particular the subscription tax (0.05% per annum) charged on the Fund's net assets.
  - (b) The costs and out-of-pocket expenses of any service providers in accordance with the relevant agreements.
  - (c) Brokerage fees and charges on transactions involving securities in portfolio.
  - (d) Remuneration of the Depositary, its correspondents, the Administrative Agent and the Management Company which shall not, in aggregate, exceed a maximum of 1% p.a.

(exclusive of any applicable VAT) on the total average net assets of the Fund and which shall be paid on a quarterly basis.

- (e) Extraordinary costs incurred, particularly for any verification procedures or legal proceedings undertaken to protect the Shareholders' interests.
- (f) The cost of preparing, printing and filing of administrative documents, prospectuses and explanatory memoranda with all authorities, the rights payable for the registration and maintenance of the Fund with all authorities and official stock exchanges, the cost of preparing, translating, printing and distributing periodical reports and other documents required by law or regulations, the cost of accounting and calculating the net asset value, the cost of preparing, distributing and publishing notifications to Shareholders, fees for legal consultants, experts and independent auditors, and all similar operating costs.
- (g) All advertising expenses and other expenditure other than that specified above related directly to the offering and distribution of Shares in foreign countries.

14.5 The fees associated with the creation of a new Compartment will be, in principle, exclusively borne by this new Compartment. Nevertheless the Board of Directors may decide, in circumstances where it would appear to be more fair to the Compartments concerned, that the initial setting up costs of the Fund, not yet amortised at the time of the new Compartment is launched, will be equally borne by all existing Compartments including the new Compartment.

14.6 All recurring expenditure shall be charged first to the Fund's income, then to realised capital gains, then to the Fund's assets. Other expenditure may be amortised over a period not exceeding five years.

14.7 Any research expenses will be borne by the Investment Manager.

14.8 Charges involved in the calculation of the Net Asset Values of the various Compartments shall be spread between the Compartments in proportion to their net assets, except in cases where charges specifically involve one Compartment, in which case they will be charged to that Compartment.

14.9 Please refer to the Sections 5, 8, 9 and 10 relating to "Subscriptions", "Redemptions", "Conversions" and "Dilution levy" for further details as to the specific fees and expenses borne by Shareholders.

## 15. RISK CONSIDERATIONS

The Fund bears the general risks laid down below. However, each Compartment is subject to specific risks, which the Board of Directors will seek to lower, as listed in the relevant Appendix.

### Equity Securities

15.1 Investing in equity securities may offer a higher rate of return than other investments. However, the risks associated with investments in equity securities may also be higher, because the performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with equity portfolio is the risk that the

value of the investments it holds might decrease in value. Equity security value may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

### **High-yield securities**

- 15.2 A Compartment may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments (and the Compartment is not required to hedge, and may choose not to do so). High-yield securities that are below investment grade or unrated face on-going uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

### **Investment in UCIs**

- 15.3 Investment in UCIs may embed a duplication of the fees and expenses which will be charged to the Fund, i.e. setting-up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, depositary bank fees and other service providers' fees. The accumulation of these costs may cause higher costs and expenses that would have been charged to the Fund if the latter had invested directly. The Fund will however seek to avoid any irrational multiplication of costs and expenses to be borne by Shareholders.
- 15.4 Also, the Fund must ensure that its portfolios of target UCIs present appropriate liquidity features to enable them to meet their obligation to redeem or repurchase their Shares. However, there is no guarantee that the market liquidity for such investments will always be sufficient to satisfy redemption requests favourably at the exact time they are submitted. Any absence of liquidity may impact in the liquidity of the Shares and the value of its investments.

### **Investment in warrants**

- 15.5 Investors should be aware of and prepared to accept the greater volatility in the prices of warrants which may result in greater volatility in the price of the Shares. Thus, the nature of the warrants will involve Shareholders in a greater degree of risk than is the case with conventional securities.

### **Stock market volatility**

- 15.6 The Net Asset Value of the Fund will reflect the volatility of the stock market. Stock markets are volatile and can move significantly in response to the issuer, demand and supply, political, regulatory, market and economic developments.

### **Issuer-specific risk**

- 15.7 The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

### **Interest rate risks**

- 15.8 The Net Asset Value of the Fund will change in response to fluctuations in interest rates. Generally, interest rate risk involves the risk that when interest rates decline, the market value of bonds tends to increase, and vice versa. The extent to which the price of a bond changes as the interest rates move may differ by the type of the debt securities.

### **Market risk**

- 15.9 Although it is intended that the portfolio of the Fund will be diversified, the investments of the Fund are subject to normal market fluctuations and to the risks inherent in investment in equities, fixed income securities, currency instruments, derivatives and other similar instruments. The prices of the Shares can go down as well as up and investors may not be able to realise their investment objective. Although the Board of Directors will attempt to restrict the exposure of the Fund to market movements, there is no guarantee that this strategy will be successful.

### **Investment in derivative instruments**

- 15.10 The use of futures, options and forward contracts exposes the Fund to additional investment risks. Financial futures prices are highly volatile and influenced by a variety of diverse factors including, i.a., changing supply and demand relationships, government, fiscal, monetary and exchange control programs and policies, national and international political and economic events and government intervention in certain markets, particularly in the currency and interest rate markets.
- 15.11 The trading of options, including options on futures contracts and OTC options, is speculative and highly leveraged. Specific market movements of futures contracts or securities underlying an option cannot be accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contracts or security underlying the option which the writer must purchase or deliver upon exercise of the option. Options traded OTC are not regulated.
- 15.12 Futures are also subject to illiquid situations when market activity decreases or when a daily price fluctuation limit has been reached.

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

- 15.13 Futures markets are highly volatile markets. The profitability of the Compartment will partially depend on the ability of the Board of Directors, the Management Company or the Investment Manager to make a correct analysis of the market trends, influenced by governmental policies and plans, international political and economic events, changing supply and demand relationships, acts of governments and changes in interest rates. In addition, governments may from time to time intervene on certain markets. Such interventions may directly or indirectly influence the market. Given that only a small amount of margin is required to trade on futures

markets, the operations of the managed futures portion of the Compartment will be characterised by a high degree of leverage. As a consequence, a relatively small variation of the price of a futures contract may result in substantial losses for the Compartment and a correlated reduction of the Net Asset Value of the Shares of the Compartment.

#### **Futures markets may be illiquid**

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

#### **Synthetic leverage**

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

#### **Risk associated with the physical and synthetic replication of an index**

- 15.16 The replication of an index can be either physical or synthetic. Physical replication implies the holding of all or a representative sample, of the underlying securities that make up the index. Physical replication is reasonably straightforward and transparent. Physical replication can under certain circumstances provide access to many broad-based indexes, without the increased counterparty risk of synthetic replication. However, physical replication involves buying and selling index components and therefore is inherently more costly than synthetic replication and may also exhibit larger tracking error. Physical replication can result in full replication of all components of an index or in optimised (sample based) replication, the latter involving lower costs at a risk of a larger tracking error.
- 15.17 Synthetic replication relies on financial derivative instruments such as swaps to execute the investment strategy. The Compartments do not actually hold the underlying securities of the index, but instead rely on swaps to deliver the performance of the index. This may be achieved

through total return (or unfunded swaps) and fully-funded swaps. Because it does not involve physically holding the securities, synthetic replication of an index can provide a means to in difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves counterparty risk. If a Compartment engages in OTC Derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full.

#### **Foreign exchange/currency risk**

- 15.18 Although Shares may be denominated in a particular currency, the Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the Fund as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between that currency and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to a foreign exchange/currency risk.
- 15.19 It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

#### **Specific risk related to an exposure to commodities**

- 15.20 To pursue its investment objectives, the Compartment will instead of direct investment mainly use financial derivative instruments and other techniques and instruments, in particular swaps, certificates and structured products, to build up and maintain an indirect exposure to commodities and commodities futures markets. Financial derivative instruments, certificates and structured products on commodity indices or individual commodities carry an increased risk potential compared to the general risks of financial instruments. These risks include inter alia political, military, economic (e.g. offer and demand) and natural (e.g., environmental or natural disasters) risks as well as risk of terrorist or criminal activities, which can restrict the production or trade of commodities or adversely affect the availability or price of the relevant commodities.

#### **Nominee arrangements**

- 15.21 The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Fund, in particular the right to participate in general meetings of Shareholders, if the investor is registered himself/herself/itself and in his/her/its own name in the Register. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his/her/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 Fund. Investors are advised to take advice on their rights.

#### **Lack of operating history**

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

### **Political and/or regulatory risks**

- 15.23 The value of the Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

### **Settlement risk**

- 15.24 The trading and settlement practices on some of the recognised exchanges on which the Fund may invest may not be the same as those in more developed markets. That may increase settlement risk and/or result in delays in realising investments made by the Fund.

### **Custody risk**

- 15.25 Local custody services in some of the market countries in which the Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

### **Taxation**

- 15.26 Potential investors' attention is drawn to the taxation risks associated with investing in the Fund. Further details relating to the Luxembourg tax legislation are given under Section 16 "Tax status". However, nothing in this Prospectus may be construed any tax advice and investors should consult their own professional advisers regarding any tax issues in the context of any contemplated investment in the Fund.

### **Counterparty risk**

- 15.27 The Fund may be subject to the risk of the inability of the counterparty, or any other entities in or with which an investment or transaction is made, to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

### **Risk arising from investments in emerging markets**

- 15.28 Payment suspensions and default in developing countries are due to various factors, such as political instability, bad financial management, a lack of currency reserves, capital leaving the country, internal conflicts or the lack of the political will to continue servicing the previously contracted debt.
- 15.29 The ability of issuers in the private sector to face their obligations may also be affected by these same factors. Furthermore, these issuers suffer the effect of decrees, laws and regulations introduced by the government authorities. These may be the modification of exchange controls and amendments to the legal and regulatory system, expropriations and nationalisations and the introduction of, or increase in, taxes, such as deduction at source.



