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

Luxembourg, le 2021-06-21

Commission de Surveillance du Secteur Financier

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**BANKINTER INTERNATIONAL FUND SICAV**

*Société d'investissement à capital variable*

**PROSPECTUS**

**21 JUNE 2021**

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## **Important Information**

### **General**

Shares in the Company are offered on the basis of the information and the representations contained in the current Prospectus accompanied by the respective key investor information document(s) issued per class of shares of a given Sub-Fund, the latest annual report and semi-annual report, if published after the latest annual report, as well as the documents mentioned herein which may be inspected by the public at the registered office of the Company.

Investors must also refer to the relevant Schedule of the Special Section attached to the Prospectus. Each Special Section sets out the specific objectives, policy and other features of the relevant Sub-Fund to which the Special Section relates as well as risk factors and other information specific to the relevant Sub-Fund.

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

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

Investors may, subject to applicable law, invest in any Sub-Fund offered by the Company. Shareholders should choose the Sub-Fund that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek independent advice in that regard. A separate pool of assets will be maintained for each Sub-Fund and will be invested in accordance with the investment policy applicable to the relevant Sub-Fund in seeking to achieve its investment objective. The Net Asset Value and the performance of the Shares of the different Sub-Fund and Classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of a Sub-Fund will be achieved.

An investment in the Company involves investment risks including those set out herein under the Section 6 of the General Section. In addition, investors should refer to the Section "Specific risk factors" of the Special Section of the relevant Sub-Fund, if any, in order to assess – and inform themselves on – the risks associated with an investment in such specific Sub-Fund.

The Company is allowed to invest in Financial Derivative Instruments. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. A more detailed description of the risks relating to the use of derivatives may be found under the Section 6 of the General Section.

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

## Definitions

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

## Selling Restrictions

The distribution of this Prospectus and the offering or purchase of Shares is restricted in certain jurisdictions. This Prospectus and the respective key investor information document do not constitute an offer of or invitation or solicitation to subscribe for or acquire any Shares in any jurisdiction in which such offer or solicitation is not permitted, authorised or would be unlawful. Persons receiving a copy of this Prospectus or of the respective key investor information document in any jurisdiction may not treat this Prospectus or the respective key investor information document as constituting an offer, invitation or solicitation to them to subscribe for Shares notwithstanding that, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement. It is the responsibility of any persons in possession of this Prospectus or of the respective key investor information document and any persons wishing to apply 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 the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

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

**European Union** – The Company qualifies as a UCITS and may apply for recognition under the UCITS Directive, for marketing to the public in certain EEA Member States.

**USA** – The Shares have not been registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or political subdivision of the United States, and the Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person. The Company is not registered nor does it intend to register under the U.S. Investment Company Act of 1940, as amended (the **U.S. Investment Company Act**). Accordingly, the Shares are being offered and sold only outside the United States to Persons that are other than U.S. Persons as defined in Regulation S under the U.S. Securities Act. No Shares shall be offered to US Persons. For the purposes of this Prospectus, the term "US Person" includes (but is not limited to) any person (including a partnership, a corporation, a limited liability company or similar entity) who is a citizen or resident of the United States of America or is organised or incorporated under the laws of the United States of America or regards himself as a "US national" or "US person" as defined by the US Securities Act or a "specified US person" as defined by FATCA. The decision to offer Shares to a US Person will be at the sole discretion of the Board. These restrictions also apply to any transfer of Shares made at a later date in the United States or to the benefit of a US Person. Any Shareholder who becomes a US Person may be subject to withholding tax at source and required to file a United States tax return.

For some Sub-Funds, the Company may either subscribe to classes of shares of target funds likely to participate in offerings of US new issue equity securities (**US IPOs**) or directly participate in US IPOs. The Financial Industry Regulatory Authority (**FINRA**), pursuant to FINRA rules 5130 and 5131 (the **Rules**), has established prohibitions concerning the eligibility of certain persons to participate in US IPOs where the beneficial owner(s) of such accounts are financial services industry professionals (including, among other things, an owner or employee of a FINRA member firm or money manager) (a **restricted person**), or an executive officer or director of a U.S. or non-U.S. company potentially doing business with a FINRA member firm (a **covered person**). Accordingly, investors considered as restricted persons or covered persons under the Rules are not

eligible to invest in the Company. In case of doubts regarding its status, the investor should seek the advice of its legal adviser.

## **SFDR**

For the purposes of Article 6 of SFDR, the Investment Manager has made a determination that, unless otherwise disclosed in the relevant Special Section, Sustainability Risks are not currently relevant to the investment decisions being made in respect of the Company and any of its Sub-Funds, based on the relevant Sub-Fund's investment strategy. The Investment Manager has further determined that Sustainability Risks are currently not likely to have a material impact on the returns of the relevant Sub-Funds. However it cannot be excluded that other counterparties or sectors in which such Sub-Funds will invest may have bigger exposure to such Sustainability Risks than others. If the Company considers it appropriate to integrate Sustainability Risks into the investment decisions in the future, this disclosure will be updated in accordance with SFDR to reflect any such decision. To meet the SFDR disclosure requirements, the Management Company identifies and analyses Sustainability Risks as part of its risk management process.

## **Prevailing language**

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

## **Data protection**

In the context of the subscription of Shares, Company will collect, store and process personal data relating to the investor or relating to a natural person that is connected with the investor. Further information on such processing of personal data will be provided with the Subscription Form.

## **Management and administration**

### **Registered office**

106, route d'Arlon  
L-8210 Mamer  
Grand Duchy of Luxembourg

### **Members of the board of directors**

- Hector Esteban, CEO, Bankinter Luxembourg S.A.
- Yolanda Cerrato Astarloa, Head of Private Banking, Bankinter S.A., Madrid, Spain
- Jean Philippe Claessens, General Manager and Conducting Officer, Lemanik Asset Management S.A.
- Angel Maria Pedros Luque, Head of Private Banking Clients, Bankinter Gestión de Activos

### **Initiator**

Bankinter, S.A.  
Paseo de la Castellana 29  
28046, Madrid  
Spain

### **Management Company**

Lemanik Asset Management S.A.  
106, route d'Arlon  
L-8210 Mamer  
Grand Duchy of Luxembourg

### **Members of the board of directors of the Management Company**

- Mr Gianluigi Sagramoso, director
- Mr Carlo Sagramoso, director
- Mr Philippe Meloni, director

### **Conducting persons of the Management Company**

- Mr Jean Philippe Claessens
- Mr Philippe Meloni
- Mr Gilles Roland
- Mr Alexandre Dumont
- Mrs Jennifer Collin

### **Depositary**

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

**Administrative Agent**

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

**Investment Manager**

Bankinter Luxembourg S.A.  
37a, avenue J.F Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Auditor**

PricewaterhouseCoopers, Société coopérative  
2, rue Gerhard Mercator  
L - 2182 Luxembourg  
Grand Duchy of Luxembourg

**Legal adviser as to Luxembourg Law**

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

## **PART A – GENERAL SECTION**

The General Section applies to all Sub-Funds of the Company. Each Sub-Fund is subject to specific rules which are set forth in the relevant Schedule of the Special Section.



## DEFINITIONS

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

"1915 Act"	Means the act dated 10 August 1915 on commercial companies, as amended;
"2010 Act"	Means the act dated 17 December 2010 on undertakings for collective investment, as amended;
"144 A Securities"	Means Shares sold to U.S. Persons who are "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act and "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act;
"Administrative Agent"	Means RBC Investor Services Bank S.A. acting as administrative agent, register and transfer agent of the Company;
"Administrative Services Agreement"	Means the agreement between the Company, the Management Company and RBC Investor Services Bank S.A. acting as administrative agent, as amended, supplemented or otherwise modified from time to time;
"Another Regulated Market"	Means any market, other than a Regulated Market, which is regulated, operates regularly and is recognised and open to the public;
"Articles"	Means the articles of incorporation of the Company as the same may be amended, supplemented or otherwise modified from time to time;
"Auditor"	Means the auditor ( <i>réviseur d'entreprises agréé</i> ) of the Company which is PricewaterhouseCoopers;
"Board"	Means the board of directors of the Company;
"Business Day"	Means a day on which banks are open for business in Luxembourg;
"Circular 04/146"	Means the CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;
"Circular 13/556"	Means the CSSF circular 13/556 on the fight against money laundering and terrorist financing and prevention of the use of the financial sector for the purpose of money laundering and terrorist financing;
"Circular 14/592"	Means the CSSF circular 14/592 implementing the ESMA guidelines 2014/937 of 1 August 2014 on ETFs and other UCITS issues;
"Class"	Means a class of Shares relating to a Sub-Fund for which specific features with respect to fee structures, distribution, marketing target or other specific features may be applicable. The details applicable to each Class will be described in the relevant Schedule of the Special Section;
"Clearstream"	Means Clearstream Banking;
"Company"	Means Bankinter International Fund SICAV, a public limited liability company incorporated as an investment company with variable capital under the laws of Luxembourg and registered pursuant to part I of the 2010 Act;

"Conversion Fee"	Means the conversion fee which may be levied by the Company in relation to the conversion for any Class in any Sub-Fund, details of which are set out in the relevant Schedule of the Special Section;
"Conversion Form"	Means the form delivered by the Company or the Administrative Agent to apply for the conversion of Shares of a relevant Class into Shares of another Class of the same Sub-Fund or of a different Sub-Fund;
"CSSF"	Means the <i>Commission de Surveillance du Secteur Financier</i> , the financial market authority in Luxembourg;
"Depositary"	Means RBC Investor Services Bank S.A. acting as the depositary of the Company;
"Depositary Agreement"	Means the agreement between the Company and RBC Investor Services Bank S.A. acting as depositary, 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, as amended from time to time;
"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 the UCITS Directive on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended;
"Directors"	Means the directors of the Company, whose details are set out in this Prospectus and/or the annual and semi-annual reports;
"Distribution Agreement(s)"	Means the agreement(s) between the Company, the Management Company and the Distributor(s) as amended, supplemented or otherwise modified from time to time;
"Distribution Fee"	Means the distribution fee to which the Distributor(s) may be entitled in accordance with the Special Section;
"Distributor(s)"	Means any person from time to time appointed or authorised by the Management Company to distribute one or more Classes as set out in the relevant Schedule of the Special Section;
"EEA"	Means the European Economic Area, which consists of all the EU Member States and Island, Liechtenstein and Norway;
"Eligible Investments"	Means eligible investments for investment by UCITS within the meaning of Article 41 (1) of the 2010 Act;

"Eligible Investor"	Means, in relation to each Class in each Sub-Fund, an investor that satisfies the relevant criteria to invest in the relevant Class as is stipulated in the relevant Schedule of the Special Section;
"EU"	Means the European Union;
"EU Member State"	Means a member State of the EU;
"EUR"	Means the euro, the single currency of the EU Member States that belong to the European monetary area;
"Euroclear"	Means Euroclear Bank S.A./N.V. as the operator of the Euroclear System;
"EPM Techniques"	Means efficient portfolio management techniques within the meaning of Section 4.5(h) of the General Section;
"Financial Derivative Instruments"	Means any financial derivative instrument as defined by Article 41 (g) of the 2010 Act;
"First Class Institutions"	Means first class financial institutions having their registered office in an EU Member State or subject to prudential supervision rules considered by the CSSF equivalent to those prescribed by Community law and specialised in this type of transactions for the purposes of the OTC Derivative transactions and EPM Techniques transactions;
"General Meeting"	Means the general meeting of the Shareholders;
"General Section"	Means the General Section of this Prospectus that sets out the general terms and conditions applicable to all Sub-Funds, unless otherwise provided for in the relevant Schedule of the Special Section;
"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;
"High Water Mark"	Means the highest Net Asset Value a Sub-Fund may have had previously achieved and that may be used to determine an investment manager's or investment adviser's performance fee as provided for in the relevant Schedule of the Special Section;
"Initial Offering Period" or "Initial Offering Date"	Means, in relation to each Sub-Fund, the first offering of Shares in a Sub-Fund made pursuant to the terms of the Prospectus and the relevant Schedule of the Special Section;
"Initial Subscription Price"	Means, in relation to each Class in each Sub-Fund, the amount stipulated in the relevant Schedule of the Special Section as the subscription price per Share for the relevant Class in connection with the Initial Offering Period or Initial Offering Date;

"Initiator"	Means Bankinter S.A. acting as the initiator of the Company;
"Institutional Investor"	Means an investor meeting the requirements to qualify as an institutional investor for purposes of article 174 of the 2010 Act;
"Investment Company Act"	Means the U.S. Investment Company Act of 1940, as amended;
"Investment Adviser"	Means such entity from time to time appointed as investment adviser of a particular Sub-Fund as disclosed in the relevant Schedule of the Special Section;
"Investment Advisory Fee"	Means the investment advisory fee to which the Investment Adviser may be entitled, in accordance with the relevant Schedule of the Special Section;
"Investment Management Fee"	Means the investment management fee to which the Investment Manager may be entitled, in accordance with the relevant Schedule of the Special Section;
"Investment Manager"	Means Bankinter Luxembourg S.A., acting as investment manager of the Company;
"Late Trading"	Means the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day;
"Luxembourg"	Means the Grand Duchy of Luxembourg;
"Luxembourg Official Gazette"	Means the Mémorial C, Recueil des Sociétés et Associations or the Recueil électronique des sociétés et associations ("RESA");
"Luxembourg Law"	Means the laws and regulations applicable in Luxembourg;
"Management Company"	Means Lemanik Asset Management S.A., the designated management company of the Company within the meaning of article 27 of the 2010 Act;
"Management Company Services Agreement"	Means the agreement between the Company and the Management Company as amended, supplemented or otherwise modified from time to time;
"Management Fee"	Means the Management Fee to which the Management Company is entitled, in accordance with Section 21.2(a) of the Prospectus and the Management Company Services Agreement and any fee arrangement thereto;
"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;
"Moody's"	Means Moody's Investors Service, a credit rating agency

"Net Asset Value"	Means, (i) in relation to the Company, the value of the net assets of the Company, (ii) in relation to each Sub-Fund, the value of the net assets attributable to such Sub-Fund, and (iii) in relation to each Class in a Sub-Fund, the value of the net assets attributable to such Class, in each case, calculated in accordance with the provisions of the Articles and the Prospectus;
"Net Asset Value per Share"	Means the Net Asset Value of the relevant Sub-Fund 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 Sub-Fund has more than one Class in issue, the portion of the Net Asset Value of the relevant Sub-Fund attributable to a particular Class divided by the number of Shares of such Class in the relevant Sub-Fund 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 Cooperation and Development;
"OECD Member State"	Means Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Republic of Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States of America;
"OTC"	Means over-the-counter;
"OTC Derivative"	Means any Financial Derivative Instrument dealt over-the-counter;
"Processor"	Means an entity (e.g. the Management Company, the Administrative Agent) in the EU to which the Company may delegate the processing of personal data of investors;
"Prospectus"	Means the sales prospectus relating to the issue of Shares in the Company, as amended from time to time;
"Provider Fee"	Means the Provider Fee to which the Management Company may be entitled in addition to the Management Fee, in accordance with the relevant Schedule of the Special Section and the Management Company Services Agreement and any fee arrangements thereto;
"Redemption Fee"	Means the redemption fee levied by the Company in relation to the redemption of Shares of any Class in any Sub-Fund, details of which are set out in the relevant Schedule of the Special Section;
"Redemption Form"	Means the form delivered by the Company or the Administrative Agent to apply for the redemption of Shares;
"Reference Currency"	Means, in relation to each Sub-Fund, the currency in which the Net Asset Value of such Sub-Fund is calculated, as stipulated in the relevant Schedule of the Special Section;
"Register"	Means the register of Shareholders of the Company;
"Regulated Market"	Means a regulated market as defined by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial

instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, 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 such Directive;

"Repurchase Transaction"	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
"Restricted Person"	Means any person, determined in the sole discretion of the Board as being not entitled to subscribe or hold Shares in the Company or any Sub-Fund or Class if, in the opinion of the Directors, (i) such person would not comply with the eligibility criteria of a given Class or Sub-Fund (ii) a holding by such person would cause or is likely to cause the Company some pecuniary, tax or regulatory disadvantage (iii) a holding by such person would cause or is likely to cause the Company to be in breach of the law or requirements of any country or governmental authority applicable to the Company;
"Retail Investor"	Means any investor not qualifying as an Institutional Investor;
"S&P"	Means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., a rating agency
"Schedule"	Means each and every part of the Special Section describing the specific features of a specific Sub-Fund;
"Section"	Means any section in this Prospectus, either in the General Section or the Special Section
"Securities Act"	Means the U.S. Securities Act of 1933, as amended;
"Securities Financing Transaction" or "SFT"	Means (i) a Repurchase Transaction; (ii) Securities Lending and Securities Borrowing; (iii) a Buy-sell Back Transaction or Sell-buy Back Transaction 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 Company;
"Shares"	Means shares in the Company, of such Classes and denominated in such currencies and relating to such Sub-Funds as may be issued by the Company from time to time;
"Special Section"	Means the part of this Prospectus describing the specific features of the Sub-Funds. The Special Section and every Schedule are to be regarded as an integral part of the Prospectus;
"Sub-Fund"	Means a separate portfolio of assets established for one or more Classes of the Company which is invested in accordance with a specific investment objective. The specifications of each Sub-Fund will be described in their relevant Schedule of the Special Section;
"Subscription Fee"	Means the subscription fee levied by the Company in relation to the subscription for any Class in any Sub-Fund, details of which are set out in the relevant Schedule of the Special Section;
"Subscription Form"	Means the form delivered by the Company or the Administrative Agent to apply for the subscription of Shares;
"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 Sub-Fund.
"Transferable Securities"	<p>Means</p> <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 EPM Techniques,</li> </ul> <p>as defined by the 2010 Act;</p>
"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 (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 unitholders in such UCI is equivalent to that provided for unitholders 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> <p>as defined by the 2010 Act;</p>
"UCITS"	Means an undertaking for collective investment in transferable securities under the UCITS Directive;
"UCITS-CDR"	Refers to 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 of 13 July 2009 of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended;
"United States" or "U.S."	Means the United States of America (including the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
"USD"	Means the United States dollar, the official currency of the United States;
"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 Class in each Sub-Fund, as it is stipulated in the relevant Schedule of the Special Section.

## **1. THE COMPANY**

- 1.1 The Company is an open-ended investment company organised under the Luxembourg Law as a *société d'investissement à capital variable (SICAV)*, incorporated under the form of a public limited liability company (*société anonyme*) on 20 July 1994 and authorised under part I of the 2010 Act.
- 1.2 The Company is registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B48178. The Articles have been modified and published in the Luxembourg Official Gazette for the last time on 7 September 2017.
- 1.3 The registration of the Company pursuant to the 2010 Act constitutes neither approval nor disapproval by any Luxembourg authority as to the adequacy or accuracy of this Prospectus or as to the assets held in the various Sub-Funds.
- 1.4 The Company is subject to the provisions of the 2010 Act and of the 1915 Act. In case of conflict between the provision of the 1915 Act and the 2010 Act, the provisions of the latter will prevail.
- 1.5 There is no limit to the number of Shares which may be issued. Shares will be issued to subscribers in registered form.
- 1.6 Shares shall have the same voting rights and shall have no pre-emptive subscription rights. In the event of the liquidation of the Company, each Share is entitled to its proportionate share of the Company's assets after payment of the Company's debts and expenses, taking into account the Company's rules for the allocation of assets and liabilities.
- 1.7 The initial subscribed capital of the Company was USD 40,000. The minimum share capital of the Company must at all times be EUR 1,250,000. The Company's share capital is at all times equal to its Net Asset Value. The Company's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed and no special announcements or publicity are necessary in relation thereto.

## **2. SHARES**

- 2.1 Any individual or legal entity may acquire Shares in the Company against payment of the subscription price as defined in Section 8.2 of the General Section.
- 2.2 The Shares confer no preferential subscription rights at any time of the issue of new Shares.
- 2.3 Shares are issued in registered form, with no par value and are recorded in a register. Shareholders receive written confirmation of their registration but no certificate representing Shares will be issued. All Shares must be fully paid up. Fractional Shares may be issued up to five decimal places and shall carry rights in proportion to the fraction of a Share they represent but shall carry no voting rights.
- 2.4 Within the same Sub-Fund, all Shares have equal rights as regards voting rights in all General Meetings and in all meetings of the Sub-Fund concerned.
- 2.5 The relevant Schedules of the Special Section indicate, for each Sub-Fund, which Classes are available and their characteristics.
- 2.6 For each Sub-Fund, the Directors or the Management Company may, in respect of Shares in one or several Class(es) if any, decide to close subscriptions temporarily or definitively, including those arising from the conversion of Shares of another Class or another Sub-Fund.

2.7 Shareholders may ask for the conversion of all or a part of their Shares from one Class to another in compliance with the provisions of Section 10 of the General Section.

### 3. SUB-FUNDS AND CLASSES

3.1 The Company has an umbrella structure consisting of one or several Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective and policy applicable to that Sub-Fund. The investment objective, policy, as well as the risk profile and other specific features of each Sub-Fund are set forth in the relevant Schedule of the Special Section.

3.2 The Company is one single legal entity. However, the rights of the Shareholders and creditors relating to a Sub-Fund or arising from the setting-up, operation and liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively dedicated to the satisfaction of the rights of the Shareholders relating to that Sub-Fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-Fund.

3.3 Within a Sub-Fund, the Board may decide to issue one or more Classes the assets of which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency or other specific features. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

3.4 The Company may, at any time, create additional Classes whose features may differ from the existing Classes and additional Sub-Funds whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated, if necessary, or supplemented by a new Special Section.

3.5 Each Sub-Fund is described in more detail in the relevant Schedule of the Special Section.

3.6 Investors should note however that some Sub-Funds or Classes may not be available to all investors. The Company retains the right to offer only one or more Classes for purchase by Investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason. The Company may further reserve one or more Sub-Funds or Classes to certain Institutional Investors only.

### 4. INVESTMENT RESTRICTIONS

The Company and the Sub-Funds are subject to the restrictions and limits set forth below.

The management of the assets of the Sub-Funds will be undertaken within the following investment restrictions. **A Sub-Fund may be subject to additional investment restrictions set out in the relevant Schedule of the Special Section. In the case of any conflict, the provisions of the relevant Schedule of the Special Section will prevail.**

#### 4.1 Eligible Investments

(a) The Company's investments may consist solely of:

- (i) Transferable Securities and Money Market Instruments admitted to official listing on a Regulated Market in an EEA Member State;
- (ii) Transferable Securities and Money Market Instruments dealt on Another Regulated Market in an EEA Member State;

- (iii) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-EEA Member State or on Another Regulated Market in a non-EEA Member State;
- (iv) new issues of Transferable Securities and Money Market Instruments, provided that:
  - (A) the terms of issue include an undertaking that application will be made for admission to official listing on any stock exchange, Regulated Market or Another Regulated Market referred to in Sections 4.1(a)(i), (ii) and (iii);
  - (B) such admission is secured within a year of issue;
- (v) units of UCITS and/or other UCIs, whether situated in an EU Member State or not, provided that no more than 10% of the net assets of the UCITS or other UCI whose acquisition is contemplated, can, according to their fund rules or constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- (vi) 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 an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (vii) Financial Derivative Instruments, including equivalent cash-settled instruments, dealt in on any stock exchange, Regulated Market or Another Regulated Market referred to in Sections 4.1(a)(i), (ii) and (iii); and/or OTC Derivatives, provided that:
  - (A) the underlying consists of instruments covered by this Section 4.1(a), financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objectives as stated in the relevant Schedule of the Special Section,
  - (B) the counterparties to OTC Derivative transactions are First Class Institutions, and
  - (C) the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- (viii) Money Market Instruments other than those dealt in on a Regulated Market if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
  - (A) issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in the case of a federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or
  - (B) issued by an undertaking, any securities of which are listed on any stock exchange, Regulated Market or Another Regulated Market referred to in Sections 4.1(a)(i), (ii) or (iii); or

- (C) 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
  - (D) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection rules equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which (i) represents and publishes its annual accounts in accordance with Directive 2013/34/EU, (ii) 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 (iii) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (b) However, each Sub-Fund may:
- (i) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to under Section 4.1(a) above (excluding for the avoidance of doubt units of UCITS and/or other UCIs referred to under Section 4.1(a)(v)); and
  - (ii) hold liquid assets on an ancillary basis.

#### 4.2 Risk diversification

- (a) In accordance with the principle of risk diversification, the Company is not permitted to invest more than 10% of the net assets of a Sub-Fund in Transferable Securities or Money Market Instruments of one and the same issuer. The total value of the Transferable Securities and Money Market Instruments in each issuer in which more than 5% of the net assets are invested, must not exceed 40% of the value of the net assets of the respective Sub-Fund. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.
- (b) The Company is not permitted to invest more than 20% of the net assets of a Sub-Fund in deposits made with the same body.
- (c) Notwithstanding the individual limits laid down in Sections 4.2(a), (b) and 4.5(1), a Sub-Fund may not combine:
  - (i) investments in Transferable Securities or Money Market Instruments issued by,
  - (ii) deposits made with, and/or
  - (iii) exposures arising from OTC Derivative transactions undertaken with,
 a single body in excess of 20% of its net assets.
- (d) The 10% limit set forth in Section 4.2(a) above can be raised to a maximum of 25% in case of certain bonds issued by credit institutions which have their registered office in an EU Member State and are subject by law, in that particular country, to specific public supervision designed to ensure the protection of bondholders. In particular the funds which originate from the issue of these bonds are to be invested, in accordance with the law, in assets which sufficiently cover

the financial obligations resulting from the issue throughout the entire life of the bonds and which are allocated preferentially to the payment of principal and interest in the event of the issuer's failure. Furthermore, if investments by a Sub-Fund in such bonds with one and the same issuer represent more than 5% of the net assets, the total value of these investments may not exceed 80% of the net assets of the corresponding Sub-Fund.

- (e) The 10% limit set forth in Section 4.2(a) above can be raised to a maximum of 35% for Transferable Securities and Money Market Instruments that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations of which one or more EU Member States are members.
- (f) Transferable Securities and Money Market Instruments which fall under the special ruling given in Sections 4.2(d) and 4.2(e) are not counted when calculating the 40% risk diversification ceiling mentioned in Section 4.2(a).
- (g) The limits provided for in Sections 4.2(a) to 4.2(e) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments with this body shall under no circumstances exceed in total 35% of the net assets of a Sub-Fund.
- (h) Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this Section 4.2.
- (i) A Sub-Fund may invest, on a cumulative basis, up to 20% of its net assets in Transferable Securities and Money Market Instruments of the same group.

#### 4.3 Exceptions which can be made

- (a) Without prejudice to the limits laid down in Section 4.7 the limits laid down in Section 4.2 are raised to a maximum of 20% for investment in shares and/or bonds issued by the same body if, according to the relevant Schedule of the Special Section, the investment objective and policy of that Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
  - (i) its composition is sufficiently diversified,
  - (ii) the index represents an adequate benchmark for the market to which it refers,
  - (iii) it is published in an appropriate manner.

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

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

#### 4.4 Investment in UCITS and/or other UCIs

- (a) A Sub-Fund may acquire the units of UCITS and/or other UCIs referred to in Section 4.1(a)(v) provided that no more than 20% of its net assets are invested in units of a single UCITS or other UCI. If a UCITS or other UCI has multiple compartments (within the meaning of article 181 of the 2010 Act) and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the above limit.
- (b) Investments made in units of UCIs other than UCITS may not exceed, in aggregate, 30% of the net assets of the Sub-Fund.
- (c) When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in Section 4.2.
- (d) When a Sub-Fund invests in the units of UCITS and/or other UCIs which are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding (regarded as more than 10% of the voting rights or share capital), that management company or other company may not charge subscription, conversion or redemption fees on account of the Sub-Fund's investment in the units of such UCITS and/or other UCIs.
- (e) The Section 4.4 (d) above applies *mutatis mutandis* when a Sub-Fund invests in the units of UCITS and/or UCIs which are serviced by a management company and/or an investment management entity linked by common management or control as mentioned in Section 4.4 (d) above to the Bankinter Group.
- (f) If a Sub-Fund invests a substantial proportion of its assets in other UCITS and/or other UCIs, the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest, shall be disclosed in the relevant Schedule of the Special Section.
- (g) In the annual report of the Company it shall be indicated for each Sub-Fund the maximum proportion of management fees charged both to the Sub-Fund and to the UCITS and/or other UCIs in which the Sub-Fund invests.

#### 4.5 Investments in Financial Derivative Instruments and use of EPM Techniques

- (a) The Company must employ (i) a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio and (ii) a process for accurate and independent assessment of the value of OTC Derivatives.
- (b) Each Sub-Fund will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.
- (c) The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This will also apply to the following subparagraphs.

- (d) A Sub-Fund may invest, as a part of its investment policy, in Financial Derivative Instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Section 4.2 above. Under no circumstances will these operations cause a Sub-Fund to diverge from its investment objectives as laid down in the Prospectus and the relevant Special Section. When a Sub-Fund invests in index-based Financial Derivative Instruments, these investments do not have to be combined to the limits laid down in Section 4.2 above.
- (e) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this Section 4.5.
- (f) The Company's annual reports will contain, in respect of each Sub-Fund that has entered into Financial Derivative Instruments over the relevant reporting period, details of:
  - (i) the underlying exposure obtained through Financial Derivative Instruments;
  - (ii) the identity of the counterparty(ies) to these Financial Derivative Instruments;
  - (iii) the type and amount of collateral received to reduce counterparty risk exposure.
- (g) The Sub-Funds are authorised to employ EPM Techniques subject to the following conditions:
  - (i) they are economically appropriate in that they are realised in a cost-effective way;
  - (ii) they are entered into for one or more of the following specific aims:
    - (A) reduction of risk;
    - (B) reduction of cost;
    - (C) generation of additional capital or income for the relevant Sub-Fund with a level of risk which is consistent with the its risk profile and applicable risk diversification rules;
  - (iii) their risks are adequately captured by the Company's risk management process.
- (h) The efficient portfolio management techniques (**EPM Techniques**) that may be employed by the Sub-Funds in accordance with Section 4.5(g) above include Securities Lending, repurchase agreements and reverse repurchase agreements. A repurchase agreement transaction is a forward transaction at the maturity of which a Sub-Fund has the obligation to repurchase the assets sold and the buyer (counterparty) the obligation to return the assets received under the transaction. A reverse repurchase agreement transaction is a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the assets sold and the relevant Sub-Fund has the obligation to return the assets received under the transaction.
- (i) The use of EPM Techniques by the Sub-Funds is subject to the following conditions:
  - (i) When entering into a securities lending agreement, the Company should ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement.
  - (ii) When entering into a reverse repurchase agreement, the Company should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse



repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the relevant Sub-Fund.

- (iii) When entering into a repurchase agreement, the Company should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
- (j) Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
- (k) The Company's annual report will include the following information:
  - (i) the exposure obtained through EPM Techniques;
  - (ii) the identity of the counterparty(ies) to these EPM Techniques;
  - (iii) the type and amount of collateral received by the Company to reduce counterparty exposure; and
  - (iv) the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.
- (l) The counterparty risk arising from OTC Derivatives and EPM Techniques may not exceed 10% of the assets of a Sub-Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.
- (m) The counterparty risk of a Sub-Fund vis-à-vis a counterparty is equal to the positive mark-to-market value of all OTC Derivatives and EPM Techniques transactions with that counterparty, provided that:
  - (i) if there are legally enforceable netting arrangements in place, the risk exposure arising from OTC Derivative and EPM Techniques transactions with the same counterparty may be netted; and
  - (ii) if collateral is posted in favour of a Sub-Fund and such collateral complies at all times with the criteria set out in Section 4.5(n) below, the counterparty risk of such Sub-Fund is reduced by the amount of such collateral. The Sub-Fund will use collateral to monitor compliance with the counterparty risk limit set out in Section 4.5(l) above. The level of collateral required will therefore vary depending on the scope and extent of OTC Derivatives and EPM Techniques transactions entered into by a Sub-Fund with one and the same counterparty and will be disclosed in the Special Section applicable to the Sub-Fund.
- (n) Collateral received by a Sub-Fund must comply at all times with the following principles:
  - (i) Liquidity – any collateral received other than cash should be 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. Collateral received should also comply with the acquisition limits set out in Section 4.7(b).

- (ii) Valuation – collateral received 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.
  - (iii) Issuer credit quality – collateral received should be of high quality.
  - (iv) Correlation – the collateral received by the Sub-Fund 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.
  - (v) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of OTC Derivative or EPM Techniques transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong, provided the Sub-Fund receives securities from at least six different issues and any single issue does not account for more than 30% of the Sub-Fund's NAV. Accordingly a Sub-Fund may be fully collateralised in securities issued or guaranteed by an eligible OECD Member State.
  - (vi) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
  - (vii) Collateral received should be capable of being fully enforced by the Company for the account of the Sub-Fund at any time without reference to or approval from the counterparty.
- (o) The Sub-Funds will only accept the following assets as collateral:
- (i) Liquid assets. Liquid assets include not only cash and short term bank certificates, but also money market instruments such as defined within Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS). A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty is considered as equivalent to liquid assets.
  - (ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
  - (iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
  - (iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items (v) and (vi) below.
  - (v) Bonds issued or guaranteed by first class issuers offering an adequate liquidity.

- (vi) Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.
- (p) For the purpose of Section 4.5(n) above, all assets received by a Sub-Fund in the context of EPM Techniques should be considered as collateral.
- (q) Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged.
- (r) Cash collateral received by a Sub-Fund can only be:
  - (i) placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
  - (ii) invested in high-quality government bonds;
  - (iii) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
  - (iv) invested in Short-Term Money Market Funds as defined in the CESR Guidelines 10-049 on a Common Definition of European Money Market Funds.
- (s) Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depository or one of its correspondents or sub-custodians. Collateral posted in favour of a Sub-Fund under a security interest arrangement (e.g., a pledge) can be held by a third party depository which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (t) The collateral eligibility requirements set out in Section 4.5(n) above stem from the Circular 14/592.
- (u) Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral under 4.5 (n). There is the risk that the value of the re-invested cash collateral may be lower than the amount to be repaid. However this risk is reduced via instruments in top-quality government bonds, reverse repo-transactions, liquid money market funds, term deposits etc.
- (v) For all the Sub-Funds receiving collateral for at least 30% of their assets, the Company will set up, in accordance with the Circular 13/559, an appropriate stress testing policy to ensure regular stress tests under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral.
- (w) Haircuts are assessed based on collateral credit quality, price volatility and tenor. The haircut policy applied to each type of collateral accepted by each Sub-Fund will be disclosed in the relevant Special Section applicable to the Sub-Fund.
- (x) In compliance with the 2010 Act quantitative and qualitative criteria will be applied to the collateral used to mitigate counterparty risk exposure arising from the use of EPM Techniques. Thus, the limitation of the exposure to a given issuer linked to the collateral will be equal to 20% of the UCITS' net asset value.

#### 4.6 Tolerances and multiple compartment issuers

If, because of reasons beyond the control of the Company or the exercising of subscription rights, the limits mentioned in this Section 4 are exceeded, the Company must have as a priority objective in its sale transactions to reduce these positions within the prescribed limits, taking into account the best interest of the Shareholders.

Provided that they continue to observe the principles of risk diversification, newly established Sub-Funds may deviate from the limits mentioned under Sections 4.2, 4.3 and 4.4 above for a period of six months following the date of their initial launch.

If an issuer of Eligible Investments is a legal entity with multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the limits set forth under Sections 4.2, 4.3 and 4.4.

#### 4.7 Investment prohibitions

The Company is prohibited from:

- (a) acquiring equities with voting rights that would enable the Company to exercise a significant influence on the management of the issuer in question;
- (b) acquiring, for the account of a Sub-Fund, more than:
  - (i) 10% of the non-voting equities of one and the same issuer;
  - (ii) 10% of the debt securities issued by one and the same issuer;
  - (iii) 10% of the Money Market Instruments issued by one and the same issuer; or
  - (iv) 25% of the units of one and the same UCITS and/or other UCI.

The limits laid down in (ii), (iii), and (iv) 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 the securities in issue, cannot be calculated.

Transferable Securities and Money Market Instruments which, in accordance with article 48 (3) of the 2010 Act are issued or guaranteed by an EU Member State or its local authorities, by another Member State of the OECD or which are issued by public international organisations of which one or more EU Member States are members are exempted from the above limits.

- (c) selling short Transferable Securities, Money Market Instruments and other Eligible Investments mentioned under Sections 4.1(a)(v), (vii) and (viii);
- (d) acquiring precious metals or related certificates;
- (e) investing in real estate and purchasing or selling commodities or commodities contracts;
- (f) borrowing on behalf of a particular Sub-Fund, unless:
  - (i) the borrowing is in the form of a back-to-back loan for the purchase of foreign currency;

- (ii) the loan is only temporary and does not exceed 10% of the net assets of the Sub-Fund in question;
- (g) granting credits or acting as guarantor for third parties. This limitation does not refer to the purchase of Transferable Securities, Money Market Instruments and other Eligible Investments mentioned under Sections 4.1(a)(v), (vii) and (viii) that are not fully paid up.

#### 4.8 **EMIR**

The Company observes CSSF circular 13/557 respective Regulation (EU) No 648/2012 of 4 July 2012 on OTC derivatives, central counterparties and trade repositories to the extent applicable when employing instruments mentioned in this Section 4 and in compliance with the respective bank and counterparty.

### 5. **CO-MANAGEMENT AND POOLING**

- 5.1 To ensure effective management of the Company, the Directors and the Management Company may decide to manage all or part of the assets of one or more Sub-Funds with those of other Sub-Funds in the Company (pooling technique) or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Sub-Funds with the assets of other Luxembourg investment funds or of one or more sub-funds of other Luxembourg investment funds (hereinafter referred to as the **Party(ies) to the co-managed assets**) for which the Depositary is the appointed depositary bank. These assets will be managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets will only participate in co-managed assets which are in accordance with the stipulations of their respective prospectuses and investment restrictions.
- 5.2 Each Party to the co-managed assets will participate in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets and liabilities will be allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets.
- 5.3 Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets.
- 5.4 The aforementioned co-managed assets will be formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Directors and the Management Company may regularly make subsequent transfers to the co-managed assets. The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets.
- 5.5 Dividends, interest and other distributions deriving from income generated by the co-managed assets will accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets.
- 5.6 All charges and expenses incurred in respect of the co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.
- 5.7 In the case of an infringement of the investment restrictions affecting a Sub-Fund of the Company, when such a Sub-Fund takes part in co-management and even if the manager has complied with the investment restrictions applicable to the co-managed assets in question, the Directors and the Management Company shall ask the manager to reduce the investment in question in proportion to the participation of the Sub-Fund concerned in the co-managed assets or, where applicable, reduce its

participation in the co-managed assets to a level that respects the investment restrictions of the Sub-Fund.

- 5.8 When the Company is liquidated or when the Directors and the Management Company decide, without prior notice, to withdraw the participation of the Company or a Sub-Fund from co-managed assets, the co-managed assets will be allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.
- 5.9 The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management inasmuch as all Parties to the co-managed assets have the same depository bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the assets and liabilities of each Sub-Fund of the Company will be constantly separated and identifiable.

## **6. RISK FACTORS**

Before making an investment decision with respect to Shares of any Class in any Sub-Fund, prospective investors should carefully consider all of the information set out in this Prospectus and the relevant Schedule of the Special Section, as well as their own personal circumstances. Prospective investors should have particular regard to, among other matters, the considerations set out in this Section and under the Sections "Specific risk factors" and "Profile of the typical investor", if any, in the relevant Schedule of the Special Section. The risk factors referred to therein, and in this document, alone or collectively, may reduce the return on the Shares of any Sub-Fund and could result in the loss of all or a proportion of a Shareholder's investment in the Shares of any Sub-Fund. The price of the Shares of any Sub-Fund can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested in any Class or any amount at all.

The risks may include or relate to equity markets, bond markets, foreign exchange rates, interest rates, credit risk, the use of derivatives, counterparty risk, market volatility and political risks. The risk factors set out in this Prospectus, the key investor information document and the relevant Schedule of the Special Section are not exhaustive. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

An investment in the Shares of any Sub-Fund is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

Before making any investment decision with respect to the Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, solicitor, accountant and/or financial adviser and carefully review and consider such an investment decision in the light of the foregoing and the prospective investor's personal circumstances.

The Company is intended to be a medium to long-term investment vehicle (depending on the investment policy of the relevant Sub-Funds). Shares may however be redeemed on each Valuation Day. Substantial redemptions of Shares by Shareholders within a limited period of time could cause the Company to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value per Share could make it more difficult for the Company to generate trading profits or recover losses.

## 6.1 **Nominee arrangements**

The Company 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 Company, in particular the right to participate in General Meetings, 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 Company through an intermediary investing into the Company 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 Company. Investors are advised to take advice on their rights.

## 6.2 **Investments in Transferable Securities**

Investments in fixed income securities such as corporate bonds may involve credit risk including default risk and credit spread risk. Furthermore a relevant Sub-Fund may be exposed to the integrity of the issuer's management, its commitment to repay the loan, its qualification, its operating record, its emphasis in strategic direction, financial philosophy, operational management and control systems as well as to its capacity and ability to generate cash flow to repay its debt obligations. A Sub-Fund may invest in debt instruments which are issued without any guarantee, letter of credit, debt insurance or collateral including junior debt.

Investments in stock-listed equities embed equity risk including failures of the issuer and substantial declines in value at any stage. Investments in listed equities made by a Sub-Fund depend for a large part of their performance on the evolution of the stock markets. Sales of equity may sometimes only be achievable at a significant discount to quoted market prices, if at all. Equity holders in general rank below debt holders and so are exposed to higher risks.

A Sub-Fund may invest in Transferable Securities issued in emerging markets and/or issued by issuers located, active or strongly exposed to emerging markets. Certain risks are more prevalent in emerging markets than in other markets, such as high inflation, macroeconomic volatility, capital restrictions and controls and political risks.

A Sub-Fund may invest in Transferable Securities issued by small or medium size companies. There are certain risks associated with investing in small or medium capitalised stocks and the securities of small companies. The market prices of these securities may be more volatile than those of larger companies. Because small companies normally have fewer shares outstanding than larger companies it may be more difficult to buy and sell significant amounts of shares without affecting market prices. There is typically less publicly available information about these companies than for larger companies. The lower capitalisation of these companies and the fact that small companies may have smaller product lines and command a smaller market share than larger companies may make them more vulnerable to fluctuation in the economic cycle.

## 6.3 **Investments in Contingent Convertible Bonds**

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

Under the terms of a CoCo, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCo issuer which could cause the permanent write-down to zero of principal investment and / or accrued interest, or a conversion to equity that may coincide with the share price of the underlying equity being low. These triggering events may include (i) a deduction in the issuing bank's capital ratio below a pre-set limit, (ii) a

regulatory authority making a subjective determination that an institution is “non-viable” or (iii) a national authority deciding to inject capital.

Furthermore, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the CoCos.

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

It is possible in certain circumstances for interest payments on certain CoCos to be cancelled in full or in part by the issuer, without prior notice to bondholders. Therefore, there can be no assurances that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter.

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

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

The structure of CoCos is yet to be tested and there is some uncertainty as to how they may be impacted in regards to liquidity challenges and industry concentration in a stressed environment of deteriorating financial condition.

#### **6.4 Investments in small capitalisation companies**

There are certain risks associated with investing in small cap stocks and the securities of small companies. The market prices of these securities may be more volatile than those of larger companies. Because small companies normally have fewer shares outstanding than larger companies it may be more difficult to buy and sell significant amounts of shares without affecting market prices. There is typically less publicly available information about these companies than for larger companies. The lower capitalisation of these companies and the fact that small companies may have smaller product lines and command a smaller market share than larger companies may make them more vulnerable to fluctuation in the economic cycle.

#### **6.5 Investments in high-yield securities**

A Sub-Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments (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.

## 6.6 Use of Financial Derivative Instruments

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

(a) Market risk

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

(b) Control and monitoring

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

(c) Liquidity risk

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

(d) Counterparty risk

A Sub-Fund may enter into transactions in OTC markets, which will expose the Sub-Funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Sub-Fund may enter into swap arrangements or other derivative techniques as specified in the relevant Schedule of the Special Section, each of which exposes the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality

or change in the tax or accounting laws relative to those at the time the agreement was originated. However, this risk is limited in view of the investment restrictions laid down in under Section 4 of the General Section. No counterparty of the Company or a Sub-Fund involved in such transactions is subject to the general supervision of the Depositary to the extent such counterparty does not hold assets of the Company or a Sub-Fund.