- 15.30 Uncertainty due to an unclear legal environment or to the inability to establish firm ownership rights constitute other decisive factors. Added to this are the lack of reliable sources of information in these countries, the non-compliance of accounting methods with international standards and the lack of financial or commercial controls.
- 15.31 In particular, investors' attention is drawn to the fact that, at present, investments in Russia are subject to increased risk as regards the ownership and custody of Transferable Securities: market practice for the custody of bonds is such that these bonds are deposited with Russian institutions that do not always have adequate insurance to cover risk of loss arising from the theft, destruction or disappearance of instruments held in custody.

### **Specific risks when investing in the Indian equity market**

- 15.32 The Indian equity market is characterised by higher volatility than the stock markets of Western Europe or the United States of America and other developed countries. The securities listed on the Indian exchanges are subject to strong fluctuations. In addition, the Indian exchanges are subject to temporary closures, broker negligence, the failure of transactions and payment delays. Furthermore, the Securities and Exchange Board of India, the supervisory authority for the Indian stock exchanges, may issue restrictions on trade in certain securities, pricing and margin requirements.
- 15.33 If the foreign portfolio investor (FPI) licence of a Compartment is revoked for any reason, this could affect the chances of the Fund achieving its investment objectives. Under certain circumstances, such as changes to laws and regulations or the loss of registration, approval by the government or supervisory authority may require the repayment of investment income or revenue from the sale of securities. In addition, the Indian government may restrict the transfer of capital to other countries or the currency control regulations for international institutional investors such that the opportunities for the Fund to transfer its revenue and capital from India are limited. The Substantial Acquisition of Shares and Takeovers (SEBI) regulations of 1997 ("Takeover Code") include particular provisions that could delay, prevent or stop a future takeover or change in controlling relationships among Indian companies.

### **Investment in Contingent Convertible Bonds**

- 15.34 Certain Compartments may invest in Contingent Convertible Bonds. Under the terms of a Contingent Convertible Bond, certain triggering events, including events under the control of the management of the Contingent Convertible Bond's issuer, could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. These triggering events may include (i) a deduction in the issuing bank's Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio (or other capital ratios) below a pre-set limit, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "nonviable", i.e., a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or otherwise carry on its business and requiring or causing the conversion of the Contingent Convertible Bonds into equity in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital. The attention of investors investing in Compartments that are allowed to invest in Contingent Convertible Bonds is drawn to the following risks linked to an investment in this type of instruments.

*Conversion risk*

- 15.35 Investment in Contingent Convertible Bonds may result in material losses based on certain trigger events. The existence of these trigger events creates a different type of risk from traditional bonds and may more likely result in a partial or total loss of value or alternatively they may be converted into shares of the issuing company which may also have suffered a loss in value.

*Coupon cancellation*

- 15.36 For Additional Tier 1 (AT1) Contingent Convertible Bonds, coupons may be cancelled in a going concern situation. Coupon payments on such Contingent Convertible Bonds are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on AT1 Contingent Convertible Bonds does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of these Contingent Convertible Bonds and may lead to mispricing of risk.

*Capital structure inversion risk*

- 15.37 Contrary to classic capital hierarchy, holders of Contingent Convertible Bonds may suffer a loss of capital when equity holders do not. In certain scenarios, holders of Contingent Convertible Bonds will suffer losses ahead of equity holders. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.

*Call extension risk*

- 15.38 Most Contingent Convertible Bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual Contingent Convertible Bonds will be called on call date. Perpetual Contingent Convertible Bonds are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

*Unknown risk*

The structure of Contingent Convertible Bonds is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, will the market view the issue as an idiosyncratic event or systemic? In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore in an illiquid market, price formation may be increasingly stressed.

*Sector concentration risk*

- 15.39 Contingent Convertible Bonds are issued by banking/insurance institutions. If a Compartment invests significantly in Contingent Convertible Bonds its performance will depend to a greater extent on the overall condition of the financial services industry than a Compartment following a more diversified strategy.

### *Liquidity risk*

- 15.40 In certain circumstances finding a ready buyer for Contingent Convertible Bonds may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

### **Investment in Distressed Securities**

- 15.41 Investment in a security issued by a company that is either in default or in high risk of default (**Distressed Securities**) involves significant risk. Such investments will only be made when the relevant Investment Manager believes it is reasonably likely that the issuer of the securities will make an exchange offer or will be the subject of a plan of reorganisation; however, there can be no assurance that such an exchange offer will be made or that such a plan of reorganisation will be adopted or that any securities or other assets received in connection with such an exchange offer or plan of reorganisation will not have a lower value or income potential than anticipated when the investment was made. In addition, a significant period of time may pass between the time at which the investment in Distressed Securities is made and the time that any such exchange offer or plan of reorganisation is completed. During this period, it is unlikely that any interest payments on the Distressed Securities will be received, there will be significant uncertainty as to whether or not the exchange offer or plan of reorganisation will be completed, and there may be a requirement to bear certain expenses to protect the investing Compartment's interest in the course of negotiations surrounding any potential exchange or plan of reorganisation. In addition, as a result of participation in negotiations with respect to any exchange offer or plan of reorganisation with respect to an issuer of Distressed Securities, the investing Compartment may be precluded from disposing of such securities. Furthermore, constraints on investment decisions and actions with respect to Distressed Securities due to tax considerations may affect the return realised on the Distressed Securities.

### **Brexit**

#### *The relationship of the United Kingdom with the European Union may affect the Fund*

- 15.42 The United Kingdom (UK) left the European Union on 31 January 2020 at 11 pm and the transition period ended on 31 December 2020 at 11 pm. Therefore, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under it ensure that there is a functioning statute book in the UK.
- 15.43 The EU-UK Trade and Cooperation Agreement (the "Trade and Cooperation Agreement") governs relations between the EU and the UK following the end of the Brexit transition period. The Trade and Cooperation Agreement had provisional application pending completion of ratification procedures, and entered into force on 1 May 2021. The Trade and Cooperation Agreement contains limited provisions in relation to financial services and does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the European Union and from the European Union into the UK.
- 15.44 As such, no assurance can be given that such matters would not adversely affect the Company in a variety of ways.

## **Disclosure of Identity**

- 15.45 The Fund, the Management Company, the Administrative Agent or the Depositary may be required by law, regulation or government authority or where it is in the best interests of the Fund to disclose information in respect of the identity of investors.
- 15.46 The Fund is required under Luxembourg Law to (i) obtain and hold accurate and up-to-date information (i.e. full names, nationality/ies, date and place of birth, address and country of residence, national identification number, nature and extent of the interest in the Fund) about its beneficial owners (as such term is defined under the AML Act 2004) and relevant supporting evidence and (ii) file such information and supporting evidence with the Luxembourg Register of Beneficial Owners ("RBO") in accordance with the Luxembourg act of 13 January 2019 creating a register of beneficial owners (the "RBO Act 2019").
- 15.47 The attention of investors is drawn to the fact that the information contained in the RBO (save for the national identification number and address of the beneficial owner) will be available to the public as from 1 September 2019, unless a limited access exemption is applied for and granted. Luxembourg national authorities and professionals (as referred to in the AML Act 2004) may request that the Fund give them access to the information on the beneficial owner(s) of the Fund (as well as its legal owners). Investors, their direct or indirect (share)holders who are natural persons, the natural person(s) who directly or indirectly control(s) the Fund, the natural person(s) on whose behalf investors may act, may qualify as beneficial owner(s), and beneficial ownership may evolve or change from time to time in light of the factual or legal circumstances. Beneficial owners are under a statutory obligation to provide to the Fund all relevant information about them as referred to above. Non-compliance with this obligation may expose beneficial owners to criminal sanctions.
- 15.48 Each investor will be required in its subscription agreement to agree that the Fund and any Service Provider cannot incur any liability for any disclosure about a beneficial owner made in good faith to comply with Luxembourg Law.
- 15.49 Each investor will be required in its subscription agreement to make such representations and warranties that it will promptly provide upon request, all information, documents and evidence that the Fund may require to satisfy its obligations under any applicable laws and in particular the RBO Act.

## **16. TAX STATUS**

The Fund is subject to Luxembourg tax legislation.

### **The Fund**

- 16.1 **In accordance with current Luxembourg law, the Fund is not subject to any tax on income, capital gains tax or wealth tax. Moreover, no dividends distributed by the Fund are subject to withholding tax.**
- 16.2 However, income collected by the Fund on securities in its portfolios may be subject to withholding tax which, in normal circumstances, cannot be reclaimed.

- 16.3 The Fund's net assets are subject to a subscription tax of 0.05% per annum (except for certain Compartments or categories of Shares specifically reserved for to Institutional Investors, which benefit from the reduced rate of 0.01% per annum), payable at the end of each quarter and calculated on the basis of the total net assets at the end of the relevant quarter.

### **Shareholders**

- 16.4 According to legislation and current practice in Luxembourg, Shareholders, other than those domiciled, residing or permanently established in Luxembourg and certain former residents of Luxembourg holding more than 10% of the Fund's share capital, are not liable to pay any Luxembourg tax on income, capital gains, donations or legacies. However, it is incumbent upon any purchasers of Shares in the Fund to inform themselves about the relevant legislation and tax regulations applicable to the acquisition, holding and sale of Shares with regard to their residence qualifications and nationality.

## **17. EXCHANGE OF INFORMATION FOR TAX PURPOSES**

- 17.1 The Fund may be required to report certain information about its Shareholders and, as the case may be, about individuals controlling Shareholders that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 24 July 2015 concerning FATCA, and/or the Luxembourg legislation implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the "Common Reporting Standard"), each as amended from time to time (each an "AEOI Law" and collectively the "AEOI Laws"). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Shares (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.
- 17.2 Each Shareholder and prospective investor agrees to provide, upon request by the Fund (or its delegates), any such information, documents and certificates as may be required for the purposes of the Fund's identification and reporting obligations under any AEOI Law. The Fund reserves the right to reject any application for Shares or to redeem Shares (i) if the prospective investor or Shareholder does not provide the required information, documents or certificates or (ii) if the Fund (or its delegates) has reason to believe that the information, documents or certificates provided to the Fund (or its delegates) are incomplete or incorrect and the Shareholder does not provide, to the satisfaction of the Fund (or its delegates), sufficient information to cure the situation. Prospective investors and Shareholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Laws. Neither the Fund nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Fund (or its delegates). Any Shareholder failing to comply with the Fund's information requests may be charged with any taxes and penalties imposed on the Fund attributable to such Shareholder's failure to provide complete and accurate information.

17.3 Each Shareholder and prospective investor acknowledges and agrees that the Fund will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the AEOI Laws. Each individual whose personal data has been processed for the purposes of any AEOI Law has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

## 18. BUSINESS YEAR

The Business Year runs from January 1st to December 31st of each year.

## 19. PERIODICAL REPORTS AND PUBLICATIONS

19.1 The Fund will publish an audited annual report as at 31 December of each year and an unaudited semi-annual report as at 30 June of each year. The first audited annual report was established as at 31 December 2019 and the first unaudited semi-annual report was established as at 30 June 2020.

19.2 The reports include accounts of the Fund and of each Compartment.

19.3 All these reports will be made available to the Shareholders at the registered office of the Fund, the Depositary, a distributor and other establishments appointed by the Depositary.

19.4 The Net Asset Value per Share of each Compartment as well as the issue and redemption prices will be made available to the public at the offices of the Depositary and the distributor.

19.5 Any amendments to the Articles will be published in the Luxembourg Official Gazette.

## 20. LIFETIME, MERGER AND LIQUIDATION OF THE FUND AND COMPARTMENTS

### The Fund

20.1 The Fund has been established for an indefinite period, but the Board of Directors may, at any time, propose the dissolution of the Fund to an extraordinary General Meeting.

20.2 If the capital of the Fund falls below two thirds of the minimum capital required by the law, the Board of Directors must submit the question of the dissolution of the Fund to a General Meeting for which no quorum shall be required and which shall decide by a simple majority of the Shares represented at this meeting.

20.3 If the capital of the Fund falls below one fourth of the minimum capital, the Directors must submit the question of the dissolution of the Fund to a General Meeting for which no quorum shall be required; dissolution may be resolved by a simple majority of the Shareholders holding one fourth of the Shares represented at this meeting.

20.4 The liquidation of the Fund shall be carried out in accordance with the Articles and the provisions of the 2010 Law which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and in the connection provides for deposit in escrow at the *Caisse des Consignations* in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net

liquidation proceeds shall be distributed to the Shareholders in proportion to their respective holdings.

### **Merger of the Fund and the Compartments**

- 20.5 In accordance with the provisions of the 2010 Law and of the Articles, the Board of Directors may decide to merge or consolidate the Fund with, or transfer substantially all or part of the Fund's assets to, or acquire substantially all the assets of, another UCITS established in Luxembourg or another EU Member State. For the purpose of this Section 20.5, the term UCITS also refers to a compartment of a UCITS and the term Fund also refers to a Compartment.
- 20.6 Any merger leading to termination of the Fund must be approved by a Shareholders meeting subject to the quorum and the majority requirement applying to the modification of the Articles. For the avoidance of doubt, this provision does not apply in respect of a merger leading to the termination of a Compartment.
- 20.7 Shareholders will receive shares of the surviving UCITS or compartment and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares.
- 20.8 The Fund will provide appropriate and accurate information on the proposed merger to its Shareholders so as to enable them to make an informed judgment of the impact of the merger on their investment and to exercise their rights under this Section 20 and the 2010 Law.
- 20.9 The Shareholders have the right to request, without any charge other than those retained by the Fund to meet disinvestment costs, the redemption of their Shares.
- 20.10 The Board of Directors may decide to allocate the assets of a Compartment to those of another existing Compartment within the Fund or to another Luxembourg UCITS or to another compartment within such other Luxembourg UCITS (the "New Compartment") and to repatriate the Shares of the category of Shares or categories of Shares concerned as Shares of another category of Shares (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described in Section 20.8 above one month before its effectiveness (and, in addition, the publication will contain information in relation to the New Compartment), in order to enable the Shareholders to request redemption of their Shares, free of charge, during such period.
- 20.11 Notwithstanding the powers conferred to the Board of Directors by Section 20.10 above, a contribution of the assets and of the liabilities attributable to any Compartment to another Compartment within the Fund may in any other circumstances be decided by a general meeting of Shareholders of the category of Shares or categories of Shares issued in the Compartment concerned for which there will be no quorum requirements and which will decide upon such a merger by resolution taken by simple majority of those present or represented and voting at such meeting.
- 20.12 If the interest of the Shareholders of the relevant Compartment or in the event that a change in the economic or political situation relating to a Compartment so justifies, the Board of Directors may proceed to the reorganisation of a Compartment by means of a division into two or more Compartments. Information concerning the New Compartment(s) will be provided to the relevant Shareholders. Such publication will be made one month prior to the effectiveness of the

reorganisation in order to permit Shareholders to request redemption of their Shares free of charge during such one month prior period.

### **Liquidation of Compartments**

- 20.13 The Board of Directors may also propose to dissolve a Compartment at a General Meeting of that Compartment. The proceedings at this General Meeting shall be subject to quorum requirements in conformity with the Articles and the decision to dissolve the Compartment shall be taken by the majority of the Shares in that Compartment represented at this meeting.
- 20.14 If the net assets of a Compartment fall below the equivalent of EUR 2,000,000 the decision to liquidate that Compartment may be taken by the Board of Directors if the latter considers that such liquidation would serve the best interests of the Shareholders, and as further provided in the Articles of the Fund. If the Compartment to be liquidated was the last Compartment in operation, the liquidation of this Compartment would be subject to the regulations about liquidation of the Fund.
- 20.15 If a Compartment is dissolved, the liquidation process shall be conducted in conformity with the provisions of the 2010 Law. This legislation stipulates the procedures to be followed to enable Shareholders to share in the proceeds of the liquidation and, in this respect, specifies that any amount not distributed to Shareholders once the dissolution process has been completed shall be first kept at the depositary bank for a period of six months; should the proceeds not be claimed during this period, they will be then surrendered to the *Caisse des Consignations* in Luxembourg. The net proceeds of the liquidation for each Compartment shall be distributed to the Shareholders of that particular Compartment in proportion to the number of Shares held in the relevant Compartment.

## **21. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are deposited and kept available for inspection at the Fund's registered office:

- the Articles;
- the latest annual and semi-annual reports of the Fund;
- the KIIDs;
- the Depositary Agreement;
- the Management Company Services Agreement;
- the Global Distribution Agreement, if any;
- the Investment Management Agreement; and
- each Investment Advisory Agreement, if any.



## 22. INVESTMENT RESTRICTIONS

22.1 The Fund has adopted the following restrictions relating to the investment of the Fund's assets and its activities. These restrictions and policies must be read in conjunction with the provisions of the Articles and may be amended from time to time by the Fund if and as it shall deem it to be in the best interests of the Fund, in which case this Prospectus will be updated.

22.2 The investment restrictions imposed by Luxembourg law must be complied with by each Compartment.

### **Investments in eligible assets**

22.3 Investments in the Fund shall comprise exclusively:

- (a) Transferable Securities and Money Market Instruments listed or dealt on a Regulated Market; and/or
- (b) Transferable Securities and Money Market Instruments dealt on an Other Regulated Market in a EU Member State; and/or
- (c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt on an Other Regulated Market in an Other State; and/or
- (d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, an official stock exchanges in an Other State or on an Other Regulated Market referred to above under Sections 22.3(a) to 22.3(c) of the main part of the Prospectus and that such a listing will be obtained within one year of the date of issue;
- (e) units/shares of UCITS and/or other UCIs, whether situated in a EU Member State or not, provided that:
  - (i) such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured (at the time of the present Prospectus, the EU law and/or OECD Member States as well as Hong Kong, Jersey, Guernsey and Liechtenstein);
  - (ii) the level of protection for Shareholders in such other UCIs is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (iii) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;

- (iv) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units/shares of other UCITS or other UCIs; and/or
- (f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a EU Member State or, if the registered office of the credit institution is situated in an Other State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law; and/or
- (g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market, stock exchange in an Other State or on an Other Regulated Market referred to under Sections 22.3(a) to 22.3(c) of the main part of the Prospectus above, and/or OTC Derivatives, provided that:
  - (i) the underlying consists of instruments covered by this Section 22.3, financial indices, interest rates, foreign exchange rates or currencies, in which the Compartments may invest according to their respective investment objective;
  - (ii) the counterparties to OTC Derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
  - (iii) the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative; and/or
- (h) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
  - (i) issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the European Union or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - (ii) issued by an undertaking any securities of which are dealt in on Regulated Markets or Other Regulated Market referred to Sections 22.3(a) to 22.3(c) of the main part of the Prospectus above, or
  - (iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, or
  - (iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at

least ten million Euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- (i) In addition, the Fund may invest a maximum of 10% of the net assets of any Compartment in Transferable Securities and Money Market Instruments other than those referred to under Section 22.3 above.

22.4 However, each Compartment may:

- (a) hold ancillary liquid assets;
- (b) invest no more than 10% of its net assets in Transferable Securities or Money Market Instruments issued by the same body.

*Risk diversification*

22.5 Each Compartment may not invest more than 20% of its net assets in deposits made with the same body.

22.6 Furthermore, where any Compartment holds investments in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the net asset value of such Compartment, the total value of all such investments must not account for more than 40% of the net asset value of such Compartment. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.

22.7 The counterparty risk of a Compartment arising from OTC Derivative transactions may not exceed 10% of its net assets when the counterparty is a credit institution referred to in Section 22.3(f) above or 5% in any other case.