(e) Different maturity

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

(f) Other risks

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund. However, this risk is limited as the valuation method used to value OTC Derivatives must be verifiable by an independent auditor.

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Sub-Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following a Sub-Fund's investment objective.

(g) Particular risks in relation to interest rate, currency, TRS, credit default swaps and interest rate swaptions

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

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

principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

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

A Sub-Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, a Sub-Fund may buy protection under credit default swaps without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with credit default swaps purchased may not, at any time, exceed the net assets of the relevant Sub-Fund.

A Sub-Fund may also sell protection under credit default swaps in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such credit default swaps may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

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

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

## **6.7 Use of structured finance securities**

Structured finance securities include, without limitation, securitised credit and portfolio credit-linked notes.

Securitised credit is securities primarily serviced, or secured, by the cash flows of a pool of receivables (whether present or future) or other underlying assets, either fixed or revolving. Such underlying assets may include, without limitation, residential and commercial mortgages, leases, credit card receivables as well as consumer and corporate debt. Securitised credit can be structured in different ways, including "true sale" structures, where the underlying assets are transferred to a special purpose entity, which in turn issues the asset-backed securities, and "synthetic" structures, in which not the assets, but only the credit risks associated with them are transferred through the use of derivatives, to a special purpose entity, which issues the securitised credit.

Portfolio credit-linked notes are securities in respect of which the payment of principal and interest is linked directly or indirectly to one or more managed or unmanaged portfolios of reference entities and/or assets ("reference credits"). Upon the occurrence of a credit-related trigger event ("credit

event") with respect to a reference credit (such as a bankruptcy or a payment default), a loss amount will be calculated (equal to, for example, the difference between the par value of an asset and its recovery value).

Securitised credit and portfolio credit-linked notes are usually issued in different tranches: Any losses realised in relation to the underlying assets or, as the case may be, calculated in relation to the reference credits are allocated first to the securities of the most junior tranche, until the principal of such securities is reduced to zero, then to the principal of the next lowest tranche, and so forth.

Accordingly, in the event that (a) in relation to securitised credit, the underlying assets do not perform and/or (b) in relation to portfolio credit-linked notes, any one of the specified credit events occurs with respect to one or more of the underlying assets or reference credits, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share. In addition the value of structured finance securities from time to time, and consequently the Net Asset Value per Share, may be adversely affected by macro-economic factors such as adverse changes affecting the sector to which the underlying assets or reference credits belong (including industry sectors, services and real estate), economic downturns in the respective countries or globally, as well as circumstances related to the nature of the individual assets (for example, project finance loans are subject to risks connected to the respective project). The implications of such negative effects thus depend heavily on the geographic, sector-specific and type-related concentration of the underlying assets or reference credits. The degree to which any particular asset-backed security or portfolio credit-linked note is affected by such events will depend on the tranche to which such security relates; junior tranches, even having received investment grade rating, can therefore be subject to substantial risks.

Exposure to structured finance securities may entail a higher liquidity risk than exposure to sovereign bonds which may affect their realisation value.

## **6.8 Specific restrictions in connection with the Shares**

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

## **6.9 EPM Techniques**

A Sub-Fund may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in Section 4.5. If the other party to a repurchase agreement or reverse repurchase agreement should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Sub-Fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

A Sub-Fund may enter into securities lending transactions subject to the conditions and limits set out in Section 4.5. If the other party to a securities lending transaction should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Sub-Fund in connection with the securities lending transaction are less than the value of the securities lent. In

addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Sub-Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

6.10 **The Sub-Funds will only use repurchase agreements, reverse repurchase agreements or securities lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant Sub-Fund. When using such techniques, the Sub-Funds will comply at all times with the provisions set out in Section 4.5. The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. The use of repurchase agreements, reverse repurchase agreements and securities lending transactions is generally not expected to have a material adverse impact on a Sub-Fund's performance, subject to the above described risk factors.**

#### 6.11 **Investments in emerging markets**

Depending on its investment policy, a Sub-Fund may make investments in emerging markets. In emerging markets, the legal, judicial and regulatory framework is less developed than in more established economies and there is still much legal uncertainty both for local market participants and their overseas counterparts. Difficulties in dealing, settlement and custody could also arise.

The following discussion sets forth some of the risks associated with investing in the securities of emerging markets:

##### (a) General economic and market conditions

The success of an investment in emerging markets will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Company's assets. Volatility or illiquidity could impair the relevant Sub-Fund's profitability or result in losses. The emerging economies may differ favourably or unfavourably from developed economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, some of the emerging economies are heavily dependent upon international trade and, accordingly, has been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which it trades. The emerging countries also have been and may continue to be adversely affected by economic conditions in the countries with which it trades and is subject to high levels of debt or may be subject to higher inflation. In certain emerging markets, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investments in those countries.

##### (b) Risk of errors and omissions in information

There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which

foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the Sub-Funds.

(c) Investment and Repatriation Restrictions

Prior governmental approval for foreign investments may be required under certain circumstances. Repatriation of investment income, assets and the proceeds of sales by foreign investors are generally subject to governmental control in emerging countries. The Company could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes on interest paid on securities held by the Company or gains from the disposition of such securities.

(d) Debt securities

Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Company may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.

(e) Securities markets and settlement systems

Settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the **Counterparty**) through whom the relevant transaction is effected might result in a loss being suffered by Sub-Funds investing in emerging market securities. The Company will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Company will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries. There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Company's claims in any of these events.

(f) Legal Risk

Many of the laws that govern private and foreign investment, securities transactions and other contractual relationships are new and largely untested. As a result, the Company may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. In addition, the income and gains of the Fund are subject to withholding

taxes for which Shareholders may not receive a foreign tax credit. Furthermore, it may be difficult to obtain and enforce a judgment in a court outside of Luxembourg.

## 6.12 Investments in China

### (a) Country and market risk

Investing in the People's Republic of China (**PRC**) is subject to the risks of investing in emerging markets – outlined above – and additional risks which are specific to the PRC market. The economy of China is in a state of transition from a planned economy to a more market oriented economy and investments may be sensitive to changes in law and regulation together with political, social or economic policy which includes possible government intervention. In extreme circumstances, a Sub-Fund investing in the PRC may incur losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy, due to local investment restrictions, illiquidity of the PRC domestic securities market, and/or delay or disruption in execution and settlement of trades. Any Sub-Fund investing directly (or indirectly through a UCITS and other UCIs) in China may be adversely affected by such losses.

China is one of the world's largest emerging markets. As with investing in any emerging market country, investments in China may be subject to greater risk of loss than investments made in a developed market. This is due, among other things, to greater market volatility, lower trading volume, greater risk of market shut down, and more governmental limitations with respect to foreign-inward investment. The companies in which a Sub-Fund invests may be held to lower disclosure, corporate governance, accounting and reporting standards than companies listed or traded in more developed markets. In addition, some of the securities held by a Sub-Fund may be subject to higher transaction and other costs, foreign ownership limits, the imposition of taxes, or may have liquidity issues which make such securities more difficult to sell at reasonable prices. These factors may increase the volatility and hence the risk of an investment in a Sub-Fund investing in China.

### (b) Legal risk

The PRC legal system is based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have no precedent value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, because of the limited volume of published cases and judicial interpretation and their non-binding nature, the interpretation and enforcement of these regulations involves significant uncertainties. Given the short history of the PRC system of commercial laws, the PRC regulatory and legal framework may not be as well developed as those of developed countries. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the relevant Sub-Fund's onshore business operations. The PRC government heavily regulates the domestic exchange of foreign currencies within the PRC. PRC law requires that all domestic securities transactions must be settled in renminbi (the **RMB**) (other than trading of B shares which are not available for foreign investors under the Stock Connect as defined below), places significant restrictions on the remittance of foreign currency, and strictly regulates currency exchange from RMB.

### (c) Stock connect

The Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (together, the **Stock Connect**) is a securities trading and clearing linked programme developed by the Hong Kong Exchanges and Clearing Limited (the **HKEx**), the Shanghai Stock Exchange (**SSE**), the Shenzhen Stock Exchange (**SZSE**) and the China Securities Depository and Clearing Co., Ltd. (**CSDCC**), with an aim to achieve mutual stock market access between the PRC and Hong Kong.

Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a northbound trading link (the **Northbound Trading Link**) for investment in PRC shares and a southbound trading link (the **Southbound Trading Link**) for investment in Hong Kong shares. Under the Northbound Trading Link, Hong Kong and overseas investors (including the relevant Compartment), through their Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited (**SEHK**) are able to trade eligible shares listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through PRC securities firms and a securities trading service company established by the SSE, are able to trade eligible shares listed on the SEHK by routing orders to the SEHK.

(d) **Chinese Interbank Bond Market (CIBM)**

CIBM is an OTC market outside the two main stock exchanges in the PRC (i.e. SSE and SZSE) and was established in 1997. On CIBM, institutional investors (including domestic institutional investors but also QFIIs, RQFIIs as well as other offshore institutional investors, subject to authorization) trade sovereign, government and corporate bonds on a one-to-one quote-driven basis. CIBM accounts for more than 95% of outstanding bond values of total trading volume in the PRC.

The main debt instruments traded on CIBM include government bonds, financial bonds, corporate bonds, bond repo, bond lending, People's Bank of China bills (**PBOC**), and other financial debt instruments.

CIBM is regulated and supervised by PBOC. PBOC is responsible inter alia for establishing listing, trading, functioning rules applying to CIBM and supervising the market operators of CIBM. CIBM facilitates two trading models: (i) bilateral negotiation and (ii) click-and-deal. Under the China Foreign Exchange Trading System (**CEFTS**), which is the unified trading platform for CIBM, negotiation is applied to all inter-bank products while one-click trading is only applied to spot bonds and interest rate derivatives.

The market-maker mechanism, whereby an entity ensures bilateral quotations for bonds, was officially introduced in 2001 to improve market liquidity and enhance efficiency. Deals through market making can enjoy benefits such as lower trading and settlement costs.

Bond transactions must be conducted by way of bilateral trading through independent negotiations and be concluded on a transaction by transaction basis. Bid and ask prices for primary bond transactions and repurchase interest rates must be determined independently by the parties to the transaction. Both parties to a transaction shall typically, in accordance with the contract, promptly send instructions for delivery of bonds and funds, and shall have sufficient bonds and funds for delivery on the agreed delivery date.

China Central Depository & Clearing Co., Ltd (**CCDC**) will deliver bonds on time according to the instructions matching with elements sent by both parties to a transaction. Fund clearing



banks (e.g. settlement agent banks of foreign institutional investors) will handle the transfer and settlement of bond transaction payments on behalf of participants in a timely manner.

Investors should be aware that trading on CIBM exposes funds to increased counterparty and liquidity risks.

(e) Risks of investing in China A-shares

The securities markets in the PRC, including the A-share markets, are still in a stage of development, and may be characterised by higher liquidity risk than markets in more developed countries, which may in turn result in higher transaction costs and price volatility. In addition, the PRC's securities markets are undergoing a period of growth and change, which lead to uncertainties and potentially result in difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. The PRC's regulatory authorities have only recently been given the power and duty to prohibit fraudulent and unfair market practices relating to securities markets, such as insider trading and market abuse, and to regulate substantial acquisitions of shares and takeovers of companies. All of these factors may lead to a higher level of volatility and instability associated with the PRC securities markets relative to more developed markets.

The liquidity and price volatility associated with China A-share markets are subject to greater risks of government intervention (for example, to suspend trading in particular stocks) and imposition of trading band restrictions for all or certain stocks from time to time. In addition, China A-shares traded in the PRC are still subject to trading band limits that restrict maximum gain or loss in stock prices, which means the prices of stocks may not necessarily reflect their underlying value. Such factors may affect the performance of, or cause disruption to the liquidity of the relevant Sub-Fund.

(f) Regulatory risk

The Stock Connect is evolving, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject to change. There can be no assurance that the Stock Connect will not be abolished.

**6.13 Investment in instruments without rating**

Instruments without rating may be less transparent regarding their respective credit quality and performance. The ability of the Company to develop its own risk assessment is minimised while at the same time further consideration has to be given to the assessment provided by the investment manager.

**6.14 Concentration and diversification**

Although any Sub-Fund is subject to specific investment restrictions, the investment policy of a relevant Sub-Fund may be focused on a specific segment, country or region. Consequently, such an investment policy limits the impact of risk spreading which would be higher if the investment policy provides investments across different segments, countries or regions.

## 6.15 **Taxation**

Shareholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of a Sub-Fund, capital gains within a Sub-Fund, whether or not realised, income received or accrued or deemed received within a Sub-Fund etc., and this will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder.

Shareholders should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Sub-Fund. Taxes might be calculated based on income received and/or deemed to be received and/or accrued in a Sub-Fund in relation to their direct investments, whereas the performance of a Sub-Fund, and subsequently the return Shareholders receive after redemption of the Shares, might partially or fully depend on the performance of underlying assets. This can have the effect that the investor has to pay taxes for income or/and a performance which he does not, or does not fully, receive.

Shareholders who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, Shareholders should be aware that tax regulations and their application or interpretation by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

## 6.16 **Change of law**

The Company must comply with regulatory constraints, such as a change in the laws affecting the investment restrictions and limits applicable to UCITS, which might require a change in the investment policy and objectives followed by a Sub-Fund.

## 6.17 **Political factors**

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

## 6.18 **Fees in underlying undertakings for collective investment**

A Sub-Fund may, subject to the conditions set out in Section 4.4 of the General Section, invest in other undertakings for collective investment which may be operated and/or managed by the Investment Adviser or a related party. As an investor in such other undertakings for collective investment, in addition to the fees, costs and expenses payable by a Shareholder in the Sub-Funds, each Shareholder will also indirectly bear a portion of the fees, costs and expenses of the underlying undertakings for collective investment, including management, investment management and, administration and other expenses.

## 6.19 **Transaction costs**

Where a Sub-Fund does not adjust its subscription and redemption prices by an amount representing the duties and charges associated with buying or selling underlying assets this will affect the performance of that Sub-Fund.

## 6.20 United States Foreign Account Tax Compliance Act (FATCA)

- (a) FATCA imposes a new reporting regime and, potentially, a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a Foreign Financial Institution, or **FFI** (as defined by FATCA)) that does not become a Participating FFI by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a United States Account of the FFI (a **Recalcitrant Holder**). The new withholding regime will be phased in beginning 1 July 2014 for payments from sources with the United States and will apply to foreign passthru payments (a term not yet defined) no earlier than 1 January 2017. The Company should be classified as an FFI.
- (b) The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being a **FATCA Withholding**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. On 28 March 2014, the United States and the Grand Duchy of Luxembourg have entered into an agreement (the **Luxembourg IGA**) based largely on the Model 1 IGA.
- (c) The Company expects to be treated as a Reporting FI pursuant to the Luxembourg IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Company will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Company and financial institutions through which payments on the Shares are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Shares is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.
- (d) If an amount in respect of FATCA were to be withheld either from amounts due to the Company or from any payments on the Shares, neither the Company nor any other person would be required to pay additional amounts.
- (e) FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Company and to payments they may receive in connection with the Shares.
- (f) Except as provided above with respect to FATCA, this summary does not address any U.S. federal income tax consequences that may be relevant to an investment in the Company, including, but not limited to, the U.S. federal income tax consequences of investments by the

Company or distributions paid by the Company to Investors. Each prospective investor should also note that this summary does not address the interaction of U.S. federal tax laws and any income or estate tax treaties between the United States and any other jurisdiction. Investors are encouraged to consult their own tax advisors regarding the U.S. federal income tax consequences that may be relevant to an investment in the Company.

- (g) **TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

## 7. CONFLICTS OF INTEREST AND RESOLUTION OF CONFLICT

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

### **Interested dealings**

- 7.2 The Directors, the Management Company, the Distributor(s), the Investment Adviser, the Depositary and the Administrative Agent and any of their respective subsidiaries, affiliates, associates, agents, directors, officers, employees or delegates (together the **Interested Parties** and, each, an **Interested Party**) may:
- contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company, in securities in any company or body any of whose investments or obligations form part of the assets of the Company or any Sub-Fund, or be interested in any such contracts or transactions;
  - invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party; and
  - deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the Company through, or with, the Investment Adviser or the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof.
- 7.3 Any assets of the Company in the form of cash may be invested in certificates of deposit or banking investments issued by any Interested Party. Banking or similar transactions may also be undertaken with or through an Interested Party (provided it is licensed to carry out this type of activities).
- 7.4 There will be no obligation on the part of any Interested Party to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party.

- 7.5 Any such transactions must be carried out as if effected on normal commercial terms negotiated at arm's length.
- 7.6 All revenues arising from EPM Techniques, net of direct and indirect operational costs, will be accrued to the relevant Sub-Fund.
- 7.7 The Investment Adviser may also be appointed as the lending agent of the Company under the terms of a securities lending management agreement. Under the terms of such an agreement, the lending agent is appointed to manage the Company's securities lending activities and is entitled to receive a fee which is in addition to its fee as investment adviser. The income earned from stock lending will be allocated between the Company and the Investment Adviser and the fee paid to the Investment Adviser will be at normal commercial rates. Full financial details of the amounts earned and expenses incurred with respect to stock lending for the Company, including fees paid or payable, will be included in the annual and semi-annual financial statements. The Directors will, at least annually, review the stock lending arrangements and associated costs.
- 7.8 The Investment Adviser may execute trades through its affiliates on both a principal and agency basis, as may be permitted under applicable law. As a result of these business relationships, the Investment Adviser's affiliates will receive, among other benefits, commissions and mark-ups/mark-downs, and revenues associated with providing prime brokerage and other services.
- 7.9 Certain conflicts of interest may arise from the fact that affiliates of the Investment Adviser or the Management Company may act as sub-distributors of interests in respect of the Company or certain Sub-Funds. Such entities may also enter into arrangements under which they or their affiliates will issue and distribute notes or other securities the performance of which will be linked to the relevant Sub-Fund.

## **8. SUBSCRIPTION OF SHARES**

### **8.1 General**

- (a) During the Initial Offering Period or Initial Offering Date, the Company is offering the Shares under the terms and conditions as set forth in the relevant Schedule of the Special Section. The Company may offer Shares in one or several Sub-Funds or in one or more Classes in each Sub-Fund.
- (b) After the Initial Offering Period or Initial Offering Date, the Company may offer Shares of each existing Class in each existing Sub-Fund on any day that is a Valuation Day, as stipulated in the relevant Schedule of the Special Section. The Board may decide that for a particular Class or Sub-Fund no further Shares will be issued after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Schedule of the Special Section). The Company may, in its discretion, create new Sub-Funds with different investment objectives and policies or new Classes within each Sub-Fund at any time, details of which shall be set forth in the relevant Schedule of the Special Section.
- (c) Subscriptions are accepted in amounts only.
- (d) The Company reserves the right to request such information in order to satisfy any obligations under Sections 1471 through 1474 of the U.S. Internal Revenue Code (generally known as FATCA), any U.S. Treasury Regulations or other guidance issued or agreements entered into thereunder, or any intergovernmental agreement entered into by any taxing jurisdiction with the United States to facilitate the implementation of FATCA.

## 8.2 **Subscription price**

Shareholders or prospective investors may subscribe for a Class in a Sub-Fund at a subscription price per Share equal to:

- (a) the Initial Subscription Price where the subscription relates to the Initial Offering Period or Initial Offering Date; or
- (b) the Net Asset Value per Share as of the Valuation Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the Initial Offering Period or Initial Offering Date) of Shares of an existing Class in an existing Sub-Fund.

If an investor wants to subscribe Shares, a Subscription Fee of up to 5% of the Net Asset Value per Share may be added to the subscription price to be paid by the investor. The applicable Subscription Fee will be stipulated in the relevant Schedule of the Special Section. This fee will be payable to the Management Company, the Company the Distributor(s), sub-distributors or intermediaries.

## 8.3 **Subscription procedure**

- (a) Subscriptions may be made only by investors who are not Restricted Persons by submitting a written subscription request to the Distributor(s) or the Administrative Agent to be received by the Administrative Agent or the Distributor(s) at the time specified in the relevant Schedule of the Special Section. Payments of the full amount of the subscription price (plus any Subscription Fee) of the Shares being subscribed for pursuant to the subscription request will be made on a contractual settlement basis.
- (b) If the Depository does not receive the funds in time the purchase order may be cancelled and the funds returned to the investor without interest. The investor will be liable for the costs of late or non-payment in which the case the Directors and the Management Company will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs. In circumstances where it is not practical or feasible to recoup a loss from an applicant for Shares, any losses incurred by the Company due to late or non-payment of the subscription proceeds in respect of subscription applications received may be borne by the Company.
- (c) Subscribers for Shares must make payment in the Reference Currency of the relevant Sub-Fund or Class. Subscription monies received in another currency than the Reference Currency will be exchanged by the Administrative Agent on behalf of the investor at normal banking rates. Any such currency transaction will be effected with the Administrative Agent at the investor's risk and cost. Such currency exchange transactions may delay any transaction in Shares.
- (d) Subscribers for Shares are to indicate the allocation of the subscription monies among one or more of the Sub-Funds and/or Classes offered by the Company.
- (e) In the event that the subscription order is incomplete (i.e., all requested papers are not received by the Administrative Agent or the Distributor(s) by the relevant deadline set out above) the subscription order will be rejected and a new subscription order will have to be submitted.
- (f) The minimum amount (if any) of Shares of the same Class or of the same Sub-Fund for which a subscriber or Shareholder must subscribe in each Sub-Fund is the amount stipulated in the relevant Schedule of the Special Section as the Minimum Subscription Amount.

- (g) In the event that the Company or the Management Company decides to reject any application to subscribe for, or the purchase of Shares, the monies transferred by a relevant applicant will be returned to the prospective investor without undue delay (unless otherwise provided for by law or regulations).

The number of Shares issued to a subscriber or Shareholder in connection with the foregoing procedures will be equal to the subscription monies provided by the subscriber or Shareholder, after deduction of the Subscription Fee (if any), divided by:

- (i) the Initial Subscription Price, in relation to subscriptions made in connection with an Initial Offering Period or Initial Offering Date, or
  - (ii) the Net Asset Value per Share of the relevant Class in the relevant Sub-Fund as of the relevant Valuation Day.
- (h) With regard to the Initial Offering Period or Initial Offering Date, Shares will be issued on the first Business Day following the end of the Initial Offering Period or Initial Offering Date.
  - (i) The Company shall recognise rights to fractions of Shares up to five decimal places, rounded up or down to the nearest decimal point. Any purchases of Shares will be subject to the ownership restrictions set forth below. Fractional Shares shall have no right to vote (except to the extent their number is so that they represent a whole Share, in which case, they confer a voting right) but shall have the right to participate pro rata in distributions and allocation of liquidation proceeds.

#### 8.4 **Subscription in kind**

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

#### 8.5 **Prevention of money laundering and terrorist financing requirements**

- (a) The Directors will apply national and international regulations for the prevention of money laundering.
- (b) Measures aimed towards the prevention of money laundering require a detailed verification of an investor's identity in accordance with the applicable laws and regulations in Luxembourg in relation to money laundering obligations, as amended from time to time. The Company (and the Administrative Agent acting on behalf of the Company) reserves the right to request such information as is necessary to verify the identity of an investor in conformity with the before mentioned laws and regulations. In the event of delay or failure by the investor to produce any information required for verification purposes, the Company (and each of the

intermediaries and Administrative Agent acting on behalf of the Company) may refuse to accept the application and all subscription monies.

## 8.6 Institutional investors

- (a) The sale of Shares of certain Sub-Funds or Classes may be restricted to institutional investors within the meaning of article 174 of the 2010 Act (**Institutional Investors**) and the Company will not issue or give effect to any transfer of Shares of such Sub-Funds or Classes to any investor who may not be considered as an Institutional Investor. The Company may, at its discretion, delay the acceptance of any subscription for shares of a Sub-Fund or Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of Shares of a Sub-Fund or Class restricted to Institutional Investors is not an Institutional Investor, the Company will, at its discretion, either redeem the relevant shares in accordance with the provisions under Section 9 of the General Section or convert such Shares into Shares of a Sub-Fund or Class which is not restricted to Institutional Investors (provided there exists such a Sub-Fund or Class with similar characteristics) and which is essentially identical to the restricted Sub-Fund or Class in terms of its investment object (but, for avoidance of doubt, not necessarily in terms of the fees and expenses payable by such Sub-Fund or Class), unless such holding is the result of an error of the Company, the Management Company or their agents, and notify the relevant Shareholder of such conversion.
- (b) Considering the qualification of a subscriber or a transferee as Institutional Investor, the Company will have due regard to the guidelines or recommendations (if any) of the competent supervisory authorities.
- (c) Institutional Investors subscribing in their own name, but on behalf of a third party, may be required to certify that such subscription is made either on behalf of an Institutional Investor or on behalf of a Retail Investor provided in the latter case that the Institutional Investor is acting within the framework of a discretionary management mandate and that the Retail Investor has no right to lay a claim against the Company or the Management Company for direct ownership of the Shares.

## 8.7 Ownership restrictions

A person who is a Restricted Person may not invest in the Company. In addition, each applicant for Shares must certify that it is either (a) not a U.S. Person or (b) a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and a "qualified purchaser" within the meaning of section 2(a)(51) of the Investment Company Act. The Company may, in its sole discretion, decline to accept an application to subscribe for Shares from any prospective subscriber, including any Restricted Person or any person failing to make the certification set forth in (a) or (b) above. Shares may not be transferred to or owned by any Restricted Person. The Shares are subject to restrictions on transferability to a U.S. Person and may not be transferred or re-sold except pursuant to an exemption from registration under the Securities Act or an effective registration statement under the Securities Act. In the absence of an exemption or registration, any resale or transfer of any of the Shares in the United States or to U.S. Persons may constitute a violation of US law (See "Important Information – Selling Restrictions"). It is the responsibility of the Board to verify that Shares are not transferred in breach of the above. The Company reserves the right to redeem any Shares which are or become owned, directly or indirectly, by a Restricted Person or (a) in the case of Regulation S Shares, are or become owned, directly or indirectly, by a U.S. Person or (b) in the case of 144 A Securities, are or become owned, directly or indirectly, by a U.S. Person who is not a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and a "qualified purchaser" within the meaning of section 2(a)(51) of the Investment Company Act in accordance with the Articles. Any



prospective investor shall only be issued Shares for Institutional Investor if such person provides a representation that it qualifies as an Institutional Investor pursuant to Luxembourg Law.

## **9. REDEMPTION OF SHARES**

### **9.1 Redemption**

- (a) Shares in a Sub-Fund may be redeemed at the request of the Shareholders as to any day that is a Valuation Day. Redemption request must be sent in writing to the Distributor(s) or the Administrative Agent or such other place as the Company or the Management Company may advise. Redemption request must be received by the Administrative Agent at the time specified in the relevant Schedule of the Special Section on the relevant Valuation Day. Redemption requests received after this deadline shall be processed on the basis of the Net Asset Value per Share as of the next following Valuation Day.
- (b) The Board, the Management Company, the Administrative Agent and the Distributor(s) will ensure that the relevant cut-off time for requests for redemption as indicated in the Special Section of each Sub-Fund are strictly complied with and will therefore take all adequate measures to prevent practices known as "Late Trading".
- (c) Requests for redemption must be for either a number of Shares or an amount denominated in the Reference Currency of the Class of the Sub-Fund.
- (d) A Shareholder who redeems his Shares will receive an amount per Share redeemed equal to the Net Asset Value per Share as of the applicable Valuation Day for the relevant Class in the relevant Sub-Fund (less, as the case may be, a Redemption Fee as stipulated in the relevant Schedule of the Special Section and any tax or duty imposed on the redemption of the Shares).
- (e) Payment of the redemption proceeds shall be made generally within such number of Business Days as specified in the relevant Schedule of the Special Section. Where a Shareholder redeems Shares that he has not paid for within the required subscription settlement period, in circumstances where the redemption proceeds would exceed the subscription amount that he owes, the Company will be entitled to retain such excess for the benefit of the Company.
- (f) If as a result of a redemption, the value of a Shareholder's holding would become less than the relevant minimum holding amount (if any) as stipulated in the relevant Schedule of the Special Section, the Shareholder may be deemed (if the Board so decides) to have requested the redemption of all his Shares.
- (g) Redemption of Shares may be suspended for certain periods of time as described under Section 25 of the General Section.
- (h) The Company reserves the right to reduce proportionally all requests for redemptions in a Sub-Fund to be executed on one Valuation Day whenever the total proceeds to be paid for the Shares so tendered for redemption exceed 10% (ten per cent) of the total net assets of that specific Sub-Fund. The portion of the non-proceeded redemptions will then be proceeded by priority on subsequent Valuation Days (but subject always to the foregoing 10% (ten per cent) limit).
- (i) Redemption requests must be addressed to the Administrative Agent. Redemption requests will not be accepted by telephone or telex. Redemption requests are irrevocable (unless otherwise provided in respect of a specific Sub-Fund in the relevant Schedule of the Special Section and except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of Shares is suspended) and proceeds of the redemption will

be remitted to the account indicated by the Shareholder in its redemption request. The Company reserves the right not to redeem any Shares if it has not been provided with evidence satisfactory to the Company that the redemption request was made by a Shareholder of the Company. Failure to provide appropriate documentation to the Administrative Agent may result in the withholding of redemption proceeds.

- (j) If a Shareholder wants to redeem Shares of the Company, a Redemption Fee of up to 3% may be levied on the amount to be paid to the Shareholder. The applicable Redemption Fee will be stipulated in the relevant Schedule of the Special Section. This fee will be payable either to the Management Company, the Company or the Distributor(s), sub-distributors or intermediaries, if any.

## 9.2 **Compulsory redemption by the Company**

The Company may redeem Shares of any Shareholder if the Directors or the Management Company, whether on its own initiative or at the initiative of a Distributor, determines that:

- (a) any of the representations given by the Shareholder to the Company or the Management Company were not true and accurate or have ceased to be true and accurate; or
- (b) the Shareholder is not or ceases to be an Eligible Investor;
- (c) that the continuing ownership of Shares by the Shareholder would cause an undue risk of adverse tax consequences to the Company or any of its Shareholders;
- (d) the continuing ownership of Shares by such Shareholder may be prejudicial to the Company or any of its Shareholders;
- (e) further to the satisfaction of a redemption request received by a Shareholders, the number or aggregate amount of Shares of the relevant Class held by this Shareholder is less than the Minimum Holding Amount.

## 10. **CONVERSION OF SHARES**

- (a) Unless otherwise stated in the relevant Schedule of the Special Section, Shareholders are allowed to convert all, or part, of the Shares of a given Class into Shares of the same or different Class of that or another Sub-Fund. However, the right to convert Shares is subject to compliance with any condition (including any minimum subscription amounts and eligibility requirements) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the applicable Minimum Subscription Amount, the Board may decide not to accept the request for conversion of the Shares. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant Minimum Holding Amount as stipulated in the relevant Schedule of the Special Section, the Shareholder may be deemed (if the Board so decides) to have requested the conversion of all of his Shares. Shareholders are not allowed to convert all, or part, of their Shares into Shares of a Sub-Fund which is closed for further subscriptions after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Schedule of the Special Section).
- (b) If the criteria to become a Shareholder of such other Class and/or such other Sub-Fund are fulfilled, the Shareholder shall make an application to convert Shares by sending a written request for conversion to the Distributor(s) or the Administrative Agent. Shares may be converted at the request of the Shareholders on any day that is a Valuation Day. The conversion request must be received by the Administrative Agent at the time specified in the

relevant Schedule of the Special Section on the relevant Valuation Day. Conversion requests received after this deadline shall be processed on the basis of the Net Asset Value per Share as of the next following Valuation Day. The conversion request must state the number of Shares of the relevant Classes in the relevant Sub-Fund which the Shareholder wishes to convert.

- (c) A Conversion Fee, in favour of the original Sub-Fund or Class, of up to 3% of the Net Asset Value of the new Sub-Fund may be levied to cover conversion costs. The applicable fee, if any, will be stipulated in the relevant Schedule of the Special Section. The same rate of Conversion Fee will be applied to all conversion requests received on the same Valuation Day.
- (d) Conversion of Shares shall be effected on the Valuation Day, by the simultaneous:
  - (i) redemption of the number of Shares of the relevant Class in the relevant Sub-Fund specified in the conversion request at the Net Asset Value per Share of the relevant Class in the relevant Sub-Fund; and
  - (ii) issue of Shares on that Valuation Day in the new Sub-Fund or Class, into which the original Shares are to be converted, at the Net Asset Value per Share for Shares of the relevant Class in the (new) Sub-Fund.
- (e) Subject to any currency conversion (if applicable) the proceeds resulting from the redemption of the original Shares shall be applied immediately as the subscription monies for the Shares in the new Class or Sub-Fund into which the original Shares are converted.
- (f) Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued shall be calculated by converting the proceeds resulting from the redemption of the Shares into the currency in which the Shares to be issued are denominated. The exchange rate for such currency conversion shall be calculated by the Depositary in accordance with the rules laid down under Section 24 of the General Section.

## **11. TRANSFER OF SHARES**

- (a) All transfers of Shares shall be effected by a transfer in writing in any usual or common form or any other form approved by the Board and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered on the Share register in respect thereof. The Directors may decline to register any transfer of Shares if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Share Class or Sub-Fund as set out in this Prospectus or the relevant Schedule of the Special Section. The registration of transfer may be suspended at such times and for such periods as the Directors may from time to time determine, provided, however, that such registration shall not be suspended for more than 90 days in any calendar year. The Directors may decline to register any transfer of Shares unless the original instruments of transfer, and such other documents that the Directors may require are deposited at the registered office of the Company or at such other place as the Directors may reasonably require, together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and to verify the identity of the transferee. Such evidence may include a declaration as to whether the proposed transferee (i) is a US Person or acting for or on behalf of a US Person, (ii) is a Restricted Person or acting for or on behalf of a Restricted Person or (iii) does qualify as Institutional Investor.

- (b) The Directors may decline to register a transfer of Shares:
- (i) if in the opinion of the Directors, the transfer will be unlawful or will result or be likely to result in any adverse regulatory, tax or fiscal consequences to the Company or its Shareholders; or
  - (ii) if the transferee is a US Person or is acting for or on behalf of a US Person; or
  - (iii) if the transferee is a Restricted Person or is acting for or on behalf of a Restricted Person; or
  - (iv) in relation to Classes reserved for subscription by Institutional Investors, if the transferee is not an Institutional Investor; or
  - (v) if in the opinion of the Directors, the transfer of the Shares would lead to the Shares being registered in a depository or clearing system in which the Shares could be further transferred otherwise than in accordance with the terms of this Prospectus or the Articles.

## **12. MARKET TIMING AND LATE TRADING**

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

## **13. MANAGEMENT OF THE COMPANY**

- 13.1 The Company shall be managed by the Board. The Board is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law to the General Meeting fall within the competence of the Board.
- 13.2 The Board must be composed at all times of three Directors (including the chairman of the Board).

- 13.3 Any Director may be removed with or without cause or be replaced at any time by resolution adopted by the General Meeting.
- 13.4 The Company may indemnify any Director or officer, and his heirs, executors and administrators against expenses reasonably incurred by him or her in connection with any action, suit proceeding to which he or she may be made a party by reason of his or her being or having been a director or officer of the Company or, at its request, of any other company of which the Company is a shareholder or creditor and from which he or she is not entitled to be indemnified, except in relation to matters as which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he or she may be entitled.

### **Composition of the Board**

- 13.5 The Board is currently composed as follows:
- Hector Esteban, CEO, Bankinter Luxembourg S.A.;
  - Yolanda Cerrato Astarloa, Head of Private Banking, Madrid, Spain;
  - Jean Philippe Claessens, General Manager and Conducting Officer, Lemanik Asset Management S.A.; and
  - Angel Maria Pedros Luque, Head of Private Banking Clients, Bankinter Gestión de Activos.
- 13.6 The Board will appoint a chairman. The chairman will have a casting vote in case of a tied vote.

## **14. MANAGEMENT COMPANY**

- 14.1 The Board has appointed Lemanik Asset Management S.A. to serve as its designated management company within the meaning of article 27 of the 2010 Act pursuant to the Management Company Services Agreement. The Management Company is governed by Chapter 15 of the 2010 Act.
- 14.2 The Management Company will provide, subject to the overall control of the Board and without limitation, (i) asset management services, (ii) central administration, registrar and transfer agency services, (iii) domiciliation service and (iv) distribution services to the Company. The rights and duties of the Management Company are further laid down in articles 107 et al. of the 2010 Act.
- 14.3 The Management Company must at all times act honestly and fairly in conducting its activities in the best interest of the Shareholders and in conformity with the 2010 Act, the Prospectus and the Articles.
- 14.4 The Management Company is a company incorporated under Luxembourg Law with registered office at 106, route d'Arlon, L-8210 Mamer, Luxembourg. The Management Company was incorporated for an indeterminate period in Luxembourg on 1 September 1993 in the form of a *société anonyme*, in accordance with the 1915 Act. Its capital currently stands at an amount of EUR 1,300,000 (one million and three hundred thousand Euro).
- 14.5 The deed of incorporation of the Management Company was published in the Luxembourg Official Gazette on 5 October 1993 and is registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B44870. The articles of incorporation of the Management Company were last amended by notarial deed of 19 June 2015.

- 14.6 The Management Company is vested with the day-to-day administration of the Company. In fulfilling its duties as set forth by the 2010 Act and the Management Company Services Agreement, The Management Company is authorised, for the purpose of more efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Company and subject to the 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. The Management Company shall remain liable to the Company in respect of all matters so delegated.
- 14.7 The Management Company will require any such agent to which it intends to delegate its duties to comply with the provisions of the Prospectus, the Articles and the relevant provisions of the Management Company Services Agreement.
- 14.8 In relation to any delegated duty, the Management Company shall implement appropriate control mechanisms and procedures, including risk management controls, and regular reporting processes in order to ensure an effective supervision of the third parties to whom functions and duties have been delegated and that the services provided by such third party service providers are in compliance with the Articles, the Prospectus and the agreement entered into with the relevant third party service provider.
- 14.9 The Management Company shall be careful and diligent in the selection and monitoring of the third parties to whom functions and duties may be delegated and ensure that the relevant third parties have sufficient experience and knowledge as well as the necessary authorisations required to carry out the functions delegated to them.
- 14.10 The following functions have been delegated by the Management Company to third parties: investment management of certain Sub-Funds, administration, marketing and distribution, as further set forth in this Prospectus and in the Schedules of the Special Section.
- 14.11 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 Company (the **Remuneration Policy**).
- 14.12 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 Company or the Sub-Funds.
- 14.13 Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [http://www.lemanikgroup.com/management-company-service\\_substance\\_governance.cfm](http://www.lemanikgroup.com/management-company-service_substance_governance.cfm). A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.
- 14.14 The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Company and the Shareholders and includes measures to avoid conflicts of interest.
- 14.15 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 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; and
- (c) 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.

14.16 In the context of delegation, the Remuneration Policy will ensure that the delegate of the Management Company complies with the following:

- (a) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- (b) if at any point of time, the management of the Company 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 (b); and
- (c) 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 Company.

14.17 The Management Company Services Agreement has been entered into for an undetermined period of time and may be terminated by either party upon serving to the other a three (3) months' prior written notice.

## 15. INVESTMENT MANAGER

15.1 The Management Company may, with the consent of the Company and subject to compliance with the Prospectus, determine that an Investment Manager be appointed to carry out investment management services and to be responsible for the relevant Sub-Fund's investment activities within the parameters and restrictions set out in this Prospectus and the relevant Schedule of the Special Section.

15.2 The Management Company has appointed Bankinter Luxembourg S.A. as the investment manager of the Company (the **Investment Manager**) pursuant to an investment management agreement (the **Investment Management Agreement**) entered into between the Management Company and the Investment Manager dated 20 January 2017, as amended from time to time, to carry out investment management services and be responsible for the investment activities of the Sub-Fund(s). The Investment Management Agreement is for an unlimited duration and can be terminated by either party by giving three (3) months prior written notice.

15.3 The Investment Manager is a company incorporated under Luxembourg Law with registered office at 37a, avenue J.F. Kennedy, L-1855 Luxembourg and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B29522.

The Investment Manager was incorporated for an indeterminate period in Luxembourg on 3 January 1989 in the form of a *société anonyme* under the 1915 Act. Its capital currently stands at an amount of EUR 26,752,500 (twenty-six million seven hundred fifty-two thousand five hundred euro).

- 15.4 The Investment Manager will provide or procure the Company investment advisory and investment management services, pursuant to the provisions of the Investment Management Agreement and in accordance with the investment policy, objective and restrictions of the relevant Sub-Fund as set out in the Articles and Prospectus and with the aim to achieve the Sub-Fund's investment objective.
- 15.5 Unless otherwise stated in the relevant Special Section, the Investment Manager is responsible for, among other matters, identifying and acquiring the investments of the Company. The Investment Manager is granted full power and authority and all rights necessary to enable it to manage the investments of the relevant Sub-Funds and provide other investment management services to assist the 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 Special Section. Consequently, the responsibility for making decisions to buy, sell or hold a particular security or asset rests with the Management Company, the Investment Manager and, as the case may be, the relevant sub-investment manager appointed by them, subject always to the overall policies, direction, control and responsibility of the Board and the Management Company.

## 16. INVESTMENT ADVISERS AND SUB-INVESTMENT MANAGERS

The Investment Manager may be assisted by one or more advisers or delegate its functions, with the approval of the CSSF, to one or more sub-managers. In case sub-managers/advisers are appointed, the relevant Special Section will be updated.

## 17. DEPOSITARY AND PAYING AGENT

- 17.1 The Company has appointed RBC Investor Services Bank S.A. (**RBC**), having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, as depositary bank and principal paying agent of the Company (the **Depositary**) with responsibility for the

- (a) safekeeping of the assets;
- (b) oversight duties;
- (c) cash flow monitoring; and
- (d) principal paying agent functions

in accordance with the 2010 Act, and the depositary bank and principal paying agent agreement dated 14 July 2017 and entered into between the Company and RBC (the **Depositary Agreement**).

- 17.2 RBC Investor Services Bank S.A. is registered with the Luxembourg Register for Trade and Companies (RCS) under number B47192 and was incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector and specialises in custody, fund administration and related services. Its equity capital as at 31 October 2016 amounted to approximately EUR 1,059,950,131.-.
- 17.3 The Depositary may delegate its safekeeping duties with respect to the Company'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.



- 17.4 An up to date description of any safekeeping functions delegated by the Depositary and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depositary or via the following website link: <http://gmi.rbcits.com/rt/gss.nsf/Royal+Trust+Updates+Mini/53A7E8D6A49C9AA285257FA8004999BF?opendocument>.
- 17.5 The Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and the Shareholders in the execution of its duties under the 2010 Act and the Depositary Agreement.
- 17.6 Under its oversight duties, the Depositary will:
- ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the 2010 Act and with the Articles,
  - ensure that the value of Shares is calculated in accordance with the 2010 Act and the Articles,
  - carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the 2010 Act or the Articles,
  - ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits,
  - ensure that the income of the Company is applied in accordance with the 2010 Act or the Articles.
- 17.7 The Depositary will also ensure that cash flows are properly monitored in accordance with the 2010 Act and the Depositary Agreement.

*Depositary Bank's conflicts of interests*

- 17.8 From time to time conflicts of interests may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. On an ongoing basis, the Depositary analyses based on applicable laws and regulations any potential conflicts of interests that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with the RBC's conflicts of interests' policy which is subject to applicable laws and regulation for a credit institution according to and under the terms of the Luxembourg act of 5 April 1993 on the financial sector, as amended.
- 17.9 Further, potential conflicts of interest may arise from the provision by the Depositary and/or its affiliates of other services to the Company, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, 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 Company, the Management Company and/or other funds for which the Depositary (or any of its affiliates) act.
- 17.10 RBC has implemented and maintains a management of conflicts of interests' policy, aiming namely at:
- (a) Identifying and analysing potential situations of conflicts of interests;
  - (b) Recording, managing and monitoring the conflicts of interests situations in:

- (i) Implementing a functional and hierarchical segregation making sure that operations are carried out at arm's length from the Depositary business;
- (ii) Implementing preventive measures to decline any activity giving rise to the conflict of interest such as:
  - (A) RBC and any third party to whom the custodian functions have been delegated do not accept any investment management mandates;
  - (B) RBC does not accept any delegation of the compliance and risk management functions.
  - (C) RBC has a strong escalation process in place to ensure that regulatory breaches are notified to compliance which reports material breaches to senior management and the board of directors of RBC.
  - (D) A dedicated permanent internal audit department provides independent, objective risk assessment and evaluation of the adequacy and effectiveness of internal controls and governance processes.