22.8 Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in Sections 22.4(b), 22.6, 22.7, 22.12 to 22.14, 22.16 and 22.18 of the main part of the Prospectus. When the Compartment invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in Sections 22.4(b), 22.6, 22.7, 22.12 to 22.14, 22.16 and 22.18 of the main part of the Prospectus.

22.9 When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of Sections 22.10 and 22.11 below as well as with the risk exposure and information requirements laid down in this Prospectus.

22.10 The Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

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

- 22.12 Notwithstanding the individual limits laid down in Sections 22.4(b), 22.6 and 22.7 above, a Compartment may not combine:
- (a) investments in Transferable Securities or Money Market Instruments issued by,
  - (b) deposits made with, and/or
  - (c) counterparty exposures arising from OTC Derivative transactions undertaken with, a single body in excess of 20% of its net assets.
- 22.13 The limit of 10% laid down in Section 22.4(b) above shall be 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a EU Member State, its local authorities or by any Other State or by public international bodies of which one or more EU Member States are members.
- 22.14 The limit of 10% set forth under Section 22.4(b) above is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a EU Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, “qualifying debt securities” are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Compartment invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Compartment.
- 22.15 The securities and Money Market Instruments specified under (i) and (C)(4) above shall not be included in the calculation of the limit of 40% under (C)(2)(i).
- 22.16 The limits set out in Sections 22.4(b), 22.6, 22.7, 22.12 to 22.14 above may not be aggregated and, accordingly, the value of investments in Transferable Securities and Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body, effected in accordance with Sections 22.4(b), 22.6, 22.7, 22.12 to 22.14 above may not, in any event, exceed a total of 35% of each Compartment’s net asset value.
- 22.17 Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in Sections 22.4(b) to 22.18 of the main part of the Prospectus.
- 22.18 A Compartment may cumulatively invest up to 20% of its net assets in Transferable Securities and Money Market Instruments within the same group.
- 22.19 Subject to having due regard to the principle of risk spreading, a Compartment need not comply with the limits set out in articles 43 to 46 of the 2010 Law for a period of 6 months following the date of its authorisation and launch.

*Exceptions which can be made*

- 22.20 **Where any Compartment has invested in accordance with the principle of risk spreading in Transferable Securities and Money Market Instruments issued or guaranteed by a EU Member State, by its local authorities or by any OECD Member State, by certain non-OECD Member States (currently Brazil, Indonesia, Russia, Singapore, Hong-Kong and South-Africa and as further specified by the CSSF from time to time), or by public international bodies of which one or more EU Member States are members, the Fund may invest 100% of the net assets of any Compartment in such Transferable Securities and Money Market Instruments provided that such Compartment must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net assets of the Compartment.**
- 22.21 Without prejudice to the limits set forth hereafter under Section 22.32 below, the limits set forth in Sections 22.5 to 22.18 above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Compartment's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, on the following basis:
- (a) the composition of the index is sufficiently diversified,
  - (b) the index represents an adequate benchmark for the market to which it refers,
  - (c) it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

*Investment in UCITS and/or other UCIs*

- 22.22 Each Compartment may acquire units of the UCITS and/or other UCIs referred to in Section 22.3(e) above, provided that no more than 20% of a Compartment's net assets are invested in the units of a single UCITS or other UCI.
- 22.23 For the purpose of the application of investment limits, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
- 22.24 Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Compartment.
- 22.25 When a Compartment invests in the units of other UCITS and/or other UCIs linked to the Fund by common management or control, or by a substantial direct or indirect holding, or managed by a management company linked to the relevant Investment Manager, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs.

- 22.26 In respect of a Compartment's investments in UCITS and other UCIs linked to the Fund as described in the preceding Section, the total management fee (excluding any performance fee, if any) charged to such Compartment and each of the UCITS or other UCIs concerned shall not exceed 2.5% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Compartment and to the UCITS and other UCIs in which such Compartment has invested during the relevant period.
- 22.27 The Fund may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS and/or UCI concerned, all Compartments combined.
- 22.28 The underlying investments held by the UCITS or other UCIs in which the Compartments invest do not have to be considered for the purpose of the investment restrictions set forth under Sections 22.5 to 22.18 above.
- 22.29 The investment limits laid down above may be exceeded whenever subscription rights attaching to securities which form part of the Fund's assets are being exercised.
- 22.30 If such limits are exceeded as a result of exercising subscription rights or for reasons beyond the Fund's control, the Fund shall endeavour as a priority aim to redress the balance, while taking due account of the interests of the Shareholders.

#### *Investments between Compartments*

- 22.31 A Compartment (the "Investing Compartment") may invest in one or more other Compartments. Any acquisition of shares of another Compartment (the "Target Compartment") by the Investing Compartment is subject to the following conditions:
- (a) the Target Compartment may not invest in the Investing Compartment;
  - (b) the Target Compartment may not invest more than 10% of its net assets in UCITS (including other Compartments) or other UCIs referred to in Section 22.3(e) above;
  - (c) the voting rights attached to the shares of the Target Compartment are suspended during the investment by the Investing Compartment; and
  - (d) the value of the share of the Target Compartment held by the Investing Compartment are not taken into account for the purpose of assessing the compliance with the EUR 1,250,000 minimum capital requirement.

#### **Prohibited investments**

- 22.32 The Fund is prohibited from:
- (a) borrowing for the account of any Compartment, unless:
    - (i) the loan is only temporary and does not exceed 10% of the net assets of the Compartment in question;

- (ii) the borrowing is in the form of a back-to-back loan.
- (b) acquiring shares carrying voting rights which would enable the Fund to exercise significant influence over the management of the issuing body;
- (c) acquiring more than:
  - (i) 10% of the non-voting shares of the same issuer;
  - (ii) 10% of the debt securities of the same issuer,
  - (iii) 10% of the Money Market Instruments of the same issuer.

However, the limits laid down in the second and third incidents above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments or the net amount of instruments in issue cannot be calculated.

The limits set out in sub-paragraphs (b) and (c) of Section 22.32 above shall not apply to:

- (i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- (ii) Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members; or
- (iv) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Compartment's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in articles 43, 46 and 48(1) and (2) of the 2010 Law.
- (d) making investments in precious metals or certificates representing these
- (e) entering into transactions involving commodities or commodity contracts, except that the Fund may employ techniques and instruments relating to Transferable Securities within the limits set out in Section 23 below;
 

purchasing or selling real estate or any option, right or interest therein, provided the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein;
- (f) carrying out uncovered sales of Transferable Securities, other financial instruments or Money Market Instruments referred to in Sections 22.3(e), 22.3(g) and 22.3(h) above;

- (g) mortgaging, pledging, hypothecating or otherwise encumbering as security for indebtedness any securities held for the account of any Compartment, except as may be necessary in connection with the borrowings mentioned in sub-paragraph (a) of Section 22.32 above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net assets of each Compartment. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose;
- (h) underwriting or sub-underwriting securities of other issuers.

## **23. INVESTMENTS IN FINANCIAL DERIVATIVE INSTRUMENTS**

### **General**

- 23.1 The Compartments will not make use of SFTs nor TRS. If a Compartment makes use of SFTs and/or TRS, the main part of this Prospectus as well as the relevant Compartment's Appendix will include the disclosure requirements of the SFTR and the CSSF SFTR FAQ, including, among others, with respect to the relevant Compartment's Appendix the maximum and expected proportion of assets that may be subject to SFTs or TRS, as well as the types of assets that are subject to SFTs or TRS.

### **Management of collateral and collateral policy for OTC Derivatives transactions**

- 23.2 In the context of OTC Derivatives transactions, the Fund may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Fund in such case.
- 23.3 The risks linked to the collateral management, such as operational, custody and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in Section 15 of the main body of the Prospectus.

### **Eligible collateral**

- 23.4 Collateral received by the Fund or a Compartment 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 CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:
- (a) Any collateral received other than cash should be of high quality, highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
  - (b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
  - (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 Fund's or Compartment's net assets to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Compartment may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong, provided the Compartment receives securities from at least six different issues and any single issue does not account for more than 30% of the Compartment's NAV. Accordingly a Compartment may be fully collateralised in securities issued or guaranteed by an eligible OECD Member State.
- (e) It should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

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

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) Bonds issued or guaranteed by a 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 a EU Member State or on a stock exchange of a OECD Member State, on the condition that these shares are included in a main index

23.6 Notwithstanding the previous Section, in line with the CSSF Circular 14/592, which transposed the Guidelines issued by the European Securities and Market Authority ("ESMA") "ESMA/2014/937", at the date of the Prospectus, collateral will be only received in:

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments.
- (b) Bonds issued or guaranteed by a OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope.
- (c) To the extent that this policy should be reviewed by the Investment Managers, the Prospectus will be amended accordingly.

23.7 Collateral posted in favour of a Compartment under a title transfer arrangement should be held by the Depositary or one of its delegates or sub-delegates. Collateral posted in favour of a Compartment under a security interest arrangement (e.g., a pledge) can be held by a third party

custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

**Level of collateral required**

23.8 The level of collateral required across all OTC Derivatives will be at least 100% of the exposure to the relevant counterparty subject to threshold requirements being met pursuant to the applicable ISDA and CSA. This will be achieved by applying the haircut policy set out under Sections 23.9 to 23.15 below.

**Haircut policy**

23.9 Collateral will be valued on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Fund for each asset class based on its haircut policy. This policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer’s credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Fund under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

23.10 In case of non-cash collateral, a haircut will be applied. The Investment Manager will only accept non-cash collateral which does not exhibit high price volatility. The non-cash collateral received on behalf of the Fund will typically be government debts and supranational debt securities.

23.11 For non-cash collateral, a haircut of 1% to 8% will be applied as follows:

Government debts and supranational debt securities	Remaining stated maturity of	Minimum haircut applied
	Not exceeding 1 year	1%
	1 to 5 years	2%
	5 to 10 years	3%
	10 to 20 years	5%
	20 to 30 years	6%

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

23.13 Cash collateral received by the Fund can only be:

- (a) placed on deposit with credit institutions which have their registered office in a EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (b) invested in highly rated government bonds;
- (c) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European money market funds.

23.14 Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral under Section 23.4 above.

23.15 The Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Fund to the counterparty at the conclusion of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

#### **24. RISK MANAGEMENT PROCESS**

The Fund will employ a risk-management process which enables it with the Investment Managers to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Compartment. The Fund or the relevant Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC Derivatives.

## **APPENDIX 1**

### **COMPARTMENTS ALREADY IN OPERATION**

This Appendix 1 will be updated to take account of any changes in one of the Compartments already operating or whenever a new Compartment is set up.

## 1. PA UCITS – STRATEGIC ALLOCATION FUND

### **Investors' profile**

- 1.1 This Compartment is designed for investors wishing to get access to a global balanced strategy aiming at stable returns and being exposed to various asset classes.
- 1.2 Investors should have a medium term investment horizon.

### **Objectives and investment policy**

- 1.3 The objective of the PA UCITS – Strategic Allocation Fund (the “Compartment”) is to achieve an appropriate return in the Compartment currency while accounting for investment risk.
- 1.4 In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.
- 1.5 The Compartment is a fund of funds, offering an indirect exposure to the following two asset classes: equities and equity-related securities (including depositary receipts such as ADR-GDR and closed-ended REITS) and debt securities of any type.
- 1.6 In order to achieve its objective, the Compartment will mainly invest in eligible UCITS and/or other UCIs having as main objective to invest or grant an exposure to the above-mentioned asset classes.
- 1.7 Up to 49% of the net assets of the Compartment may also :
  - (a) be invested in any other eligible investments, such as direct investment in transferable securities (equities, equity related securities, debt securities (investment grade rating only), money market instruments, cash and cash equivalents) and structured products (as detailed below). However, the Compartment does not intend to invest in defaulted nor distressed securities; or
  - (b) be indirectly ( i.e. via structured products without embedded derivatives and/or other UCITS or UCIs) exposed to commodities but subject to a maximum limit of 10% within the 49% limit above.
- 1.8 The choice of investments will neither be limited by geographical area (including emerging markets), economic sector, fund strategy nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency.
- 1.9 The Compartment may invest, up to 10% of its net assets in structured products, such as but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the Grand-Ducal regulation dated 8 February 2008 (including indices on volatility, on commodities, on precious metals, etc.), currencies, exchange rates, transferable securities or a basket of transferable securities or an undertaking for collective investment, at all times in compliance with the Grand-Ducal regulation. In compliance with the Grand-Ducal regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in

commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the compartment.

- 1.10 For hedging and for investment purposes, within the limits set out in the chapter “Investment Restrictions” of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. However, the Investment Manager intends to use principally options and futures on equity and debt securities as well as financial derivatives on currencies.
- 1.11 Due to the fact that the Compartment invests a substantial portion in other UCIs, the shareholder is exposed to a possible duplication of fees and charges. However, the maximum percentage of the fixed management fee at the level of the target UCIs will be 2.5%.
- 1.12 In exceptional cases, up to 100% of the Compartment’s net assets may, within the legal limits, also temporarily be held in liquidities as among others cash deposits, money market UCIs (UCITS and/or other UCIs) and money market instruments.
- 1.13 The Compartment will not make use of SFTs nor TRS.
- 1.14 For the purpose of the Taxonomy Regulation, the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.
- 1.15 Risk considerations specific to the Compartment

Please refer to the Section 15 headed “Risk considerations” of the main body of the Prospectus for further details.

#### 1.16 Global risk exposure

The Compartment’s global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the Compartment’s Net Asset Value.

### Categories of Shares

	<i>A EUR</i>	<i>A USD (hedged)</i>	<i>A CHF (hedged)</i>	<i>C EUR</i>	<i>C USD (hedged)</i>	<i>C CHF (hedged)</i>
<i>Currency</i>	EUR	USD	CHF	EUR	USD	CHF
<i>Initial subscription price</i>	EUR 100	USD 100	CHF 100	EUR 100	USD 100	CHF 100
<i>Minimum initial subscription</i>	1 share	1 share	1 share	EUR 100,000	USD 100,000	CHF 100,000
<i>Minimum subsequent subscription</i>	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<i>Eligible investors</i>	All investors	All investors	All investors	Institutional investors	Institutional investors	Institutional investors
<i>Accumulation/ Distribution</i>	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation

### Reference Currency

- 1.17 The Reference Currency is the EUR.
- 1.18 For the Shares issued in a currency other than the Reference Currency, specifically identified as hedged if classes are hedged, the hedging must be systematically applied. This does not prevent new non-hedged classes from being launched.

### Frequency of calculation of NAV

- 1.19 The Net Asset Value of the Compartment shall be calculated on each Business Day (the "Calculation Day"), on the basis of the pricing of the preceding Business Day (the "Valuation Day"). If such Valuation Day is not a Business Day, the Net Asset Value of the Compartment will be calculated the immediately following Business Day.

### Payment of the subscription price, conversion price or redemption price

- 1.20 The amount for the subscription shall be paid or transferred within two (2) Business Days following the relevant Valuation Day.
- 1.21 Redemption proceeds will be paid within two (2) Business Days following the relevant Valuation Day.

Cut-off	Subscription: prior to 2 p.m., one (1) Business Day prior to the relevant Valuation Day. Conversion: prior to 2 p.m., one (1) Business Day prior to the relevant Valuation Day.* Redemption: prior to 2 p.m., one (1) Business Day prior to the relevant Valuation Day.
Valuation Day (Pricing Day)	Each Business Day.
Calculation Day	One (1) Business Day following the Valuation Day.
Settlement Day	Subscription: within two (2) Business Days after the relevant Valuation Day. Conversion: within two (2) Business Days after the relevant Valuation Day. Redemption: within two (2) Business Days after the relevant Valuation Day.
*Conversions are subject to the restrictions under Section 9 of the main part of the Prospectus.	

## Fees specific to this Compartment

1.22 The Fund will pay to the Investment Manager a management fee as described as follows:

### *Management fee*

Class A EUR	max. 1.25% p.a.
Class A USD (hedged)	max. 1.25% p.a.
Class A CHF (hedged)	max. 1.25% p.a.
Class C EUR	max. 0.50% p.a.
Class C USD (hedged)	max. 0.50% p.a.
Class C CHF (hedged)	max. 0.50% p.a.

### *Other fees*

	Class A EUR	Class A USD (hedged)	Class A CHF (hedged)	Class C EUR	Class C USD (hedged)	Class C CHF (hedged)
Sales commission	up to 3 %	up to 3 %	up to 3 %	0%	0%	0%
Redemption fee	0%	0%	0%	0%	0%	0%
Conversion fee	0%	0%	0%	0%	0%	0%

Administrative fee	max.: 0.15% p.a. <sup>1</sup>
Depositary fee	max.: 0.10% p.a. <sup>2</sup>
Management Company fee	max.: 0.10% p.a. <sup>3</sup>

<sup>1</sup> A yearly minimum fee of EUR 40,000 maximum will be charged

<sup>2</sup> A yearly minimum fee of EUR 25,000 maximum will be charged

<sup>3</sup> A yearly minimum fee of EUR 45,000 maximum will be charged



## 2. PA UCITS – STABILIZED EUROPEAN DIVIDEND INCOME FUND

### **Investors' profile**

- 2.1 This Compartment is designed for investors wishing to participate in the economic development of companies in Europe and seek a balanced, broad and diversified exposure to this market segment.
- 2.2 Investors should have a medium to long-term investment horizon as a result of investing in equities, an investment category that may be subject to significant fluctuations in value.

### **Objectives and investment policy**

- 2.3 The objective of the investment policy of PA UCITS – Stabilized European Dividend Income Fund (the “Compartment”) is to achieve an appropriate value increase in the Compartment currency whilst accounting for investment risk.
- 2.4 The investment process pursues a three-step bottom-up approach. In the first step, the investment universe is narrowed to companies with a particularly attractive dividend profile. The selection is then further refined by taking into account additional quantitative criteria (valuation, momentum, quality, growth and other factors) in addition to a qualitative assessment of the current market environment and company specific situation where most recent price evolution and current news are considered. In the third step, the overall risk to be entered into is managed and narrowed on the basis of market stability indicators as part of portfolio construction.
- 2.5 In order to achieve its investment objective, the Compartment invests at least 51% of its net assets directly or indirectly in equities and equity-related securities of companies whose registered office or main business activity is located in Europe.
- 2.6 In addition, the Compartment may invest up to 49% of its net assets in the following asset classes: debt securities (up to 5%), money market instruments, cash and cash equivalents and structured products (as detailed below).
- 2.7 The choice of investments will neither be limited by geographical area (including emerging markets), economic sector, nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency.
- 2.8 The Compartment may invest, up to 10% of its net assets in structured products, such as but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the Grand-Ducal regulation dated 8 February 2008 (including indices on volatility, on commodities, on precious metals, etc.), currencies, exchange rates, transferable securities or a basket of transferable securities or an undertaking for collective investment, at all times in compliance with the Grand-Ducal regulation. In compliance with the Grand-Ducal regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the compartment.

- 2.9 Units in UCITS or other UCIs may only be purchased up to a maximum of 10% of the Compartment's net assets.
- 2.10 In exceptional cases, up to 100% of the Compartment's net assets may, within the legal limits, also temporarily be held in liquidities as among others cash deposits, money market UCIs (UCITS and/or other UCIs) and money market instruments.
- 2.11 For hedging and for investment purposes, within the limits set out in the chapter "Investment Restrictions" of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to contracts for difference and credit default swaps), and forwards on any underlying in line with the 2010 Law as well as the investment policy of the Compartment, including but not limited to, currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited indices on volatility), undertakings for collective investment.
- 2.12 Therefore, the Compartment's exposure to equity market risks is generally at least 50%, but it may temporarily be lower if hedging transactions are entered into.
- 2.13 The Compartment will not make use of SFTs nor TRS.
- 2.14 For the purpose of the Taxonomy Regulation, the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.
- 2.15 **In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.**

#### **Risk considerations specific to the Compartment**

- 2.16 Please refer to the Section 15 headed "Risk considerations" of the main body of the Prospectus for further details.