17.11 RBC confirms that based on the above no potential situation of conflicts of interest could be identified.

17.12 An up to date information on conflicts of interest policy referred to above may be obtained, upon request, from the Depositary or via the following website link: [https://www.rbcits.com/AboutUs/CorporateGovernance/p\\_InformationOnConflictsOfInterestPolicy.aspx](https://www.rbcits.com/AboutUs/CorporateGovernance/p_InformationOnConflictsOfInterestPolicy.aspx).

## 18. ADMINISTRATIVE AGENT

18.1 RBC Investor Services Bank S.A., having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg has been appointed as administrative agent, paying agent and registrar and transfer agent of the Company (the **Administrative Agent**) pursuant to an administrative services agreement (the **Administrative Services Agreement**) entered into between the Company and the Administrative Agent with effect as of 14 July 2017. The Administrative Services Agreement provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time by giving 90-days' prior written notice.

18.2 The Administrative Agent will not be liable for the investment decisions regarding the Company nor the consequences of such investment decisions on the Company's performance and they are not responsible for the monitoring of the compliance of the Company's investments with the rules contained in its Articles and/or the Prospectus and/or in any investment management agreement entered into between the Company, the Management Company and the Investment Manager.

18.3 In consideration of the services rendered under the Administrative Services Agreement, the Administrative Agent receives a fee as detailed in Section 21 of the General Section.

18.4 The Administrative Agent may delegate all or part of its functions to one or more sub-contractor(s) which, in view of functions to be delegated, has/have to be qualified and competent for performing the delegated functions. The Administrative Agent's liability shall not be affected by such delegation to one or more sub-contractor(s).

18.5 The Administrative Agent shall not be liable for the content of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained in this Prospectus.

## **19. DISTRIBUTORS AND NOMINEES**

- 19.1 The Management Company may enter into Distribution Agreement(s) to appoint Distributor(s) to distribute Shares of different Sub-Funds from time to time. The Distributor(s) may appoint one or more sub-distributors with the consent of the Management Company.
- 19.2 The Management Company expects that in relation to Shares to be offered to investors, the relevant Distributor(s) will offer to enter into arrangements with the relevant investors to provide nominee services to those investors in relation to the Shares or arrange for third party nominee service providers to provide such nominee services to the underlying investors.
- 19.3 All Distributors and nominee service providers must be (i) professionals of the financial sector of a FATF member country which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg Law or (ii) professionals established in a non-FATF member State provided they are a subsidiary of a professional of the financial sector of a FATF member State and they are obliged to follow anti money laundering and terrorism financing rules equivalent to those required by Luxembourg Law because of internal group policies. Whilst and to the extent that such arrangements subsist, such underlying investors will not appear in the Register of the Company and will have no direct right of recourse against the Company.
- 19.4 Any Distributor or nominee service providers holding their Shares through Euroclear or Clearstream or any other relevant clearing system as an accountholder also will not be recognised as the registered Shareholder in the Register. The relevant nominee of Euroclear or Clearstream or the other relevant clearing system will be recognised as the registered Shareholder in the Register in such event, and in turn would hold the Shares for the benefit of the relevant accountholders in accordance with the relevant arrangements. 144 A Securities will be issued in physical, certificated form only and will not be eligible for clearance or settlement through Euroclear or Clearstream or any other relevant clearing system.
- 19.5 The terms and conditions of the Distribution Agreement(s) with arrangements to provide nominee services will have to allow that an underlying investor who (i) has invested in the Company through a nominee and (ii) is not a Restricted Person, may at any time, require the transfer in his name of the Shares subscribed through the nominee. After this transfer, the investor will receive evidence of his shareholding at the confirmation of the transfer from the nominee.
- 19.6 Investors may subscribe directly to the Company without having to go through Distributor(s) or a nominee.
- 19.7 A copy of the various agreements between the Management Company and the Distributor(s) or nominee(s) are available at the registered office of the Company as well as at the registered office of the Administrative Agent or of the Distributor(s)/nominee(s) during the normal business hours on any Business Day.
- 19.8 Distributors, with regard to the distribution of certain Classes' are entitled to a distribution fee payable by the Management Company out of its Provider Fee as set out in the relevant Schedule of the Special Section. Distributors have the right, at their discretion to reallocate such fee, in whole or in part, to sub-distributors.

## **20. PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING**

- 20.1 Pursuant to international rules and Luxembourg Law (comprising, but not limited to, the Luxembourg law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended) as well as circulars and regulations of the CSSF (including CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended or

supplemented from time to time, obligations have been imposed on all professionals of the financial sector to prevent the use of UCIs for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg UCI must ascertain the identity of the investors of such UCI. Accordingly, the Administrative Agent may require, pursuant to its risks based approach, Investors to provide proof of identity. In any case, the Administrative Agent may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

- 20.2 Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons unless if required by applicable laws and regulations.
- 20.3 In case of delay or failure by an Investor to provide the documents required, the application for subscription may not be accepted and in case of a redemption request, the payment of the redemption proceeds and/or dividends may not be processed. Neither the Company nor the Administrative Agent has any liability for delays or failure to process deals as a result of the Investor or the subscriber providing no or only incomplete documentation.
- 20.4 Shareholders may be, pursuant to the Administrative Agent's risks based approach, requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant applicable laws and regulations.

## **21. FEES, COMPENSATION AND EXPENSES**

### **21.1 Operating expenses**

- (a) The Company pays out of the assets of the relevant Sub-Fund all expenses payable by the Company which will include but not be limited to:
- (i) formation expenses;
  - (ii) fees payable to its Management Company including transaction fees and distribution fees, if any;
  - (iii) fees and expenses payable to its Auditors and accountants, Depository and its correspondents, Administrative Agent, any pricing agencies, any permanent representatives in places of registration, as well as any other agent employed by the Company;
  - (iv) the remuneration of the Directors and officers and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings;
  - (v) fees and expenses for legal and auditing services consultants;
  - (vi) any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in Luxembourg and in any other country;
  - (vii) reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements and the costs of any reports to Shareholders;
  - (viii) the costs for the publication of the issue and redemption prices;

- (ix) the costs of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex;
- (x) all taxes, duties, governmental and similar charges; and
- (xi) all other operating expenses.

The Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

- (b) Furthermore, charges and expenses borne by the Company shall include all reasonable charges and expenses paid on its behalf, including but not limited to, telephone, fax, telex, telegram and postage expenses incurred by the Depositary on purchases and sales of portfolio securities in one or several Sub-Funds.
- (c) The Company may indemnify any director, manager, authorised officer, employee or agent, their heirs, executors and administrators, to the extent permitted by law, for all costs and expenses borne or paid by them in connection with any claim, action, law suit or proceedings brought against them in their capacity as director, manager, authorised officer, employee or agent of the Company, except in cases where they are ultimately sentenced for gross negligence. In the case of an out of court settlement, such indemnification will only be granted if the Company's legal adviser is of the opinion that the director, manager, authorised officer, employee or agent in question did not fail in his duty and only if such an arrangement is approved beforehand by the Board. The right to such indemnification does not exclude other rights to which the director, manager, authorised officer, employee or agent are entitled. The rights to indemnification provided herein are separate and do not affect the other rights to which a director, managing director, authorised officer, employee or agent may now or later be entitled and shall be maintained for any person who has ceased their activity as director, manager, authorised officer, employee or agent.
- (d) Expenses for the preparation and presentation of a defence in any claim, action, lawsuit or proceedings brought against a Director, manager, authorised officer, employee or agent will be advanced by the Company, prior to any final decision on the case, on receipt of a commitment by or on behalf of the Director, manager, authorised officer, employee or agent to repay this amount if it ultimately becomes apparent that they are not entitled to indemnification. Notwithstanding the above, the Company may take out the necessary insurance policies on behalf of Directors, managers, authorised officers, employees or agents of the Company.
- (e) Each Sub-Fund shall pay for the costs and expenses directly attributable to it. Costs and expenses that cannot be attributed to a given Sub-Fund shall be allocated to the Sub-Funds on an equitable basis, in proportion to their respective net assets.
- (f) All revenues arising from EPM Techniques, net of direct and indirect operational costs, will be accrued to the relevant Sub-Fund. The identity of the entities to which the direct and indirect costs are paid and their relation to the Management Company or the Depositary will be disclosed in the relevant Special Section applicable to the Sub-Fund.

## 21.2 Fees

- (a) Remuneration of the Management Company

As remuneration for its services, the Management Company is entitled to receive out of the assets of each Class within each Sub-Fund a recurring Management Fee of up to 0.05% p.a.

of the Net Asset Value subject to an annual minimum fee per Sub-Fund of up to EUR 12,500, unless otherwise determined in the relevant Schedule of the Special Section. In addition, the Management Company is entitled to receive a Provider Fee and a performance fee per Sub-Fund as further set out in the relevant Schedule of the Special Section.

As remuneration for the domiciliation services, the Management Company is entitled to receive out of the assets of each Class within each Sub-Fund an annual fee of up to EUR 8,000 plus EUR 750 per Sub-Fund.

The Management Company will be further entitled to receive a distribution fee of up to EUR 1,500 p.a. per distribution agreement per Sub-Fund.

All fees to be paid to the Management Company are payable monthly in arrears during the relevant month. The exact amount paid annually can be deferred from the Company's relevant annual report.

(b) Remuneration payable to the Depositary and the Administrative Agent

The Company will pay to the Depositary and the Administrative Agent annual fees which will vary up to a maximum of 0,5 % of the net asset value at the Company level subject to a minimum fee per sub-fund of EUR 22,567. These fees are payable on a monthly basis and do not include any transaction related fees.

The amount paid by the Company to the Depositary and the Administrative Agent will be mentioned in the annual report of the Company. In addition, in relation to custody services and administrative services, the Depositary and the Administrative Agent, respectively are entitled to be reimbursed by the Company for their reasonable out-of-pocket expenses and disbursements. The Depositary may also be reimbursed for charges of any correspondents (as the case may be), if and to the extent validly borne by the Depositary.

(c) Fees when investing in UCITS and/or other UCIs

If a Sub-Fund invests in accordance with Section 4.4 of the General Section and its respective investment policy in the Special Section in UCITS and/or other UCIs and acquires shares of the UCITS and/or other UCIs the fees incurred by or charged to the Sub-Fund may rise.

### 21.3 Formation and launching expenses

Expenses incurred in connection with the creation of any additional Sub-Fund will be borne by the relevant Sub-Fund or the Initiator and will be written off over a period of five (5) years. The additional Sub-Funds will not bear a pro rata proportion of the costs and expenses incurred in connection with the creation of the Company and the initial issue of Shares which have already been written off or amortised at the time of the creation of the new Sub-Funds.

## 22. DIVIDENDS

22.1 Each year the General Meeting will decide, based on a proposal from the Board, for each Sub-Fund, on the use of the balance of the year's net income of the investments. A dividend may be distributed, either in cash or Shares. Further, dividends may include a capital distribution, provided that after distribution the net assets of the Company total more than EUR 1,250,000.

22.2 Over and above the distributions mentioned in the preceding paragraph, the Board may decide to the payment of interim dividends in the form and under the conditions as provided by law.

- 22.3 The Board may issue distribution Shares and accumulation Shares within the Classes of each Sub-Fund, as indicated in the relevant Schedule of the Special Section. Accumulation Shares capitalise their entire earnings whereas distribution Shares pay dividends.
- 22.4 For Classes entitled to distribution, dividends, if any, will be declared and distributed on an annual basis. Moreover, interim dividends may be declared and distributed from time to time at a frequency determined by the Board within the conditions set forth by law.
- 22.5 Payments will be made in the Reference Currency of the relevant Sub-Fund. With regard to Shares held through Euroclear or Clearstream (or their successors), dividends shall be paid by bank transfer to the relevant bank. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-Fund.
- 22.6 Dividends may be declared separately in respect of each Sub-Fund by a resolution of the Shareholders of the Sub-Fund concerned at the annual General Meeting.

## 23. TAX ASPECTS

### 23.1 Luxembourg

The Company is subject to subscription tax (*taxe d'abonnement*) in Luxembourg at a rate of 0.05% p.a. computed on its net assets (0.01% p.a. on total net assets inter alia in case of Sub-Funds or Classes reserved to Institutional Investors), payable quarterly. A full exemption from subscription tax may also be available under certain conditions. In case some Sub-Funds are invested in other Luxembourg UCIs, which in turn are subject to the annual subscription tax provided for by the 2010 Act, the Luxembourg act dated 13 February 2007 as amended or the Luxembourg act dated 23 July 2016, no annual subscription tax is due by the Company on the portion of assets invested therein.

The Company's income is not subject to corporation taxes in Luxembourg. Income received from the Company may be subject to withholding taxes in the country of origin of the issuer of the security, in respect of which such income is paid. No duty or tax is payable in Luxembourg in connection with the issue of Shares of the Company.

Under current legislation, non-resident Shareholders should not be subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg with respect to the Shares.

### 23.2 Exchange of information

The Company 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 21 June 2005, as amended, implementing Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments into Luxembourg law, the Luxembourg law of 24 July 2015 concerning FATCA, and/or the Luxembourg law of 18 December 2015 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.

Each Shareholder and prospective investor agrees to provide, upon request by the Company (or its delegates), any such information, documents and certificates as may be required for the purposes of the Company's identification and reporting obligations under any AEOI Law. The Company 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 Company (or its delegates) has reason to believe that the information, documents or certificates provided to the Company (or its delegates) are incomplete or incorrect and the Shareholder does not provide, to the satisfaction of the Company (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 Company nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Company (or its delegates). Any Shareholder failing to comply with the Company's information requests may be charged with any taxes and penalties imposed on the Company attributable to such Shareholder's failure to provide complete and accurate information.

Each Shareholder and prospective investor acknowledges and agrees that the Company 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.

**THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SUBSCRIBERS. PROSPECTIVE SUBSCRIBERS SHOULD CONSULT THEIR OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY OTHER JURISDICTION WHICH MAY BE APPLICABLE TO THEM.**

## **24. CALCULATION OF THE NET ASSET VALUE**

24.1 The Net Asset Value of each Sub-Fund and of each Class will be expressed in USD or in a currency determined by the Board, and will be determined as of each Valuation Day by dividing the net assets of the relevant Sub-Fund or Class less its liabilities by the number of Shares of that Sub-Fund or Class.

24.2 The valuation of the Net Asset Value of Sub-Fund and of each Class will be made as follows:

- (a) The assets of each Sub-Fund and of each Class will be deemed to include:
  - (i) all cash in hand, receivable or on deposit, including any interest accrued thereon;
  - (ii) all bills and notes and any amounts due (including proceeds of securities sold but not collected);
  - (iii) all securities, shares, bonds, debentures, options or subscription rights, warrants, money market instruments and other permitted investments and securities owned or contracted for by the Company;
  - (iv) all Financial Derivative Instruments;
  - (v) all dividends or distributions receivable by the relevant Sub-Fund or Class in cash or in kind to the extent known to the Company (provided that the Company may make adjustments with regard to fluctuations in the market value of securities due to trading practices such as trading ex-dividends or ex-rights);



- (vi) all accrued interest on securities owned by the relevant Sub-Fund or Class except to the extent that the same is included in the principal thereof;
  - (vii) the preliminary expenses of the relevant Sub-Fund or Class insofar as the same have not been written off, provided that such preliminary expenses may be written off directly from the capital of the relevant Sub-Fund or Class; and
  - (viii) all other permitted assets of every kind and nature, including prepaid expenses.
- (b) The value of these assets will be determined as follows:
- (i) the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received will be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board may consider appropriate in such case to reflect the true value thereof;
  - (ii) the value of securities and instruments traded or dealt on a Regulated Market/Another Regulated Market is determined on the basis of the last available price on that market. If there is more than one Regulated Market/Another Regulated Market on which the securities and instruments are listed or traded, the Board will select the principal Regulated Market/Another Regulated Market to determine the price of that security or instrument;
  - (iii) in the event that any of the securities and instruments are not traded or dealt on a Regulated Market/Another Regulated Market or if the price determined by that Regulated Market/Another Regulated Market is not representative of the fair market value of the relevant securities or instruments or if no price is available, the value of such security or instrument will be based on the reasonably foreseeable sales price determined prudently and in good faith by the Board;
  - (iv) In the case where any securities or instruments is not quoted or dealt on any Regulated Market/Another Regulated Market or if, with respect to securities quoted or dealt in on a relevant Regulated Market/Another Regulated Market, the price as determined on that Regulated Market/Another Regulated Market is not representative of the fair market value of the relevant security or instrument, the value of such security or instrument will be determined based on the reasonably foreseeable sales price determined prudently and in good faith by the Board;
  - (v) all investments, cash balances and other assets of the Sub-Fund or Class expressed in currencies other than the currency of the relevant Class will be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the Net Asset Value of Shares.
  - (vi) securities issued by an open-ended UCI will be valued at their last available price or net asset value, as reported or provided by such funds or their agents;
  - (vii) options, financial futures and interest rate swap contracts are valued at the last known price available on the relevant Regulated Market/Another Regulated Market.

Where, as a result of special circumstances, a valuation on the basis of the aforesaid rules becomes impracticable or inaccurate, other generally accepted and verifiable valuation criteria are applied in order to obtain an equitable valuation.

Any asset that may not be expressed in the currency of the relevant Class to which it belongs are converted into the Reference Currency of the Sub-Fund or Class at the rate of exchange applicable on the relevant Business Day or at the rate of exchange provided for in the forward contracts.

- (c) The liabilities will be deemed to include:
- (i) all loans, bills and accounts payable;
  - (ii) fees and expenses to the Management Company, the Depositary (including fees and expenses of its correspondents abroad), the Depositary, the Administrative Agent, the Investment Adviser, other advisers and agents of the Company and all other expenses incurred in the operation of the Company; fees and expenses to be borne by the Company will include, without limitations, taxes, expenses for legal, auditing and other professional services, costs of printing proxies, stock certificates, shareholders' reports, prospectuses and other reasonable promotional and marketing expenses, expenses of issue, conversion and redemption of Shares and payment of dividend, if any, expenses of transfer agents, registration fees and other expenses due or incurred in connection with the authorisation by and reporting to supervisory authorities in various jurisdictions, cost of translation of the Prospectus and other documents which may be required in various jurisdictions where the Company is registered, the fees and out-of-pocket expenses of Directors, insurance, interest, listing and brokerage costs, taxes and costs relating to the transfer and deposit of securities or cash, out-of-pocket disbursements of the Depositary and of all other agents of the Company and the costs of computation and publication of the Net Asset Value per Share of each Sub-Fund or Class;
  - (iii) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Board where the Valuation Day falls on the record date for determination of the person entitled thereto or is subsequent thereto;
  - (iv) an appropriate provision for future taxes based on capital gains and income as at the date of valuation, and any other reserves, authorised and approved by the Board; and
  - (v) all other liabilities of whatsoever kind and nature except liabilities related to Shares in the relevant Sub-Fund or Class towards third parties.

In determining the amount of such liabilities the Company may calculate administrative and other expenses of a regular or periodical nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

- (d) The Board will establish a portfolio of assets for each Sub-Fund in the following manner:
- (i) the proceeds from the allotment and issue of Shares in each Sub-Fund will be applied in the books of that Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to that Sub-Fund;
  - (ii) where an relevant asset is derived from another asset, such derivative asset will be applied in the books of the Company to the portfolio of the relevant Sub-Fund as the assets from which it was derived;

- (iii) where the Company incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability will be allocated to that Sub-Fund;
- (iv) in the case where an asset or liability of the Company cannot be considered as being attributable to a particular Sub-Fund, such asset or liability will be allocated to all the Sub-Funds pro rata to the Net Asset Values of each Sub-Fund;
- (v) upon the record date for the determination of the Shareholder entitled to receive a dividend declared on Shares in a relevant Sub-Fund or Class, the Net Asset Value of that Sub-Fund or Class will be reduced by the amount of such dividends.

24.3 In the context of Sub-Funds which invest in other UCIs, valuation of their assets may be complex in some circumstances and the administrative agents of such UCIs may be late or delay communicating the relevant net asset values. Consequently, the Administrative Agent, under the responsibility of the Board, may estimate the assets of the relevant Sub-Funds as of the Valuation Day considering, among other things, the last valuation of these assets, market changes and any other information received from the relevant UCIs. In this case, the Net Asset Value estimated for the Sub-Funds concerned may be different from the value that would have been calculated on the said Valuation Day using the official net asset values calculated by the administrative agents of the UCIs in which the Sub-Fund invested. Nevertheless, the Net Asset Value calculated using this method shall be considered as final and applicable despite any future divergence.

24.4 For the purpose of determining the value of the Company's assets, the Administrative Agent, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value, completely and exclusively rely, unless there is manifest error or negligence on its part, upon the valuations provided either (i) by the Board, (ii) by various pricing sources available on the market such as pricing agencies (i.e., Bloomberg, Reuters, etc) or administrators of underlying UCIs, (iii) by prime brokers and brokers, or (iv) by (a) specialist(s) duly authorised to that effect by the Board. In particular, for the valuation of any assets for which market quotations or fair market values are not publicly available (including but not limited to non listed structured or credit-related instruments and other illiquid assets), the Administrative Agent will exclusively rely on valuations provided either by the Board or by third party pricing sources appointed by the Board under its responsibility or other official pricing sources like UCIs' administrators and others like Telekurs, Bloomberg, Reuters and will not check the correctness and accuracy of the valuations so provided. If the Board gives instructions to the Administrative Agent to use a specific pricing source, the Board undertakes to make its own prior due diligence on such agents as far as its competence, reputation, professionalism are concerned so as to ensure that the prices which will be given to the Administrative Agent are reliable and the Administrative Agent will not, and shall not be required to, carry out any additional due diligence or testing on any such pricing source.

24.5 If one or more sources of quotation is not able to provide relevant valuations to the Administrative Agent, the latter is authorised to not calculate the Net Asset Value and, consequently, not to determine subscription, redemption and conversion prices. The Administrative Agent shall immediately inform the Board if such a situation arises. If necessary, the Board may decide to suspend the calculation of the Net Asset Value in accordance with the procedures described in Section 25 of the General Section.

## **25. SUSPENSION OF DETERMINATION OF THE NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION OF SHARES**

The Company or the Management Company may at any time and from time to time suspend the determination of the Net Asset Value of Shares of any Sub-Fund or Class and for, the issue of the Shares of such Sub-Fund or Class to subscribers and for the redemption of the Shares of such Sub-Fund or Class from its Shareholders and for conversions of Shares of any Class in a Sub-Fund:

- (a) during the existence of any state of affairs which, in the opinion of the Directors, makes the determination of the Net Asset Value in the relevant currency of expression either not reasonably practical or prejudicial to the Shareholders, the Net Asset Value and the subscription price and redemption price may temporarily be determined in such other currency as the Directors may determine;
- (b) during any period when any market or stock exchange or Regulated Market which is the principal market or stock exchange or Regulated Market on which a material part of the investments of the Sub-Fund or Class is quoted, dealt or traded is closed (otherwise than for ordinary holidays), or during which the dealing or trading is restricted or suspended;
- (c) during the existence of any state of affairs which in the opinion of the Board constitutes an emergency as a result of which disposals or valuations of assets owned by the Sub-Fund or the Class would be impracticable;
- (d) during any breakdown in or restriction in the use of the means of communication normally employed in determining the price or value of any of the investments attributable to the Sub-Fund or Class;
- (e) during any period when the Company is unable to repatriate monies for the purpose of making payments on the redemption of Shares or during which any transfer of monies involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Board be effected at normal rates of exchange;
- (f) during any period when in the opinion of the Board there exists unusual circumstances which make it impracticable or unfair towards the Shareholders to continue dealing with Shares;
- (g) in case of a decision to liquidate the Company, the Sub-Fund or the Class, on or after the day of publication of the first notice convening the General Meeting for this purpose;

Shareholders having requested redemption or conversion of their Shares shall be notified of any such suspension within seven (7) calendar days of their request and will be promptly notified of the termination of such suspension. Shares redeemed or converted after such suspension will be converted or redeemed based on their Net Asset Value on the Valuation Day immediately following such suspension.

The suspension as to any Sub-Fund or Class will have no effect on the calculation of Net Asset Value to any other Sub-Fund or Class.

## **26. GENERAL INFORMATION**

### **26.1 Auditor**

PricewaterhouseCoopers has been appointed as Auditor.

### **26.2 Fiscal year**

The accounts of the Company are closed at 31 December each year.

### **26.3 Reports and notices to Shareholders**

- (a) Audited annual reports of the end of each fiscal year will be established as at 31 December of each year. In addition, unaudited semi-annual reports will be established as per the last day of the month of June. Those financial reports will provide for information on each of the Sub-

Fund's assets as well as the consolidated accounts of the Company and be made available to the Shareholders free of charge at the registered office of the Company and of the Depositary.

- (b) The financial statements of each Sub-Fund will be established in the Reference Currency of the Sub-Fund but the consolidated accounts will be in Euro.
- (c) Audited annual reports shall be published within four (4) months following the end of the accounting year and unaudited semi-annual reports shall be published within two (2) months following the end of period to which they refer.
- (d) Information on the Net Asset Value, the subscription price (if any) and the redemption price may be obtained at the registered office of the Company.

#### 26.4 **General Meetings**

- (a) The annual General Meeting shall be held in the Grand Duchy of Luxembourg at the address and at such date and time specified in the convening notice of the annual General Meeting, within four (4) months of the end of each fiscal year of the Company.
- (b) Notice of any General Meeting (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-Fund) will be mailed to each registered Shareholder at least eight (8) days prior to the General Meeting and will be published to the extent required by Luxembourg Law in the Luxembourg Official Gazette and in any Luxembourg and other newspaper(s) that the Board may determine.
- (c) Such notices shall contain the agenda, the date and place of the General Meeting, the conditions of admission to the General Meeting and they shall refer to the applicable quorum and majority requirements. The meetings of Shareholders of Shares of a particular Sub-Fund may decide on matters which are relevant only for the Sub-Fund concerned.

#### 26.5 **Documents available to Shareholders**

- (a) The following documents shall also be available for inspection by Shareholders during normal business hours on any Business Day at the registered office of the Company:
  - the Articles;
  - the Prospectus;
  - the Management Company Services Agreement;
  - the Investment Management Agreement;
  - the Investment Advisory Agreement(s);
  - the Depositary Agreement;
  - the Administrative Services Agreement; and
  - the most recent annual and semi-annual financial statements of the Company.
- (b) The above agreements may be amended from time to time by all the parties involved.

- (c) A copy of the Prospectus, key investor information document, the most recent financial statements and the Articles may be obtained free of charge upon request at the registered office of the Company.

## 26.6 Changes of address

Shareholders must notify the Administrative Agent in writing, at the address indicated above, of any changes or other account information.

## 27. DISSOLUTION AND MERGER

### 27.1 Dissolution of the Company

- (a) The duration of the Company is not limited by the Articles. The Company may be wound up by decision of an extraordinary General Meeting. If the total net assets of the Company falls below two-thirds of the minimum capital prescribed by law (i.e. EUR1,250,000), the Board must submit the question of the Company's dissolution to a General Meeting for which no quorum is prescribed and which shall pass resolutions by simple majority of the Shares represented at the meeting.
- (b) If the total net assets of the Company fall below one-fourth of the minimum capital prescribed by law, the Board must submit the question of the Company's dissolution to a General Meeting for which no quorum is prescribed. A resolution dissolving the Company may be passed by Shareholders holding one-fourth of the Shares represented at the meeting.
- (c) The meeting must be convened so that it is held within a period of forty days from the date of ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.
- (d) If the Company is dissolved, the liquidation shall be carried out by one or several liquidators appointed in accordance with the provisions of the 2010 Act. The decision to dissolve the Company will be published in the Luxembourg Official Gazette and two newspapers with adequate circulation, one of which must be a Luxembourg newspaper. The liquidator(s) will realise each Sub-Fund's assets in the best interests of the Shareholders and apportion the proceeds of the liquidation, after deduction of liquidation costs, amongst the Shareholders of the relevant Sub-Fund according to their respective prorata. Any amounts unclaimed by the Shareholders at the closing of the liquidation of the Company will be deposited with the *Caisse de Consignation* in Luxembourg for a duration of thirty (30) years. If amounts deposited remain unclaimed beyond the prescribed time limit, they shall be forfeited.
- (e) As soon as the decision to wind up the Company is made, the issue, redemption or conversion of Shares in all Sub-Funds will be prohibited and shall be deemed void.

### 27.2 Dissolution of Sub-Funds or Classes

- (a) If, for any reason, the net assets of a Sub-Fund or of any Class fall below the equivalent of USD5,000,000, or if a change in the economic or political environment of the relevant Sub-Fund or Class may have material adverse consequences on the Sub-Fund or Class's investments, or if an economic rationalisation so requires, the Board may decide on a compulsory redemption of all Shares outstanding in such Sub-Fund or Class on the basis of the Net Asset Value per Share (after taking account of current realisation prices of the investments as well as realisation expenses), calculated as of the day the decision becomes effective. The Company will serve a notice to the holders of the relevant Shares at the latest on the effective date for the compulsory redemption, which will indicate the reasons of and

the procedure for the redemption operations. Registered Shareholders will be notified in writing. Unless the Board decides otherwise in the interests of, or in order to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charge. However, the liquidation costs will be taken into account in the redemption and conversion price. Liquidation proceeds which could not be distributed to the Shareholders upon the conclusion of the liquidation of a Sub-Fund or Class will be deposited with the *Caisse de Consignation* on behalf of such beneficiaries.

- (b) Notwithstanding the powers granted to the Board as described in the previous paragraph, a general meeting of Shareholders of a Sub-Fund or Class may, upon proposal of the Board, decide to repurchase all the Shares in such Sub-Fund or Class and to reimburse the Shareholders on the basis of the Net Asset Value of their Shares (taking account of current realisation prices of the investments as well as realisation expenses) calculated as of the Valuation Day on which such decision will become effective. No quorum will be required at this general meeting and resolutions will be passed by a simple majority of the shareholders present or represented, provided that the decision does not result in the liquidation of the Company.
- (c) All the Shares redeemed will be cancelled.
- (d) Under the same circumstances as provided in the first paragraph of this Section 27.2, the Board may decide to merge or consolidate the Company or one or more Sub-Funds or one or more Classes with, or transfer substantially all or part of the Company's or any Sub-Fund's or any Class's assets to, or acquire substantially all the assets of, another Luxembourg UCITS or another Sub-Fund or another Class (within the Company or another Luxembourg UCITS) with compatible investment objectives and policies in accordance with Luxembourg Law and the Articles. In addition, such merger or contribution may be decided upon by the Board if it believes it to be required in the interests of the Shareholders of any of the Sub-Funds or Class concerned.
- (e) Shareholders will receive shares of the surviving Luxembourg UCITS or Sub-Fund except in those situations when the Company or Sub-Fund or Class is the surviving entity. Any new share received in such transaction will have the same value as any Shares relinquished in the transaction.
- (f) Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the new Sub-Fund or the other Luxembourg UCITS. Such publication will be made not less than one month before the date on which the merger or contribution becomes effective in order to enable Shareholders to request redemption of their Shares, free of redemption charge, before the contribution becomes effective.
- (g) Notwithstanding the powers granted to the Board in the above paragraph, a contribution of the assets and liabilities of a Sub-Fund or Class to another Sub-Fund or Class of the Company may be decided by the General Meeting of the contributing Sub-Fund or Class. No quorum shall be required and a decision on such contribution shall be taken by a resolution passed by the majority of the shareholders present or represented, provided that this contribution does not result in the liquidation of the Company.
- (h) A contribution of the assets and liabilities attributable to a Sub-Fund or Class to another UCITS or to another class of such UCITS may be decided by a General Meeting of Shareholders of the contributing Sub-Fund or Class. No quorum shall be required and a

decision on such contribution shall be made by a resolution passed by a simple majority of the Shares represented.

- (i) Where contribution is to be made to a mutual investment fund (*fonds commun de placement*) or a foreign-based UCITS, such resolution shall be binding only on Shareholders who have approved the proposed contribution. The Board may also, under the same circumstances as provided above, decide to merge one Sub-Fund by a contribution into a foreign UCI. In such case, approval of the relevant Shareholders should be sought or the merger be made upon the condition that only the assets of the consenting Shareholders be contributed to the foreign UCI.
- (j) For the interest of the Shareholders of the relevant Sub-Fund or in the event that a change in the economic or political situation relating to a Sub-Fund so justifies, the Board may proceed to the reorganisation of such Sub-Fund by means of a division into two or more Sub-Funds. Such decision will be published in the same manner as described above. Information concerning the new Sub-Fund(s) will be provided to the relevant Shareholders. Such publication will be made one 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.



**PART B – SPECIAL SECTION**

## **SCHEDULE 1 – BANKINTER INTERNATIONAL FUND SICAV – GLOBAL MIXED PORTFOLIO**

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Global Mixed Portfolio (the **Sub-Fund**).

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective**

The Sub-Fund's objective is to optimise investment by choosing the most attractive equity or fixed income markets and assets based on the financial expectations analysed at any given time. The Sub-Fund is not aimed to achieve an absolute returns and attempts to ensure satisfactory medium and long-term returns (or long-term capital growth) by means of a flexible and actively managed investment policy and by identifying globally variable and fixed income assets including their exposure levels.

The allocation of investments among asset classes / markets / capitalisation / issuers / currencies / economic sectors / countries is not predetermined and, at any given time, the Sub-Fund's entire portfolio could be invested in a given geographical area. This lack of predetermination also applies to the mean duration of the fixed income portfolio.

Investments may either be made direct or by using Financial Derivative Instruments.

Concerning fixed income securities and liquid assets, the Sub-Fund will invest in public or private fixed income securities and liquid assets. The investment in fixed income securities with rating below BBB- by S&P or Baa3 by Moody's is limited to a maximum of 20% of the Sub-Fund's Net Asset Value.

The Sub-Fund may invest in assets denominated in any currency. The Investment Manager is free to manage the relevant exchange rates and their risks. The Sub-Fund generally invests in assets denominated in USD, unless market circumstances recommend otherwise.

#### **1.2 Use of Financial Derivative Instruments and other EPM Techniques transactions**

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedge purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4.5 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Sections 6.5 to 6.10 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor receive collateral in the context of OTC Derivative transactions.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### **1.3 Investment restrictions**

The Sub-Fund complies with the investment restrictions set out under Section 4 of the General Section.

Investments made in shares or units of UCITS and other UCIs may not exceed, in aggregate, 10% of the Net Asset Value of this Sub-Fund.

#### **1.4 Cash and cash equivalent**

The Sub-Fund may hold cash and cash equivalent including Money Market Instruments on an ancillary basis.

Where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

#### **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the USD.

#### **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### **4. VALUATION DAY**

Each Business Day is a Valuation Day.

#### **5. DISTRIBUTION AND CLASSES OF SHARES**

5.1 The Board does currently not intend to propose the distribution of cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.

The Shareholders may be proposed in a General Meeting to vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.

Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and revert to the Sub-Fund.

5.2 As of the day of this Prospectus, no additional Classes have been created by the Board.

#### **6. SUBSCRIPTION**

6.1 The subscription of Shares may be made by investors in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 6.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 6.2 of this Schedule.

6.2 The Subscription Form (or the written application mentioned under Section 6.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes

the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

- 6.3 Payment of the subscription price must be made in full within three (3) Business Days in Luxembourg after the relevant Valuation Day.
- 6.4 Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth.
- 6.5 No Subscription Fee will be applied.
- 6.6 The initial minimum investment in the Sub-Fund is USD10.

## **7. REDEMPTION**

- 7.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:
  - (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 7.2 of this Section, or
  - (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 7.2 of this Section.
- 7.2 The Redemption Form (or the written application mentioned under Section 7.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.
- 7.3 Redemptions will be paid in USD within three (3) Business Days after the relevant Valuation Day.
- 7.4 No Redemption Fee will be charged.
- 7.5 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.
- 7.6 A request to redeem Shares duly made is irrevocable except during the period of suspension of net asset value as determined in Section 25 of the General Section.

## **8. CONVERSION**

- 8.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:
  - (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 8.2 of this Schedule, or
  - (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 8.2 of this Schedule.
- 8.2 The Conversion Form (or the written application mentioned under Section 7.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

8.3 No Conversion Fee will be levied.

## **9. REMUNERATION OF THE MANAGEMENT COMPANY**

9.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee of up to 1.85% p. a. based on the average Net Asset Value of each Class within the Sub-Fund during the relevant month. The Provider Fee is payable monthly in arrears.

9.2 The Provider Fee will also include any fees to be paid to any third party distributor of the Shares of the Sub-Fund (the **Distributor**). The Distributor will be entitled to receive 1.00 % p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month for its distribution services. The Distributor provides distribution services but also puts in place and maintains the infrastructure for the distribution of the Sub-Fund. In addition, the Distributor creates and supports the investor relations of the Sub-Fund.

9.3 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **10. REMUNERATION OF THE INVESTMENT MANAGER**

The Investment Manager is entitled to receive from the Management Company an Investment Management Fee of up to 0.43% p.a. based on the average Net Asset Value of each Class within the Sub-Fund during the relevant month. The Investment Management Fee is payable by the Management Company out of its Provider Fee. The Investment Management Fee is payable monthly in arrears.

## **11. INVESTMENT ADVISER**

11.1 The Management Company and the Investment Manager have appointed Bankinter Gestion de Activos, S.A., S.G.I.I.C., Madrid, Spain, as the investment adviser of the Sub-Fund (the **Investment Adviser**) further to an investment advisory agreement effective as of 23 February 2017.

11.2 The Investment Adviser's registered office is at Marques de Riscal, 11. bis, 28010 Madrid, Spain.

11.3 The Investment Adviser is entitled to an Investment Advisory Fee of up to 0.42 % p.a. of the average Net Asset Value of each Class with the Sub-Fund during the relevant month and payable by the Management Company out of its Provider Fee. The Investment Advisory Fee is payable monthly in arrears.

## **12. RISK PROFILE AND RISK MANAGEMENT**

12.1 Investment in this Sub-Fund is subject to a degree of financial risk. Before any decision to invest, investors are advised to carefully review this Sub-Fund's investment objective set out under Section 1 of this Schedule as well as the risk factors set out in Section 6 of the General Section.

12.2 The investments of this Sub-Fund are subject to market fluctuations and there is a risk for the investors to eventually recover an amount lower than the one invested.

12.3 The Sub-Fund will use the commitment approach to monitor its global exposure.

## **13. PROFILE OF THE TYPICAL INVESTOR**

13.1 The Sub-Fund is suitable for non-sophisticated and sophisticated investors.

13.2 This is a mixed Sub-Fund that invests either in fixed income and equities. Therefore, the Sub-Fund is suitable for investors that are looking for a higher return than fixed income funds and for investors

who are willing to assume more risk. Due to the additional volatility linked to equities, the Sub-Fund is suitable for investors who want to achieve long-term growth of capital and who can afford to set aside the invested amount for a minimum period of four (4) to six (6) years.

13.3 The investor of the Sub-Fund will need to look for a long-term performance.

## **SCHEDULE 2 – BANKINTER INTERNATIONAL FUND SICAV – TOTAL RETURN**

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Total Return (the **Sub-Fund**).

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective**

The Sub-Fund's objective is to provide long-term positive returns in a context of rising and falling prices and rates generating positive returns above risk free rates.

To achieve this objective, the Sub-Fund follows an absolute return investment approach and seeks to replicate the most appropriate alternative management strategies at any given time in relation to any type of permitted assets.

The Sub-Fund directly (including through the use of Financial Derivate Instruments) or indirectly (i.e. through investments in other UCITS and UCIs) invests in any type of Transferable Securities including equity and fixed income securities, Money Market Instruments and other eligible assets (including, and up to an amount of 10% of the Sub-Fund's net asset value, futures on indices on commodities, inflation, credit risk, volatility and similar asset classes).

The allocation of investments by type of asset classes (i.e. equity, fixed income securities, Money Market Instruments, currencies, etc.), by economical sectors (i.e. manufacturing, services, equipment, distribution, banking and financial services, logistic and transportation, tourism and leisure, construction etc.) and by regions and countries (including emerging markets) is not predetermined. Concerning investments in bonds, the Sub-Fund may invest in bonds with different maturities, durations and convexities.

#### **1.2 Use of Financial Derivative Instruments and EPM Techniques**

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedge purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4.5 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Sections 6.5 to 6.10 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor receive collateral in the context of OTC Derivative transactions.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### **1.3 Investment restrictions**

The Sub-Fund complies with the investment restrictions set out under Section 4 of the General Section.

Investments made in shares or units of UCITS and other UCIs may not exceed, in aggregate, 10% of the Net Asset Value of this Sub-Fund.

#### **1.4 Cash and cash equivalent**

The Sub-Fund may hold cash and cash equivalent including Money Market Instruments on an ancillary basis.

Where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

## **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

## **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

## **4. VALUATION DAY**

Each Business Day is a Valuation Day.

## **5. DISTRIBUTION AND CLASSES OF SHARES**

- 5.1 The Board does currently not intend to propose the distribution of cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.

The Shareholders may be proposed in a General Meeting to vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.

Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and revert to the Sub-Fund.

- 5.2 As of the day of this Prospectus, no additional Classes have been created by the Board.

## **6. INITIAL OFFERING PERIOD**

The Initial Offering Period of the Sub-Fund commenced on 15 March 2011 and ended on 30 September 2011.

## **7. SUBSCRIPTION**

- 7.1 The subscription of Shares may be made by investors in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 7.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 7.2 of this Schedule.

- 7.2 The Subscription Form (or the written application mentioned under Section 7.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes



the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

- 7.3 Payment of the subscription price must be made in full within three (3) Business Days in Luxembourg after the relevant Valuation Day.
- 7.4 Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth.
- 7.5 No Subscription Fee will be applied.
- 7.6 The Initial Subscription Price per share and the initial minimum investment is EUR6.

## **8. REDEMPTION**

- 8.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:
  - (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 8.2 of this Schedule, or
  - (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 8.2 of this Schedule.
- 8.2 The Redemption Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.
- 8.3 Redemptions will be paid in EUR within three (3) Business Days after the relevant Valuation Day.
- 8.4 No Redemption Fee will be charged.
- 8.5 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.
- 8.6 A request to redeem Shares duly made is irrevocable except during the period of suspension of net asset value as determined in Section 25 of the General Section.

## **9. CONVERSION**

- 9.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:
  - (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Schedule, or
  - (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Schedule.
- 9.2 The Conversion Form (or the written application mentioned under Section 9.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 No Conversion Fee will be levied.

## **10. REMUNERATION OF THE MANAGEMENT COMPANY**

10.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee of up to 1.65% p. a. based on the average Net Asset Value of each Class within the Sub-Fund during the relevant month. The Provider Fee is payable monthly in arrears.

10.2 The Provider Fee will also include any fees to be paid to any third party distributor of the Shares of the Sub-Fund (the **Distributor**). The Distributor will be entitled to receive 0.85 % p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month for its distribution services. The Distributor provides distribution services but also puts in place and maintains the infrastructure for the distribution of the Sub-Fund. In addition, the Distributor creates and supports the investor relations of the Sub-Fund.

10.3 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **11. REMUNERATION OF THE INVESTMENT MANAGER**

11.1 The Investment Manager is entitled to receive from the Management Company an Investment Management Fee of up to 0.41% p.a. based on the average Net Asset Value of each Class within the Sub-Fund during the relevant month. The Investment Management Fee is payable by the Management Company out of its Provider Fee. The Investment Management Fee is payable monthly in arrears.

## **12. INVESTMENT ADVISER**

12.1 The Management Company and the Investment Manager have appointed Bankinter Gestion de Activos, S.A., S.G.I.I.C., Madrid, Spain, as the investment adviser of the Sub-Fund (the **Investment Adviser**) pursuant to an investment advisory agreement dated effective as of 23 February 2017.

12.2 The Investment Adviser's registered office is at Marques de Riscal, 11. bis, 28010 Madrid, Spain.

12.3 The Investment Adviser is entitled to an investment advisory fee of up to 0.39 % p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month and payable by the Management Company out of its Provider Fee. The Investment Advisory Fee is payable monthly in arrears.

## **13. RISK PROFILE AND RISK MANAGEMENT**

13.1 Investment in this Sub-Fund is subject to a degree of financial risk. Before any decision to invest, investors are advised to carefully review this Sub-Fund's investment objective set out under Section 1 of this Schedule as well as the risk factors set out in Section 6 of the General Section.