#### **Global risk exposure**

- 2.17 The Compartment's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the Compartment's Net Asset Value.
- 2.18 The Compartment will ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

#### **Performance**

- 2.19 The performance of the Compartment will be disclosed in the KIIDs of the Compartment. In this connection, investors should note that past performance is not necessarily a guide to future performance. Investors may not get back the full amount invested, as prices of Shares and the income from them may fall as well as rise.

## Categories of Shares

	A	C	D
Currency	EUR	EUR	EUR
Initial subscription price	The last NAV of PPF II ("PMG PARTNERS FUNDS II") – PA Stabilized European Dividend Income Fund	The last NAV of PPF II ("PMG PARTNERS FUNDS II") – PA Stabilized European Dividend Income Fund	The last NAV of PPF II ("PMG PARTNERS FUNDS II") – PA Stabilized European Dividend Income Fund
Minimum initial subscription	1 share	EUR 100,000	As agreed with the Investment Manager from time to time
Minimum subsequent subscription	Not applicable	Not applicable	Not applicable
Eligible investors	All investors	Institutional investors	Other Investors having entered into a discretionary mandate or fee based advisory mandate with Picard Angst AG or any group company
Accumulation/ Distribution	Accumulation	Accumulation	Accumulation

### Reference Currency

2.20 The Reference Currency is the EUR.

### Exchange ratio

2.21 All the assets of PPF II ("PMG PARTNERS FUNDS II") – PA Stabilized European Dividend Income Fund, a compartment of PPF II ("PMG PARTNERS FUNDS II"), a Luxembourg common fund (*fonds commun de placement*) subject to the 2010 Law, were contributed to the Compartment. PPF II ("PMG PARTNERS FUNDS II") – PA Stabilized European Dividend Income Fund was dissolved without going into liquidation further to this merger. In exchange, the contributing investors of PPF II ("PMG PARTNERS FUNDS II") – PA Stabilized European Dividend Income Fund received a number of Shares in the Compartment equivalent to the number of units of the corresponding category of units held in the sub-fund PPF II ("PMG PARTNERS FUNDS II") –

PA Stabilized European Dividend Income Fund as of the effective date of the merger. The exchange ratio was therefore 1:1. The Shares in the Compartment issued were issued at a price equal to the net asset value per unit of existing units of PPF II (“PMG PARTNERS FUNDS II”) – PA Stabilized European Dividend Income Fund as of the effective date of the merger, as follows:

<i>Contributed category of units</i>	<i>Compartment category of shares</i>
A EUR	A EUR
P EUR	C EUR
S EUR	D EUR

#### **Frequency of calculation of NAV**

- 2.22 The Net Asset Value of the Compartment shall be calculated on each Business Day (the “Calculation Day”), on the basis of the pricing of the preceding Business Day (the “Valuation Day”). If such Valuation Day is not a Business Day, the Net Asset Value of the Compartment will be calculated the immediately following Business Day.

#### **Payment of the subscription price, conversion price or redemption price**

- 2.23 The amount for the subscription shall be paid or transferred within two (2) Business Days following the relevant Valuation Day.
- 2.24 Redemption proceeds will be paid within two (2) Business Days following the relevant Valuation Day.

Cut-off	Subscription: prior to 2 p.m., on the relevant Valuation Day. Conversion: prior to 2 p.m., on the relevant Valuation Day.* Redemption: prior to 2 p.m., on the relevant Valuation Day.
Valuation Day (Pricing Day)	Each Business Day.
Calculation Day	One (1) Business Day following the Valuation Day.
Settlement Day	Subscription: within two (2) Business Days after the relevant Valuation Day. Conversion: within two (2) Business Days after the relevant Valuation Day.

	Redemption: within two (2) Business Days after the relevant Valuation Day.
*Conversions are subject to the restrictions under Section 9 of the main part of the Prospectus.	

### Fees specific to this Compartment

2.25 The Compartment will pay to the Investment Manager a management fee as described as follows:

#### *Management fee*

Class A	1.5% p.a.
Class C	1.1% p.a.
Class D	Not applicable

#### *Other fees*

	Class A	Class C	Class D
Sales commission	up to 3%	0%	0%
Redemption fee	0%	0%	0%
Conversion fee	0%	0%	0%

Administrative fee	max. 0.15% p.a. <sup>4</sup>
Depositary fee	max. 0.10% p.a. <sup>5</sup>
Management Company fee	max. 0.10% p.a. <sup>6</sup>

<sup>4</sup> A yearly minimum fee of EUR 40,000 maximum will be charged

<sup>5</sup> A yearly minimum fee of EUR 25,000 maximum will be charged

<sup>6</sup> A yearly minimum fee of EUR 45,000 maximum will be charged

### 3. PA UCITS – PADMA INDIA FUND

#### **Investors' profile**

- 3.1 This Compartment is designed for investors wishing to participate in the economic development of companies in India and seek a balanced, broad and diversified exposure to this market segment.
- 3.2 Investors should have a medium to long-term investment horizon as a result of investing in equities, an investment category that may be subject to significant fluctuations in value.

#### **Objectives and investment policy**

- 3.3 The investment objective of PA UCITS – Padma India Fund (the “Compartment”) is to achieve long-term capital appreciation by investing in assets in line with the investment limits specified in the chapter “Investment restrictions” in the main body of the Prospectus.
- 3.4 In order to achieve its investment objective, at least 80% of the Compartment’s net assets may be invested in equities or equity-related securities of companies whose registered office or main business activity is located in India or holding companies with a majority stake in companies with their registered office in India, as well as in international depositary receipts (American depositary receipts and global depositary receipts) that relate to the companies stated above.
- 3.5 The Compartment may invest, up to 10% of its net assets in structured products, such as but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the Grand-Ducal regulation dated 8 February 2008 (including indices on volatility, on commodities, on precious metals, etc.), currencies, exchange rates, transferable securities or a basket of transferable securities or an undertaking for collective investment, at all times in compliance with the Grand-Ducal regulation. In compliance with the Grand-Ducal regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the compartment.
- 3.6 Units in UCITS or other UCIs may only be purchased up to a maximum limit of 10% of the Compartment's net assets.
- 3.7 In exceptional cases, up to 100% of the Compartment’s net assets may, within the legal limits, also temporarily be held in liquidities as among others cash deposits, money market UCIs (UCITS and/or other UCIs) and money market instruments.
- 3.8 For hedging and for any investment purposes, within the limits set out in the chapter “Investment Restrictions” of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to contracts for difference and credit default swaps) and forwards on any underlying in line with the 2010 Law as well as the investment policy of the Compartment, including but not limited to, currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable

securities, indices (including but not limited indices on volatility), undertakings for collective investment.

- 3.9 The Compartment will not make use of SFTs nor TRS.
- 3.10 For the purpose of the Taxonomy Regulation, the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.
- 3.11 **In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.**

**Risk considerations specific to the Compartment**

- 3.12 Investors should note that investments in India may carry higher costs and fees and that transactions entered on a recognized stock exchange in India may be subject to taxes which may affect the returns of the Compartment.
- 3.13 Please refer to the Section 15 headed “Risk considerations” of the main body of the Prospectus for further details.

**Global risk exposure**

- 3.14 The Compartment’s global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the Compartment’s Net Asset Value.
- 3.15 The Compartment will ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

**Performance**

- 3.16 The performance of the Compartment will be disclosed in the KIIDs of the Compartment. In this connection, investors should note that past performance is not necessarily a guide to future performance. Investors may not get back the full amount invested, as prices of Shares and the income from them may fall as well as rise.

**Categories of Shares**

	A EUR (hedged)	A USD	C EUR (hedged)	C USD	D EUR (hedged)	D USD
Currency	EUR	USD	EUR	USD	EUR	USD
Initial subscription price	EUR 100	USD 100	EUR 100	USD 100	EUR 100	USD 100

Minimum initial subscription	1 share	1 share	EUR 100,000	USD 100,000	As agreed with the Investment Manager from time to time	As agreed with the Investment Manager from time to time
Minimum subsequent subscription	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Eligible investors	All investors	All investors	Institutional investors	Institutional investors	Other Investors having entered into a discretionary mandate or fee based advisory mandate with Picard Angst AG or any Group Company	Other Investors having entered into a discretionary mandate or fee based advisory mandate with Picard Angst AG or any Group Company
Accumulation/ Distribution	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation

### Reference Currency

- 3.17 The Reference Currency is the USD.
- 3.18 For the Shares issued in a currency other than the Reference Currency, specifically identified as hedged if classes are hedged, the hedging must be systematically applied. This does not prevent new non-hedged classes from being launched.

### Exchange ratio

- 3.19 All the assets of PPF II ("PMG PARTNERS FUNDS II") – Padma India Fund, a compartment of PPF II ("PMG PARTNERS FUNDS II"), a Luxembourg common fund (*fonds commun de placement*) subject to the 2010 Law, were contributed to the Compartment. PPF II ("PMG PARTNERS FUNDS II") – Padma India Fund was dissolved without going into liquidation further to this merger. In exchange, the contributing investors of PPF II ("PMG PARTNERS FUNDS II") –



Padma India Fund received a number of Shares in the Compartment equivalent to the number of units of the corresponding category of units held in the sub-fund PPF II (“PMG PARTNERS FUNDS II”) – Padma India Fund as of the effective date of the merger. The exchange was therefore 1:1. The Shares in the Compartment issued were issued at a price equal to the net asset value per unit of existing units of PPF II (“PMG PARTNERS FUNDS II”) – Padma India Fund as of the effective date of the merger as follows:

<i>Contributed category of units</i>	<i>Compartment category of shares</i>
R USD	A USD
I USD	C USD
R EUR	A EUR
I EUR	C EUR

#### **Frequency of calculation of NAV**

- 3.20 The Net Asset Value of the Compartment shall be calculated on each Business Day (the “Calculation Day”), on the basis of the pricing of the same Business Day (the “Valuation Day”).