13.2 The investments of this Sub-Fund are subject to market fluctuations and there is a risk for the investors to eventually recover an amount lower than the one invested.

13.3 The Sub-Fund will use the commitment approach to monitor its global exposure.

## **14. PROFILE OF THE TYPICAL INVESTOR**

14.1 The Sub-Fund is suitable for non-sophisticated and sophisticated investors, who should understand and are able to bear the risks of an investment in the Sub-Fund. Investments in the Sub-Fund involve

a higher level of risk than other more traditional investments mainly due to the higher volatility and the leverage embedded in the use of Financial Derivative Instruments.

- 14.2 In view of this Sub-Fund's type of investment strategy (total return) it is designed for investors who want to achieve long-term growth of capital. Those investors would primarily benefit from a diverse variety of generally unrelated investment strategies that this Sub-Fund uses. This Sub-Fund could also be appropriate for experienced investors as an addition to a globally diversified portfolio in order to provide diversification other than that provided by traditional market returns. Investors in this Sub-Fund must have an investment horizon of at least three (3) years.

## **SCHEDULE 3 – BANKINTER INTERNATIONAL FUND SICAV – FLEXIBLE MULTI-ASSET**

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective**

The Sub-Fund's objective is to select investments on the basis of the return expectations out of the allocation of investments by type of asset classes (i.e. equity, fixed income, Money Market Instruments, currencies, etc.) at a specific point in time. The Sub-Fund does not aim to achieve an absolute return but seeks to achieve an acceptable level of medium and long-term return and capital growth through a dynamic asset allocation and active management of the portfolio.

The Sub-Fund can directly hold investments or get exposure to markets and investments through the use of Financial Derivative Instruments, UCITS or eligible UCIs for up to 100% of its Net Asset Value whereby the allocation of investments amongst asset classes, markets, level of capitalisation, issuers, currencies, economical sectors, regions or countries is not predetermined and could be adjusted at any given time by the Investment Manager upon recommendation of the Investment Adviser. The absence of pre-determined asset allocation also applies to the mean duration and rating of the fixed income securities. The Sub-Fund could furthermore be focused on one specific asset class, country or region.

The Sub-Fund may invest in assets denominated in any eligible currency. The Investment Manager is free to manage the exposure to relevant exchange rates and their embedded risks – the Investment Manager may decide to hedge or not to hedge exchange risks upon recommendation of the Investment Adviser. The Sub-Fund will in general invest in assets denominated in EUR, GBP, USD and CHF unless market circumstances recommend otherwise.

#### **1.2 Use of Financial Derivative Instruments and other EPM Techniques transactions**

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedge purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4.5 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Sections 6.5 to 6.10 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor receive collateral in the context of OTC Derivative transactions.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### **1.3 Investment restrictions**

The Sub-Fund complies with the investment restrictions set out under Section 4 of the General Section.

When investing in UCITS or eligible UCIs, the Board will only select UCITS or eligible UCIs which, according to their legal documents, do not charge management fees in excess of 3% of their Net Asset Value.

#### **1.4 Cash and cash equivalent**

The Sub-Fund may hold cash and cash equivalent including Money Market Instruments on an ancillary basis.

Where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

**2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

**3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

**4. VALUATION DAY**

Each Business Day is a Valuation Day.

**5. DISTRIBUTION**

5.1 The Board does currently not intend to propose the distribution of cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.

5.2 The Shareholders may be proposed in a General Meeting to vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.

5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and revert to the Sub-Fund.

**6. CLASSES**

6.1 The Board has opened the following Classes with the following features:

Class	EUR
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a

	minimum fee of up to EUR12,500 p.a..
Provider Fee	Up to 0.15% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR50,000 p.a..
Investment Management Fee	Up to 0.11% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

Class	USD
Distribution or accumulation	Accumulation
Reference Currency	USD
Minimum Subscription Amount	USD10
Initial Subscription Price	USD10
Management Fee	Up to 0.05% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR12,500 p.a..
Provider Fee	Up to 0.15% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR50,000 p.a..
Investment Management Fee	Up to 0.11% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

6.2 Shareholders of the USD Class are informed that the Company will not hedge the currency risk to which this USD Class is exposed. The Net Asset Value of USD Class will be calculated and published in the USD subscriptions and redemptions of Shares of USD Class and paid in USD.

## 7. INITIAL OFFER DATE

Shares of the Sub-Fund were offered for subscription for the first time on 27 January 2012 (the **Initial Offer Date**) at an Initial Offer Price of EUR10 for the Shares of EUR Class and at the Initial Offer Price of USD10 for the Shares of USD Class.

## 8. SUBSCRIPTION

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

8.2 The Subscription Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Payment of the subscription price must be made in full within three (3) Business Days in Luxembourg after the relevant Valuation Day.

8.4 After the Initial Offering Date, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth.

8.5 A Subscription Fee of up to 3.00% of the total subscription amount (up to 3.09278% of the Net Asset Value) may be levied to the (direct or indirect) benefit of a Distributor.

8.6 The initial minimum investment amount in the Sub-Fund is EUR10 for the Shares of EUR Class and USD10 for the Shares of USD Class.

## 9. REDEMPTION

9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.

9.2 The Redemption Form (or the written application mentioned under Section 9.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 Redemptions will be paid in EUR for EUR Class Shareholders and in USD for USD Class Shareholders within three (3) Business Days after the relevant Valuation Day.

9.4 No Redemption Fee will be charged.

- 9.5 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.
- 9.6 A request to redeem Shares duly made is irrevocable except during the period of suspension of net asset value as determined in Section 25 of the General Section.

## **10. CONVERSION**

- 10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:
- (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or
  - (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.
- 10.2 The Conversion Form (or the written application mentioned under Section 10.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.
- 10.3 No Conversion Fee will be levied.

## **11. REMUNERATION OF THE MANAGEMENT COMPANY**

- 11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.
- 11.2 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **12. REMUNERATION OF THE INVESTMENT MANAGER**

- 12.1 The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **13. RISK PROFILE AND RISK MANAGEMENT**

- 13.1 Investment in this Sub-Fund is subject to a degree of financial risk. Before any decision to invest, investors are advised to carefully review this Sub-Fund's investment objective set out under Section 1 of this Schedule as well as the risk factors set out in Section 6 of the General Section.
- 13.2 The investments of this Sub-Fund are subject to market fluctuations and there is a risk for the investors to eventually recover an amount lower than the one invested.
- 13.3 The Sub-Fund will use the commitment approach to monitor its global exposure.

## **14. PROFILE OF THE TYPICAL INVESTOR**

- 14.1 The Sub-Fund is suitable for non-sophisticated and sophisticated investors who understand and are able to bear the risks of an investment in the Sub-Fund. Investments in the Sub-Fund involve a higher level of risk due to higher volatility and the leverage embedded in the use of Financial Derivative Instruments.



- 14.2 In view of the Sub-Funds' type of investment strategy, Flexible Multi Assets, it is designed for investors who want to achieve long-term growth of capital. Those investors would primarily benefit from a diverse variety of general investment strategies and dynamic asset allocation that are used by the Sub-Fund. The Sub-Fund is also appropriate for experienced investors as an addition to a globally diversified portfolio in order to provide diversification other than that provided by traditional market returns being a Sub-Fund with ability to select multiple assets. The Sub-Fund is suitable for investors who want to achieve long-term growth of capital and who can afford to set aside the invested amount for a minimum period of three (3) years.
- 14.3 The investor of the Sub-Fund will need to look for a long-term performance.

## **SCHEDULE 4– BANKINTER INTERNATIONAL FUND SICAV– INTERNATIONAL DIVERSIFIED PORTFOLIO**

This Schedule is valid only if accompanied by the General Section. This Schedule refers only to Bankinter International Fund SICAV – International Diversified Portfolio (the **Sub-Fund**).

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective and strategy**

The objective of the Sub-Fund is to maximise long term capital growth by investing in equities, fixed income securities and Money Market Instruments. To achieve this objective, the Sub-Fund will manage the allocation of the investments efficiently by adjusting it at any time according to the market conditions. The allocation of investments is not pre-determined to a particular class of asset, market, level of capitalisation, issuer, currency, sector, region or country but the investment can at any time, subject to the below limits, be focused on any of these criteria.

The Sub-Fund may also invest in deposits or call deposits with a credit institution having its registered office in an EU Member State or in an OECD Member State and with a maximum term of one year. The Sub-Fund may invest in assets denominated in any currency.

The Sub-Fund may also invest more than 50% of its assets in Financial Derivative Instruments for investment and hedging purposes in accordance with Section 4.5 of the General Section. Invested Financial Derivative Instruments will have as underlying assets equities, fixed income securities and Money Market Instruments complying with the criteria laid down in Section 4.5 of the General Section.

The above investments will be made by the Sub-Fund directly or indirectly via UCITS or other UCIs.

#### **1.2 Use of Financial Derivative Instruments and other EPM Techniques**

The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4.5 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.5 to 6.10 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor receive collateral in the context of OTC Derivative transactions.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### **1.3 Cash and cash equivalent**

The Sub-Fund may hold on an ancillary basis cash.

Where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

#### 1.4 **Investment restrictions**

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions:

- The Sub-Fund may have up to 100% of its assets invested in other currencies than the Reference Currency.
- The Sub-Fund may invest up to 60% of its assets in Transferable Securities rated below BBB- by Standard & Poor's or Baa3 by Moody's.
- The Sub-Fund may invest up to 10% of its assets in Transferable Securities (typically fixed income securities) or Money Market Instruments that are issued or guaranteed by the same non OECD Member State. In aggregate, the Sub-Fund may invest up to 50% of its assets in Transferable Securities or Money Market Instruments that are issued or guaranteed by non OECD Member States.
- The Sub-Fund may invest up to 100% of its assets in UCITS. UCITS which charge management fees exceeding 3% of their net asset value are not eligible UCITS.
- The Sub-Fund may invest up to 30% of its assets in other UCIs. UCIs which charge management fees exceeding 3% of their net asset value are not eligible UCIs.

#### 2. **REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

#### 3. **TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### 4. **VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated on each Business Day (the **Valuation Day**).

#### 5. **CLASSES**

5.1 The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR 10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p. a. of the average Net Asset Value of each Class

	within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR12,000 p.a..
Provider Fee	Up to 0.55% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.
Investment Management Fee	Up to 0.30% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.25% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

## 6. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund commenced on 2 October 2013 and ended on 25 October 2013 (the **Initial Offering Period**).

## 7. ONGOING SUBSCRIPTIONS

7.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 7.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 7.2 of this Schedule.

7.2 The Subscription Form (or the written application mentioned under Section 7.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

7.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.

7.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth.

7.5 No Subscription Fee will be levied.

## **8. REDEMPTION**

8.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 8.2 of this Section, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 8.2 of this Section.

8.2 The Redemption Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Redemptions will be paid in EUR within (3) Business Days after the relevant Valuation Day.

8.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.

8.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of net asset value as determined in Section 26 of the General Section.

8.6 No Redemption Fee will be levied.

## **9. CONVERSION**

9.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Schedule.

9.2 The Conversion Form (or the written application mentioned under Section 9.2(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

9.3 No Conversion Fee will be levied.

## **10. REMUNERATION OF THE MANAGEMENT COMPANY**

10.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 5 above.

10.2 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **11. REMUNERATION OF THE INVESTMENT MANAGER**

The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 5 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **12. INVESTMENT ADVISER**

12.1 The Management Company and the Investment Manager have appointed Bankinter Gestion de Activos, S.A., S.G.I.I.C., Madrid, Spain, as the investment adviser of the Sub-Fund (the **Investment Adviser**) pursuant to an investment advisory agreement effective as of 23 February 2017.

12.2 The Investment Adviser's registered office is at Marques de Riscal, 11. bis, 28010 Madrid, Spain.

12.3 The Investment Adviser is entitled to receive an Investment Advisory Fee for each Class as indicated under Section 5 above of this Schedule. The Investment Advisory Fee is payable monthly in arrears.

## **13. RISK PROFILE AND RISK MANAGEMENT**

13.1 Investment in this Sub-Fund is subject to a degree of financial risk. Before any decision to invest, investors are advised to carefully review this Sub-Fund's investment objective set out under Section 1 of this Schedule as well as the risk factors set out in Section 6 of the General Section.

13.2 The investments of this Sub-Fund are subject to market fluctuations and there is a risk for the investors to eventually recover an amount lower than the one invested.

13.3 The Sub-Fund will use the commitment approach to monitor its global exposure.

## **14. PROFILE OF THE TYPICAL INVESTOR**

14.1 The Sub-Fund is suitable for non-sophisticated investors that look to preserve their wealth, but understand and are able to bear the investment risks and accept potential losses. Investments in the Sub-Fund involve a higher level of risk due to higher volatility and the leverage embedded in the use of Financial Derivative Instruments.

14.2 In view of the Sub-Funds' type of investment strategy, it is designed for investors who have a long term experience with investments in funds, have a high appetite for risk and understand the risks of an equity portfolio. The Sub-Fund is suitable for investors who want to achieve long-term growth of capital and who can afford some losses if medium-term gains (3 to 5 years) are above annual inflation.

## **SCHEDULE 5 – BANKINTER INTERNATIONAL FUND SICAV– CIMALTAIR INTERNATIONAL**

This Schedule is valid only if accompanied by the General Section. This Schedule refers only to Bankinter International Fund SICAV – Cimaltair International (the **Sub-Fund**).

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective and strategy**

The objective of the Sub-Fund is to achieve long term capital growth by investing primarily in equities, bonds and other fixed income instruments. The composition of the portfolio of the Sub-Fund will be balanced between the aforementioned instruments with a higher weight towards fixed income instruments. Investments can only be made in instruments rated with investment grade (minimum rating by Moody's Baa3, by Fitch BBB- and by Standard & Poor's BBB-) or sub-investment grade (up to B- by Standard & Poor's, by Fitch B- and B3 by Moody's), and also in instruments without rating as long as they do not exceed 10% of the total assets of the Sub Fund.

The Sub-Fund will use the consumer price index "Harmonised Index of Consumer Prices" of the European Central Bank as a benchmark for evaluating the performance of its investments.

The Sub-Fund may, on an ancillary basis, invest indirectly in commodities through eligible ETFs or Financial Derivative Instruments on commodities indices.

The Sub-Fund may also invest in Financial Derivative Instruments for investment and for hedging purposes in accordance with Section 4.5 of the General Section. Invested Financial Derivative Instruments will comply with the criteria laid down in Section 4.5 of the General Section.

The Sub-Fund may also invest on an ancillary basis in European mortgage-backed securities (**MBS**), without excluding the possibility to invest in MBS located in OECD Countries. The Sub-Fund may also invest in asset-backed securities (**ABS**) in Europe such as receivables of credit cards, without excluding the possibility to invest in other countries.

#### **1.2 Use of Financial Derivative Instruments and other EPM Techniques**

The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4.5 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.4 to 6.10 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor receive collateral in the context of OTC Derivative transactions.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### **1.3 Cash and cash equivalent**

The Sub-Fund may hold on an ancillary basis cash and cash equivalent including Money Market Instruments.

Where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

#### 1.4 **Investment restrictions**

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions:

- (a) The Sub-Fund may invest up to 35% of its assets in equities admitted to official listing on a Regulated Market with a limit of 5% per issuer.
- (b) The Sub-Fund may invest up to 15% of its assets in equities listed in any Regulated Market located in Emerging Markets.
- (c) The Sub-Fund may invest per issuer up to 10% of its assets in corporate fixed income instruments subject to a limit of 10% of its assets per corporate fixed income instrument invested.
- (d) The Sub-Fund may invest up to 20% of its assets in bonds and fixed income instruments with sub-investment grade.
- (e) The Sub-Fund may invest up to 10% of its assets in bonds and fixed income instruments without rating.
- (f) The Sub-Fund will have a minimum of 50% of its assets denominated in the Reference Currency and may have up to 20% of its assets denominated in currencies other than the currencies of OECD Member States (namely in Russian Rubel or Brazilian Real or any other non-OECD Member State to the exception of the Chinese Renminbi). In that respect, Securities traded on the Moscow Exchange may be treated as investment in securities dealt in on a Regulated Market.
- (g) The Sub-Fund may invest up to 20% of its assets in ABS and MBS securities.
- (h) The Sub-Fund may invest up to 10% of its assets in commodities via eligible ETFs or commodity indices.
- (i) The investments made in shares or units of UCITS and other UCIs may not exceed, in aggregate, 10% of the Net Asset Value of this Sub-Fund.

#### 2. **REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

#### 3. **TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### 4. **VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated on each Business Day (the **Valuation Day**).

#### 5. **CLASSES**

The Board has opened the following Class with the following features:



Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR1
Initial Subscription Price	EUR1
Management Fee	Up to 0.05% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR12,000 p.a..
Provider Fee	Up to 1.06% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.
Distributor Fee	Up to 0.03% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.83% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.20% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

## 6. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund commenced on 2 October 2013 and ended on 31 October 2013 (the **Initial Offering Period**).

## 7. ONGOING SUBSCRIPTION

7.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 7.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 7.2 of this Schedule.

- 7.2 The Subscription Form (or the written application mentioned under Section 7.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.
- 7.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.
- 7.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth.
- 7.5 No Subscription Fee will be levied.

## **8. REDEMPTION**

- 8.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:
- (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 8.2 of this Section, or
  - (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 8.2 of this Section.
- 8.2 The Redemption Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at the latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.
- 8.3 Redemptions will be paid in EUR within (1) week after the relevant Valuation Day.
- 8.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.
- 8.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of net asset value as determined in Section 25 of the General Section.

No Redemption Fee will be levied.

## **9. CONVERSION**

- 9.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:
- (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Schedule, or
  - (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Schedule.
- 9.2 The Conversion Form (or the written application mentioned under Section 9.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

9.3 No Conversion Fee will be levied.

## **10. REMUNERATION OF THE MANAGEMENT COMPANY**

10.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 5 above.

10.2 The Provider Fee will also include any fees to be paid to any third party distributor of the Shares of the Sub-Fund (the **Distributor**). The Distributor will be entitled to receive out of the respective Provider Fee, a Distributor Fee for each Class as indicated under Section 5 above of this Schedule. The Distributor provides distribution services but also puts in place and maintains the infrastructure for the distribution of the Sub-Fund. In addition, the Distributor creates and supports the investor relations of the Sub-Fund.

10.3 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **11. REMUNERATION OF THE INVESTMENT MANAGER**

The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **12. INVESTMENT ADVISER**

12.1 The Management Company and the Investment Manager have appointed Altair Finance, *Agencia de Valores*, S.A., as the investment adviser of the Sub-Fund (the Investment Adviser) pursuant to an investment advisory agreement effective as of 23 February 2017.

12.2 The Investment Adviser is an *Agencia de Valores* on the official register of Spanish Financial Advisory Firms governed by the Royal Decree 217/2008 and subject to the supervision of the Spanish financial market supervisory authority (*Comisión Nacional del Mercado de Valores*) under the circular 10/2008 of 30 December 2008.

12.3 The Investment Adviser's registered office is at Calle Alfonso XI, 7-5° IZQDA, 28014 Madrid, Spain.

12.4 The Investment Adviser is entitled to an Investment Advisory Fee for each Class as indicated under Section 6 above of this Schedule. The investment advisory fee is payable monthly in arrears.

## **13. RISK PROFILE AND RISK MANAGEMENT**

13.1 Investment in this Sub-Fund is subject to a degree of financial risk. Before any decision to invest, investors are advised to carefully review this Sub-Fund's investment objective set out under Section 1 of this Schedule as well as the risk factors set out in Section 6 of the General Section.

13.2 The investments of this Sub-Fund are subject to market fluctuations and there is a risk for the investors to eventually recover an amount lower than the one invested.

13.3 The Sub-Fund will use the commitment approach to monitor its global exposure.

## **14. PROFILE OF THE TYPICAL INVESTOR**

14.1 The Sub-Fund is suitable for investors who understand the risks of a mixed portfolio. Investments in the Sub-Fund involve a medium level of risk due to higher volatility and the leverage embedded in the use of Financial Derivative Instruments and instruments without rating.

- 14.2 In view of the Sub-Funds' type of investment strategy, it is designed for investors who have a long term experience with investments in funds. The Sub-Fund is suitable for investors who want to achieve medium-term growth of capital and who can afford some losses if medium-term gains (3 to 5 years) are above annual inflation.

## **SCHEDULE 6 – BANKINTER INTERNATIONAL FUND SICAV – INTERNATIONAL BALANCED STRATEGY**

This Schedule is valid only if accompanied by the General Section. This Schedule refers only to Bankinter International Fund SICAV – International Balanced Strategy (the **Sub-Fund**).

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective and strategy**

The Sub-Fund is expected to have a mixed portfolio with the objective to ensure preservation of capital and, when the market allows it, a return ideally above the European inflation.

The Sub-Fund should achieve its goal by investing in equities and fixed income instruments based on the market condition at the time.

The Sub-Fund may also invest in Money Market Instruments issued by an EU Member State or an OECD Member State, and in deposits or call deposits with a credit institution having its registered office in an EU Member State or an OECD Member State and with a maximum term of one year.

The eligible assets to invest can be denominated in any currency. The allocation of investments among countries or regions is not predetermined.

Finally, the Sub-Fund is also allowed to invest indirectly in the instruments mentioned above, via UCITS or other UCIs.

**There can be no guarantee that the investment objective of the Sub-Fund will be met.**

#### **1.2 Use of Financial Derivative Instruments and other EPM Techniques**

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedging purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.4 to 6.9 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor OTC Derivative transactions. However the Sub-Fund may use exchange traded derivatives.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### **1.3 Investment restrictions**

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions:

- The Sub-Fund may have up to 100% of its assets invested in securities denominated in other currencies than the Reference Currency.
- The Sub-Fund may invest up to 60% of its assets in Transferable Securities rated below BBB- by Standard & Poor's or Baa3 by Moody's.
- The Sub-Fund will not be able to invest in Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS).

- The Sub-Fund may invest up to 10% of its assets in Transferable Securities (typically fixed income securities) or Money Market Instruments that are issued or guaranteed by a non OECD Member State.
- The Sub-Fund may invest up to 100% of its assets in UCITS. UCITS which charge management fees exceeding 3% of their net asset value are not eligible UCITS.
- The Sub-Fund may invest up to 30% of its assets in other UCIs. UCIs which charge management fees exceeding 3% of their net asset value are not eligible UCIs.