#### **Payment of the subscription price, conversion price or redemption price**

- 3.21 The amount for the subscription shall be paid or transferred within two (2) Business Days following the relevant Valuation Day.
- 3.22 Redemption proceeds will be paid within two (2) Business Days following the relevant Valuation Day.

Cut-off	Subscription: prior to 2 p.m., 2 Business Days before the relevant Valuation Day.  Conversion: prior to 2 p.m., 2 Business Days before the relevant Valuation Day.*  Redemption: prior to 2 p.m., 2 Business Days before the relevant Valuation Day.
Valuation Day (Pricing Day)	Each Business Day.
Calculation Day	Each Valuation Day.
Settlement Day	Subscription: within two (2) Business Days after the relevant Valuation Day.  Conversion: within two (2) Business Days after the relevant Valuation Day.

	Redemption: within two (2) Business Days after the relevant Valuation Day.
*Conversions are subject to the restrictions under Section 9 of the main part of the Prospectus.	

### Fees specific to this Compartment

3.23 The Compartment will pay to the Investment Manager a management fee as described as follows:

#### *Management fee*

Class A EUR	1.6% p.a.
Class A USD	1.6% p.a.
Class C EUR	1.2% p.a.
Class C USD	1.2% p.a.
Class D	Not applicable

#### *Other fees*

	Class A EUR	Class A USD	Class C EUR	Class C USD	Class D
Sales commission	up to 3%	up to 3%	0%	0%	0%
Redemption fee	0%	0%	0%	0%	0%
Conversion fee	0%	0%	0%	0%	0%

Administrative fee	max. 0.15% p.a. <sup>7</sup>
Depositary fee	max. 0.10% p.a. <sup>8</sup>
Management Company fee	max. 0.10% p.a. <sup>9</sup>

<sup>7</sup> A yearly minimum fee of EUR 40,000 maximum will be charged

<sup>8</sup> A yearly minimum fee of EUR 25,000 maximum will be charged

<sup>9</sup> A yearly minimum fee of EUR 45,000 maximum will be charged

## 4. PA UCITS – FOOD REVOLUTION

### **Investors' profile**

- 4.1 This Compartment is designed for investors to get access to a fundamental and thematic investing approach focused on the agri-food industry and its value chain.
- 4.2 Investors should have a medium term investment horizon.

### **Objectives and investment policy**

- 4.3 The objective of the investment policy of PA UCITS – Food Revolution (the “Compartment”) is to achieve long-term capital appreciation by capitalising on the structural changes at work in the agri-food industry through investments along the entire agri-food value chain.
- 4.4 The Compartment is actively managed. The Compartment has no benchmark index and is not managed in reference to a benchmark index.
- 4.5 In order to achieve its objective, the Compartment will invest at least 80% of its net assets in equities and equity-related securities (such as depositary receipts such as American depositary receipts and global depositary receipt) offering an exposure to the agri-food value chain, from the production of the raw materials through their transfer in time and space, their potential transformation, to their consumption by the end consumers.
- 4.6 The sub-themes of the agri-food value chain will include (without being limited to):
- Robotics and automation within the agriculture industry (AgriTech);
  - Nutrition and functional food;
  - Alternative proteins and organic foods;
  - Food safety and clean label;
  - New forms of consumption; and
  - Sustainable packaging solutions.
- 4.7 The Compartment may also invest up to 20% of its net assets in the following eligible investments: convertible bonds (up to 10% of the Compartment’s net assets), shares or units of UCITS and other UCIs (up to 10% of the Compartment’s net assets), money market instruments and cash.
- 4.8 Except the sectoral focus, the choice of investments will neither be limited by geographical area (including emerging markets), nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency. The Investment Manager does not intend to invest more than 20% of the Compartment’s net assets in emerging markets.
- 4.9 For hedging and for investment purposes, within the limits set out in the chapter “Investment Restrictions” of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialised in this type of transactions. However, the Investment Manager intends to use principally options, futures and forwards on equity as well as financial derivatives on currencies.

- 4.10 If the Investment Manager considers it to be in the best interests of the Shareholders, the Compartment may also hold up to 100% of its net assets in cash and cash equivalents (cash deposits, money market UCIs (within the above-mentioned 10% limit) and money market instruments) on a temporary basis and for defensive purposes.
- 4.11 The Compartment will not make use of SFTs nor TRS.
- 4.12 For the purpose of the Taxonomy Regulation, the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.
- 4.13 **In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.**

#### **Risk considerations specific to the Compartment**

- 4.14 Please refer to the Section 15 headed “Risk considerations” of the main body of the Prospectus for further details.

#### **Global risk exposure**

- 4.15 The Compartment’s global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments which may not exceed the Compartment’s Net Asset Value.
- 4.16 The Compartment will ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

#### **Performance**

- 4.17 The performance of the Compartment will be disclosed in the KIIDs of the Compartment. In this connection, investors should note that past performance is not necessarily a guide to future performance. Investors may not get back the full amount invested, as prices of Shares and the income from them may fall as well as rise.

#### **Categories of Shares**

4.18

Class	A	A	A	C	C	C	S*	S*	S*	D	D	D
Currency	CHF	EUR	USD	CHF	EUR	USD	CHF	EUR	USD	CHF	EUR	USD
Initial Subscription Price	CHF 100	EUR 100	USD 100	CHF 100	EUR 100	USD 100	CHF 100	EUR 100	USD 100	CHF 100	EUR 100	USD 100
Minimum initial subscription	Not applicable			1,000,000 in the relevant reference currency			4,000,000 in the relevant reference currency			Not applicable		

Minimum subsequent subscription	Not applicable		
Eligible investors	All investors	Institutional Investors	Institutional Investors having entered into a mandate agreement with the Investment Manager
Accumulation/ Distribution	Accumulation		

\* Subscription for S Shares will only be available to investors subscribing to the S Shares during the Initial Subscription Period. After the Initial Subscription Period, further subscriptions for S Shares will only remain available to Institutional Investors having subscribed to S shares during the Initial Subscription Period. No new investors can subscribe S Shares after the Initial Subscription Period, unless explicitly accepted by the Board.

#### Reference Currency

4.19 The Reference Currency is the USD.

#### Frequency of calculation of NAV

4.20 The Net Asset Value of the Compartment shall be calculated on each Business Day (the "Calculation Day"), on the basis of the pricing of the preceding Business Day (the "Valuation Day"). If such Valuation Day is not a Business Day, the Net Asset Value of the Compartment will be calculated the immediately following Business Day.

#### Payment of the subscription price, conversion price or redemption price

4.21 The amount for the subscription shall be paid or transferred within two (2) Business Days following the relevant Valuation Day.

4.22 Redemption proceeds will be paid within three (3) Business Days following the relevant Valuation Day.

Cut-off	<p>Subscription: prior to 2 p.m., on the relevant Valuation Day.</p> <p>Conversion: prior to 2 p.m., on the relevant Valuation Day.*</p> <p>Redemption: prior to 2 p.m., on the relevant Valuation Day.</p>
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Valuation Day (Pricing Day)	Each Business Day.
Calculation Day	One (1) Business Day following the Valuation Day.
Settlement Day	Subscription: within two (2) Business Days after the relevant Valuation Day.  Conversion: within two (2) Business Days after the relevant Valuation Day.  Redemption: within three (3) Business Days after the relevant Valuation Day.
*Conversions are subject to the restrictions under Section 9 of the main part of the Prospectus.	

### Fees specific to this Compartment

4.23 The Compartment will pay to the Investment Manager a management fee as described as follows:

#### *Management fee*

Class A	1.5% p.a.
Class C	0.9% p.a.
Class S	0.6% p.a.
Class D	Not applicable

#### *Other fees*

	Class A	Class C	Class S	Class D
Sales commission	Up to 3%	0%	0%	0%
Redemption fee	0%	0%	0%	0%
Conversion fee	0%	0%	0%	0%

Administrative fee	max. 0.15% p.a. <sup>10</sup>
Depositary fee	max. 0.10% p.a. <sup>11</sup>
Management Company fee	max. 0.10% p.a. <sup>12</sup>

<sup>10</sup> A yearly minimum fee of USD 40'000 maximum will be charged

<sup>11</sup> A yearly minimum fee of USD 25'000 maximum will be charged

<sup>12</sup> A yearly minimum fee of USD 45'000 maximum will be charged

### **Initial Subscription Period**

- 4.24 From 12 April 2021 to 30 April 2021, at the Initial Subscription Price per Share as described under Section 4.18 above.

## ANNEX I - PRIVACY NOTICE

### 1. SCOPE OF THIS PRIVACY NOTICE

Investors who are individuals as well as individuals related to investors (including notably contact persons, representatives, agents, shareholders and beneficial owners) are hereby informed about the processing of their personal data (i.e. data by which individuals may be directly or indirectly identified) as well as of their rights in accordance with the Data Protection Legislation.

**Data Protection Legislation** means Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the “GDPR”), as well as any other applicable laws, regulations and sector recommendations containing rules for the protection of individuals with regard to the processing of personal data, as such legislation and guidance may be complemented, amended, replaced or repealed from time to time.

Unless otherwise defined herein, the terms “personal data”, “data subject”, “data controller”, “data processor” and “processing” (including the verb “to process”) shall have the meaning given to them in the applicable Data Protection Legislation.

### 2. DATA CONTROLLER

Any personal data provided to or collected in connection with an investment into the Fund will be processed (i.e. used, stored, transmitted, etc.) in accordance with this Privacy Notice by the Fund, acting as data controller.

If investors or individuals related to investors have any questions or comments or want to exercise their rights, they may contact the Fund’s manager at: [Europe-data-protection@pictet.com](mailto:Europe-data-protection@pictet.com).

Other actors involved in the management of the investor relationship may process personal data for their own purposes in their capacity as data controllers (for instance the Administrative Agent and the relevant Investment Manager). In such case, these processing activities take place under the sole responsibility of these independent controllers and are governed by separate privacy notices.

### 3. PERSONAL DATA BEING PROCESSED

Information provided to the Fund may include but is not limited to:

- Identification data (e.g.: name, e-mail, postal address, telephone number, country of residence);
- Personal characteristics (e.g.: nationality, date and place of birth);
- Government issued identifiers (e.g.: passport, identification card, tax identification number, national insurance number);
- Financial information (e.g.: bank details, credit history and credit score, income and other relevant information about the Investor’s financial situation);
- Tax domicile and other tax related documents and information;



- Knowledge and experience in investment matters, including investments previously made;
- Origin of funds and assets;
- Communication data (e.g.: exchange of letters, telephone recordings, e-mail); and
- Any other personal information investors have provided directly to the Fund,

(the “Personal Data”).

The Fund may collect Personal Data directly from the investors or individuals related to the investors or from other public or private legitimate sources.

#### **4. PURPOSES FOR WHICH PERSONAL DATA IS BEING PROCESSED**

The Fund processes the Personal Data where such processing is necessary:

##### **For the conclusion and performance of a contract if the investor is an individual**

This includes the processing of Personal Data for the purpose of the provision of investor-related services including account administration, handling of orders, management of subscription, redemption and transfer of shares, maintaining the register of investors and distributions, managing distributions including the allocations of profit and loss between investors, internal audit validations, communications and more generally performance of services requested by and operations in accordance with the instructions of the investor.

##### **For compliance with legal and regulatory obligations**

This includes the processing of Personal Data for the purpose of compliance with applicable legal and regulatory obligations such as the applicable legislation on markets in financial instruments (“MiFID”), Know-Your-Customer (“KYC”), and Anti-Money Laundering and Combating the Financing of Terrorism (“AML/CFT”), accounting obligations, complying with requests from, and requirements of, local or foreign regulatory or law enforcement authorities, tax identification and, as the case may be, reporting notably under the act of 18 December 2015 concerning the automatic exchange of financial account information in tax matters implementing Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU), which is notably aimed at the implementation by financial institutions of reporting and due diligence rules which are fully consistent with those set out in OECD’s standard for automatic exchange of financial account information (commonly referred to as the “CRS”), the act of 24 July 2015 approving the Agreement between the Grand Duchy of Luxembourg and the Government of the United States of America in view to improve international tax compliance and relating to the dispositions of the United States of America concerning the exchange of information commonly called the “FATCA”, as the aforementioned laws may be modified from time to time, and any other automatic exchange of information (“AEI”) regimes to which the Fund may be subject from time to time.

With respect to FATCA and/or CRS purposes, (i) Personal Data may be processed and transferred to the Luxembourg Direct Tax Authority who may transfer such data to the competent foreign tax authorities, including the US Internal Revenue Service or any other US competent authority, only for the purposes

provided for in the FATCA and the CRS rules as well as to service providers for the purpose of effecting the reporting on the Fund's behalf and (ii) for each information request sent to the investors, addressing such information requests is mandatory and failure to respond may result in incorrect or double reporting.

#### **For the purpose of legitimate interests**

Personal Data will be processed for risk management and fraud prevention purposes, for the evaluation of the investor's financial needs, monitoring the investor's financial situation including assessing its creditworthiness and solvency, to manage litigation and for marketing purposes. The Fund may also process Personal Data to the extent required for the establishment, exercise or defence of legal claims, for the protection of the rights of another natural or legal person or in the context of mergers, acquisitions and divestitures and the management of transactions related thereto.

If Personal Data was provided to the Fund by the investor (especially where the investor is a legal entity), the Fund may also process Personal Data relating to investor-related individuals in its legitimate interest for the purposes of the provision of investor-related services including account administration, handling of orders, evaluation of the investor's financial needs, monitoring the investor's financial situation including assessing its creditworthiness and solvency, management of subscription, redemption and transfer of Shares, maintaining the register of investors and distributions, managing distributions including the allocations of profit and loss between investors, internal audit validations, communications and more generally the performance of services requested by and operations in accordance with the instructions of the investor.

#### **Based on consent**

This includes the use and further processing of Personal Data with the investor's or the individual related to the investor's consent (which consent may be withdrawn at any time, without affecting the lawfulness of processing based on consent before its withdrawal), e.g. for the purpose of receiving marketing materials (about products and services of the group of companies to which the Fund belongs or those of its commercial partners) or recommendations about services.

### **5. PERSONAL DATA BEING PROCESSED**

Investors or individuals related to investors only have to provide those Personal Data that are necessary for the formation and termination of the relationship with the Fund and that are required for the Fund to comply with its legal obligations. Without the provision of these Personal Data, the Fund will not be able to enter into or continue the execution of the contract with the investor or to perform a transaction.

### **6. DATA RECIPIENT**

The Fund may disclose Personal Data to recipients such as:

- any third parties as may be required or authorised by law (including but not limited to public administrative bodies and local or foreign public and judicial authorities, including any competent regulators);

- any third parties acting on the Fund's behalf, such as service providers, the Administrative Agent and the relevant Investment Manager, including their respective advisers, auditors, delegates, agents and service providers;
- any subsidiary or affiliate of the Fund (and their respective representatives, employees, advisers, agents, delegates, agents and service providers);
- any of the Fund's respective shareholders, representatives, employees, advisers, agents or delegates;
- persons acting on behalf of investors, such as payment recipients, beneficiaries, account nominees, intermediaries, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which the investor has an interest in securities; and
- parties involved in connection with any business reorganization, transfer, disposal, merger or acquisition on the level of the Fund.

## **7. TRANSFER OF PERSONAL DATA**

For the purposes listed above, Personal Data will be transferred to any of the aforementioned recipients and service providers in countries located in or outside of the European Economic Area (the "EEA").

Personal Data may be transferred to the following countries located outside of the EEA: Switzerland.

Personal Data may be transferred to a country outside of the EEA on the basis of the fact that the European Commission has decided that such country ensures an adequate level of protection. Certain countries in which recipients and data processors may be located and to which Personal Data may be transferred may however not have the same level of protection of Personal Data as the one afforded in the EEA. Personal Data transferred to countries outside of the EEA in such case will be protected by appropriate safeguards such as standard contractual clauses approved by the European Commission. The investors who are individuals and individuals related to investors whose data may be covered by such transfer may obtain a copy of such safeguards by contacting the Fund at the contact details set out in Section 2 above.

## **8. DATA RETENTION PERIOD**

The Fund is subject to various retention and documentation obligations, which inter alia follow from the commercial code (*Code de Commerce*) and from AML/CFT and KYC legislation. The retention periods provided by those laws vary from five to ten years. If any relevant legal claims are brought, the Fund may continue to process the Personal Data for such additional periods as necessary in connection with such claims.

The retention period will also be determined by the legal limitation periods that can for example be set forth by the commercial code and amount to up to ten years after the end of the contractual relationship with the investor.

## **9. AUTOMATED DECISION MAKING PROCESS INCLUDING PROFILING**

The Fund does not use automated decision-making or profiling. Should the Fund use these procedures in individual cases, it will inform investors separately.

## **10. INDIVIDUAL'S RIGHTS**

The following rights apply to the investor who is an individual and to individuals related to the investor (whether the latter is an individual or not) whose Personal Data have been provided to the Fund. All references made to investors below are deemed to refer to the individuals related to such investors if the investors are not themselves individuals.

### **Right to information, rectification, erasure and restriction of processing**

Investors may request to obtain at no costs, within reasonable intervals, and in a timely manner, the communication of their Personal Data being processed, as well as all information on the origin of those data.

Investors have the right to rectify their Personal Data held about them that are inaccurate.

In cases where the accuracy of the Personal Data is contested, the processing is unlawful, or where investors have objected to the processing of their Personal Data, investors may ask for the restriction of the processing of such Personal Data. This means that Personal Data will, with the exception of storage, only be processed with or for the establishment, exercise or defence of legal claims, for the protection of the rights of another natural or legal person or for reasons of important public interest of the European Union or of an EU Member State. In case a processing is restricted, investors will be informed before the restriction of processing is lifted.

Investors may request the deletion of Personal Data held about them, without undue delay when the use or other processing of such Personal Data is no longer necessary for the purposes described above, and notably when consent relating to a specific processing has been withdrawn or where the processing is not or no longer lawful for other reasons.

### **Right to withdraw consent**

Investors have the right to withdraw their consent at any time, without affecting the lawfulness of processing based on consent before its withdrawal.

### **Right to object**

Investors may object to processing of their Personal Data which is based on the legitimate interests pursued by the Fund or by a third party. In such a case the Fund will no longer process these Personal Data unless the Fund has compelling legitimate grounds for the processing which override investors' interests, rights and freedoms or for the establishment, exercise or defence of legal claims.

The investors' right to object is not bound to any formalities.

### **Right to data portability**

Where the processing of data is based on consent or the execution of a contract with investors, investors also have the right to data portability for information they provided to the Fund – this means that investors can obtain a copy of their data in a commonly use electronic format so that they can manage and transmit it to another data controller.

### **Right to lodge a complaint**

In addition to the rights listed above, should an investor or an individual related to an investor consider that the Fund does not comply with the applicable privacy rules, or has concerns with regards to the protection of their Personal Data, they may file a complaint with the Luxembourg data protection authority (the *Commission Nationale pour la Protection des Données* - CNPD) or another European data protection authority (e.g. in the country of residence of the investor).

### **11. AMENDMENT OF THIS PRIVACY NOTICE**

This Privacy Notice may be amended from time to time to ensure that full information about all processing activities is provided. Changes to the Privacy Notice will be notified by appropriate means.