#### 1.4 **Cash and cash equivalent**

The Sub-Fund may hold cash on an ancillary basis.

Where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

#### 2. **REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

#### 3. **TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### 4. **VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated on each Business Day (the **Valuation Day**).

#### 5. **DISTRIBUTION**

5.1 The Board does currently not intend to propose the distribution of a cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.

5.2 The Shareholders may vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of a dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.

5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and reverted to the Sub-Fund.

#### 6. **CLASSES**

The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR 10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.30% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.
Investment Management Fee	Up to 0.18% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.12 % p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

## 7. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund commenced on 24 June 2014 and ended on 27 June 2014 (the **Initial Offering Period**).

## 8. ONGOING SUBSCRIPTION

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or

- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

8.2 The Subscription Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.

8.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth.

## **9. REDEMPTION**

9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.

9.2 The Redemption Form (or the written application mentioned under Section 9.1 (ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 Redemptions will be paid in EUR within (3) Business Days after the relevant Valuation Day.

9.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.

9.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of net asset value as determined in Section 25 of the General Section.

## **10. CONVERSION**

10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.

10.2 The Conversion Form (or the written application mentioned under Section 10.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes



the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

10.3 No Conversion Fee will be levied.

## **11. PROVIDER FEE**

11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.

11.2 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **12. REMUNERATION OF THE INVESTMENT MANAGER**

The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **13. INVESTMENT ADVISER**

13.1 The Management Company and the Investment Manager have appointed Bankinter Gestion de Activos, S.A., S.G.I.I.C., Madrid, Spain, as the investment adviser of the Sub-Fund (the **Investment Adviser**) pursuant to an investment advisory agreement effective as of 23 February 2017.

13.2 The Investment Adviser's registered office is at Marques de Riscal, 11. bis, 28010 Madrid, Spain.

13.3 The Investment Adviser is entitled to receive an Investment Advisory Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Advisory Fee is payable monthly in arrears.

## **14. RISK PROFILE AND RISK MANAGEMENT**

14.1 Investment in this Sub-Fund is subject to a degree of financial risk. Before any decision to invest, investors are advised to carefully review this Sub-Fund's investment objective set out under Section 1 of this Schedule as well as the risk factors set out in Section 6 of the General Section.

14.2 The investments of this Sub-Fund are subject to market fluctuations and there is a risk for the investors to eventually recover an amount lower than the one invested.

14.3 The Sub-Fund will use the commitment approach to monitor its global exposure.

## **15. PROFILE OF THE TYPICAL INVESTOR**

15.1 The Sub-Fund is suitable for non-sophisticated investors that are interested in mixed portfolios and look to preserve their wealth, but understand and are able to bear the investment risks and accept potential losses. Although it is not in the core of the investment policy, the Sub-Fund is allowed to use Financial Derivative Instruments: the potential investors should acknowledge the higher risk involved in these instruments.

In view of the Sub-Funds' type of investment strategy, it is designed for investors have a moderate appetite for risk.

## SCHEDULE 7 – BANKINTER INTERNATIONAL FUND SICAV – MULTIFUNDS MODERATE

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Multifunds Moderate (the **Sub-Fund**).

### 1. INVESTMENT POLICY

#### 1.1 Investment objective and strategy

##### *Objective*

The Sub-Fund's objective is to provide long-term positive returns above a benchmark that is composed of 25% Eurostoxx + 15% S&P 500 +5% topix +5% Lyxor ETF MSCI Emerging Markets +50% Barcap Global Agg Total Return Index Value Hedge EUR.

##### *Strategy*

The Sub-Fund may gain principally exposure to any of the following financial instruments through the investment in UCITS and UCIs: any type of Transferable Securities including equity and fixed income securities, Money Market Instruments and other UCITS and UCI eligible assets (including but not limited to indices on commodities).

To that end the Sub-Fund will invest a minimum of 50% of its assets in UCITS and UCIs. The management company and/or investment management entity of those UCITS or UCIs could be affiliated with the Bankinter Group without limitation.

If the Sub-Fund does not invest through the above mentioned funds the Sub-Fund may gain exposure either (i) directly or (ii) indirectly on an ancillary basis to the aforementioned financial instruments by the use of Financial Derivative Instruments.

The Sub-Fund may invest up to 50% of its assets in equities or UCITS (or UCIs), whose investment strategy is mainly focused in equities.

**There can be no guarantee that the investment objective of the Sub-Fund will be met.**

#### 1.2 Use of Financial Derivative Instruments and other EPM Techniques

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedging purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.4 to 6.8 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor OTC Derivative transactions. However the Sub-Fund may use exchange traded derivatives.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### 1.3 Investment restrictions

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions subject to the investment policy set out in Section 1.1 above:

- The Sub-Fund may invest up to 100% of its assets in UCITS. UCITS which charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The Sub-Fund may invest up to 30% of its assets in other UCIs. UCIs which charge management fees exceeding 3% of their net asset value are not eligible for investment.

#### 1.4 **Cash and cash equivalent**

The Sub-Fund may hold cash on an ancillary basis.

Where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

#### 2. **REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

#### 3. **TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### 4. **VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated on each Business Day (the **Valuation Day**).

#### 5. **DISTRIBUTION**

5.1 The Board does currently not intend to propose the distribution of a cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.

5.2 The Shareholders may vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of a dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.

5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and reverted to the Sub-Fund.

#### 6. **CLASSES**

The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR

Minimum Subscription Amount	EUR1
Initial Subscription Price	EUR10
Management Fee	Up to 0.05 % p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 1.08% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.
Distributor Fee	Up to 0.43% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.33% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.32% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

Class	B
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR1,000,000
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a

	minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.68% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.
Distributor Fee	Up to 0.03% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.33% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.32% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

Class	C
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR3.000.000
Initial Subscription Price	EUR10
Management Fee	Up to 0.05 % p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.43% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.
Distributor Fee	Up to 0.03% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the

	relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.21% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.19% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

## 7. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund commenced on 30 March 2015 and ended on 30 April 2015 (the **Initial Offering Period**).

## 8. ONGOING SUBSCRIPTION

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

8.2 The Subscription Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.

8.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth.

## 9. REDEMPTION

9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or

- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.

9.2 The Redemption Form (or the written application mentioned under Section 9.1 (ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 Redemptions will be paid in EUR within three (3) Business Days after the relevant Valuation Day.

9.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.

9.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of net asset value as determined in Section 25 of the General Section.

## 10. CONVERSION

10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or

- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.

10.2 The Conversion Form (or the written application mentioned under Section 10.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

10.3 No Conversion Fee will be levied.

## 11. PROVIDER FEE

11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.

11.2 The Provider Fee will also include any fees to be paid to a third party distributor of the Shares of the Sub-Fund (the **Distributor**). The Distributor will be entitled to receive out of the respective Provider Fee, a Distributor Fee for each Class as indicated under Section 6 above of this Schedule. The Distributor provides distribution services but also puts in place and maintains the infrastructure for the distribution of the Sub-Fund. In addition, the Distributor creates and supports the investor relations of the Sub-Fund.

11.3 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **12. REMUNERATION OF THE INVESTMENT MANAGER**

The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **13. INVESTMENT ADVISER**

13.1 The Management Company and the Investment Manager have appointed Bankinter Gestion de Activos, S.A., S.G.I.I.C., Madrid, Spain, as the investment adviser of the Sub-Fund (the **Investment Adviser**) pursuant to an investment advisory agreement effective as of 23 February 2017.

13.2 The Investment Adviser's registered office is at Marques de Riscal, 11. bis, 28010 Madrid, Spain.

13.3 The Investment Adviser is entitled to an investment advisory fee for each Class as indicated under Section 6 above of this Schedule. The investment advisory fee is payable monthly in arrears.

## **14. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure.

## **15. PROFILE OF THE TYPICAL INVESTOR**

15.1 The Sub-Fund is suitable for non-sophisticated investors that have knowledge or experience in UCITS and specifically in Fund of Funds. The fund may invest up to 50% of its assets in equities and could enter into Financial Derivative Instruments; hence the investor acknowledges the market risk linked to those investments and the potential loss they may generate.

In view of the Sub-Funds' type of investment strategy, it is designed for investors have a moderate appetite for risk.



## **SCHEDULE 8 – BANKINTER INTERNATIONAL FUND SICAV – CARRIÓN CONSERVATIVE**

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Carrión Conservative (the **Sub-Fund**).

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective and strategy**

##### *Objective*

The Sub-Fund is expected to have a mixed portfolio with the objective to ensure preservation of capital and, when the market allows it, a return ideally above the European inflation plus 3%.

**There can be no guarantee that the investment objective of the Sub-Fund will be met.**

##### *Strategy*

The Sub-Fund should achieve its objective by investing in equities and fixed income instruments based on the market condition at the time.

The Sub-Fund may also invest in Money Market Instruments issued by an EU Member State or an OECD Member State, and in deposits or call deposits with a credit institution having its registered office in an EU Member State or an OECD Member State and with a maximum term of one year.

The eligible assets to invest can be denominated in any currency. The allocation of investments among countries or regions is not predetermined.

Finally, the Sub-Fund is also allowed to invest indirectly in the instruments mentioned above, via UCITS or other UCIs.

Although there are no predetermined percentages the Sub-Fund is likely to invest more in fixed income instruments, UCITS or other UCIs and/or Money Market Instruments rather than directly in equities.

#### **1.2 Use of Financial Derivative Instruments and other EPM Techniques**

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedging purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.4 to 6.9 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor OTC Derivative transactions. However the Sub-Fund may use exchange traded derivatives.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### **1.3 Investment restrictions**

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions subject to the investment policy set out in Section 1 above:

- The Sub-Fund may invest up to 100% of its assets in UCITS. UCITS which charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The Sub-Fund may invest up to 30% of its assets in other UCIs. UCIs which charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The Sub-Fund may invest up to 100% of its assets in fixed income securities with no predetermined rating (minimum rating B- or equivalent), currency or country of origin. The Sub-Fund does not invest in distressed and/or defaulted securities.
- The Sub-Fund may invest up to 70% of its assets in equities with predetermined currency, industry or country of origin.

#### 1.4 **Cash and cash equivalent**

The Sub-Fund may hold cash on an ancillary basis.

Where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

#### 2. **REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

#### 3. **TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### 4. **VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated on each Business Day (the **Valuation Day**).

#### 5. **DISTRIBUTION**

5.1 The Board does currently not intend to propose the distribution of a cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.

5.2 The Shareholders may vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of a dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.

5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and reverted to the Sub-Fund.

#### 6. **CLASSES**

The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.55% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.
Investment Management Fee	Up to 0.30% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.25% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

## 7. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund commenced on 30 March 2015 and ended on 24 April 2015 (the **Initial Offering Period**).

## 8. ONGOING SUBSCRIPTION

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

- 8.2 The Subscription Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.
- 8.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.
- 8.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth. No Subscription Fee will be levied.

## **9. REDEMPTION**

- 9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:
- (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or
  - (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.
- 9.2 The Redemption Form (or the written application mentioned under Section 9.1 (ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.
- 9.3 Redemptions will be paid in EUR within three (3) Business Days after the relevant Valuation Day.
- 9.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.
- 9.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of net asset value as determined in Section 25 of the General Section. No Redemption Fee will be levied.

## **10. CONVERSION**

- 10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:
- (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or
  - (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.
- 10.2 The Conversion Form (or the written application mentioned under Section 10.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.
- 10.3 No Conversion Fee will be levied.

## **11. PROVIDER FEE**

- 11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.
- 11.2 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **12. REMUNERATION OF THE INVESTMENT MANAGER**

The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **13. INVESTMENT ADVISER**

- 13.1 The Management Company and the Investment Manager have appointed Bankinter Gestion de Activos, S.A., S.G.I.I.C., Madrid, Spain, as the investment adviser of the Sub-Fund (the **Investment Adviser**) pursuant to an investment advisory agreement effective as of 23 February 2017.
- 13.2 The Investment Adviser's registered office is at Marques de Riscal, 11. bis, 28010 Madrid, Spain.
- 13.3 The Investment Adviser is entitled to an Investment Advisory Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Advisory Fee is payable monthly in arrears.

## **14. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure.

## **15. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for non-sophisticated investors that want a limited exposure in the stock markets. The Sub-Fund will have an investing directed towards fixed income instruments in standard market conditions. The Sub-Fund could enter into Financial Derivative Instruments; hence the investor acknowledges the market risk linked to those investments and the potential loss they may generate.

In view of the Sub-Funds' type of investment strategy, it is designed for investors have a limited appetite for risk.

## SCHEDULE 9 – BANKINTER INTERNATIONAL FUND SICAV – IRATI

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Irati (the **Sub-Fund**).

### 1. INVESTMENT POLICY

#### 1.1 Investment objective and strategy

##### *Objective*

The Sub-Fund is expected to have a global and multi-asset portfolio with the objective to beat the European inflation plus 3%.

**There can be no guarantee that the investment objective of the Sub-Fund will be met.**

##### *Strategy*

The Sub-Fund should achieve its goal by allocating exposure in global equities and fixed income markets selected by the Investment Manager.

The Investment Manager will select the specific assets with no pre-determination in terms of industry sector, country or region. The Sub-Fund is also allowed to invest indirectly in the instruments mentioned above, via UCITS or other UCIs. The Sub-Fund may also invest in Money Market Instruments issued by an EU Member State or an OECD Member State, and in deposits or call deposits with a credit institution having its registered office in an EU Member State or an OECD Member State and with a maximum term of one year.

The Sub-Fund is expected to have a mixed strategy with both equities and fixed income instruments. Although the Investment Manager is entitled to invest freely between fixed income and equities, based on its on-going assessment of the market conditions, in any case the percentage of equities instruments cannot be higher than 75% of the net assets of the Sub-Fund.

#### 1.2 Use of Financial Derivative Instruments and other EPM Techniques

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedging purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.4 to 6.9 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor OTC Derivative transactions. However the Sub-Fund may use exchange traded derivatives.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### 1.3 Investment restrictions

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions subject to the investment policy set out in Section 1.1 above:

- The Sub-Fund may invest up to 100% of its assets in UCITS. UCITS which charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The Sub-Fund may invest up to 30% of its assets in other UCIs. UCIs which charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The Sub-Fund may invest up to 50% of its assets in fixed income securities with a sub-investment grade rating (up to B- by Standard & Poor's by Fitch B- and B3 by Moody's). The remaining assets may not be invested in instruments with no rating. The Sub-Fund does not invest in distressed and/or defaulted securities.
- The Sub-Fund may invest up to 75% of its assets in equities with no predetermined currency, industry or country of origin.

#### 1.4 **Cash and cash equivalent**

The Sub-Fund may hold cash on an ancillary basis.

Where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

#### 2. **REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

#### 3. **TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### 4. **VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated on each Business Day (the **Valuation Day**).

#### 5. **DISTRIBUTION**

5.1 The Board does currently not intend to propose the distribution of a cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.

5.2 The Shareholders may vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of a dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.

5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and reverted to the Sub-Fund.

#### 6. **CLASSES**

The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.40% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.
Investment Management Fee	Up to 0.25% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.15% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

## 7. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Date of the Sub-Fund was on 18 November 2015 (the **Initial Offering Date**).

## 8. ONGOING SUBSCRIPTION

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

8.2 The Subscription Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes



the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.

8.4 After the Initial Offering Date, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth. No Subscription Fee will be levied.

## **9. REDEMPTION**

9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

(i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or

(ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.

9.2 The Redemption Form (or the written application mentioned under Section 9.1 (ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 Redemptions will be paid in EUR within three (3) Business Days after the relevant Valuation Day.

9.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.

9.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of net asset value as determined in Section 25 of the General Section. No Redemption Fee will be levied.

## **10. CONVERSION**

10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:

(i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or

(ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.

10.2 The Conversion Form (or the written application mentioned under Section 10.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

10.3 No Conversion Fee will be levied.

## **11. PROVIDER FEE**

- 11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.
- 11.2 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **12. REMUNERATION OF THE INVESTMENT MANAGER**

The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **13. INVESTMENT ADVISER**

- 13.1 The Management Company and the Investment Manager have appointed Bankinter Gestion de Activos, S.A., S.G.I.I.C., Madrid, Spain, as the investment adviser of the Sub-Fund (the **Investment Adviser**) pursuant to an investment advisory agreement effective as of 23 February 2017.
- 13.2 The Investment Adviser's registered office is at Marques de Riscal, 11. bis, 28010 Madrid, Spain.
- 13.3 The Investment Adviser is entitled to an Investment Advisory Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Advisory Fee is payable monthly in arrears.

## **14. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure.

## **15. PROFILE OF THE TYPICAL INVESTOR**

The investors of this Sub-Fund will be subject to the volatility of the equity markets and the uncertainty in the use of Financial Derivate Instruments; therefore he / she has to acknowledge that not only the investment objective may not be achieved, but also the investment may be subject to a potential capital loss. Each investor in this Sub-Fund acknowledges that this is a Sub-Fund with a mixed strategy and that the exposure of the portfolio in equities instruments can vary from 0% to 75% based on the Investment Manager's opinion about the market conditions.

In view of the Sub-Funds' type of investment strategy, it is designed for investors which have a high appetite for risk in its investments.

## **SCHEDULE 10 - BANKINTER INTERNATIONAL FUND SICAV – GLOBAL EQUITY**

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Global Equity (the **Sub-Fund**).

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective and strategy**

##### *Objective*

The main investment objective of the Sub-Fund is the preservation of capital via a prudent management of the assets above a benchmark that is composed of 50% EUROSTOXX 50 + 30% S&P +10% TOPIX +10% LYXOR EMERGENTES.

**There can be no guarantee of achieving any specific return on the investors.**

##### *Strategy*

The Sub-Fund plans to invest in the global equities and fixed income markets directly or via investments in other UCITS or UCI within the investment restrictions stated in Section 1.3.

The choice of investments of the Sub-Fund will neither be limited by geographical area (including emerging markets), industrial or economic sector, nor in terms of currencies in which investments will be denominated, although the investments will be mainly done in USD or EUR.

Subject to the investment restrictions stated in Section 1.3, the Sub-Fund may invest up to 10% of the net assets of the Sub-Fund in high-yield securities directly in accordance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation or via investments in other UCITS or UCIs.

The Sub-Fund may also invest in Money Market Instruments issued by an EU Member State or an OECD Member State, and in deposits or call deposits with a credit institution having its registered office in an EU Member State or an OECD Member State and with a maximum term of one year.

#### **1.2 Use of Financial Derivative Instruments and other EPM Techniques**

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedging purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.5 to 6.10 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor OTC Derivative transactions. However, the Sub-Fund may use exchange traded derivatives, in particular for currency hedging purposes.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### **1.3 Investment restrictions**

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions subject to the investment policy set out in Section 1.1 above:

- The Sub-Fund will invest a minimum of 25% and may invest up to 100% of its assets in UCITS. UCITS which charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The Sub-Fund may invest up to 30% of its assets in other UCIs. UCIs which charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The Sub-Fund does not invest in distressed and/or defaulted securities.
- The Sub-Fund will invest at least 50% of its assets in EUR or USD currencies
- The Sub-Fund may limit its choice of investments by a currency, industry or country of origin and may invest up to 100% of its assets in equities (directly or indirectly via investments in UCITS or UCIs with a predominant exposure to equity) with those predetermined currency, industry or country of origin.

#### 1.4 **Cash and cash equivalent**

The Sub-Fund may hold cash on an ancillary basis.

Where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

#### 2. **REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

#### 3. **TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### 4. **VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated on each Business Day (the **Valuation Day**).

#### 5. **DISTRIBUTION**

- 5.1 The Board does currently not intend to propose the distribution of a cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.
- 5.2 The Shareholders may vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of a dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.
- 5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and reverted to the Sub-Fund.

## 6. CLASSES

The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.55% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.
Investment Management Fee	Up to 0.30% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.25% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

## 7. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund will commence on 4 April 2017 and will end on 6 April 2017 (the **Initial Offering Period**).

## 8. ONGOING SUBSCRIPTION

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

8.2 The Subscription Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.

8.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth. No Subscription Fee will be levied.

## **9. REDEMPTION**

9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

(i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or

(ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.

9.2 The Redemption Form (or the written application mentioned under Section 9.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 Redemptions will be paid in EUR within three (3) Business Days after the relevant Valuation Day.

9.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.

9.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of Net Asset Value as determined in Section 25 of the General Section. No Redemption Fee will be levied.

## **10. CONVERSION**

10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:

(i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or

(ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.

10.2 The Conversion Form (or the written application mentioned under Section 10.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

10.3 No Conversion Fee will be levied.

## **11. PROVIDER FEE**

11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.

- 11.2 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **12. REMUNERATION OF THE INVESTMENT MANAGER**

The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **13. INVESTMENT ADVISER**

- 13.1 The Management Company and the Investment Manager have appointed Bankinter Gestion de Activos, S.A., S.G.I.I.C., Madrid, Spain, as the investment adviser of the Sub-Fund (the **Investment Adviser**) pursuant to an investment advisory agreement effective as of 23 February 2017.

- 13.2 The Investment Adviser's registered office is at Marques de Riscal, 11. bis, 28010 Madrid, Spain.

- 13.3 The Investment Adviser is entitled to an Investment Advisory Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Advisory Fee is payable monthly in arrears.

## **14. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure.

## **15. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for retail investors with a moderate risk profile. Investors should have certain level of knowledge in relation to investments in financial assets, in particular in an UCITS and the risks connected to such investments.

The investors of this Sub-Fund will be subject to the volatility of the equity markets and the uncertainty in the use of Financial Derivate Instruments; therefore investors have to acknowledge that not only the investment objective may not be achieved, but also the investment may be subject to a potential capital loss.

The Sub-Fund is designed for investors having an investment horizon of at least five (5) to eight (8) years for the achievement of the investment goals.

## **SCHEDULE 11 - BANKINTER INTERNATIONAL FUND SICAV – MULTIFUNDS CONSERVATIVE**

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Multifunds Conservative (the **Sub-Fund**).

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective and strategy**

##### *Objective*

The main investment objective of the Sub-Fund is to provide long-term positive returns investing in UCITS and other UCIs with a defined maximum target exposure to equity.

**There can be no guarantee of achieving any specific return on the investors.**

##### *Strategy*

The Sub-Fund may gain principally exposure to any of the following financial instruments through the investment in UCITS and other UCIs: any type of Transferable Securities including equity and fixed income securities, Money Market Instruments and other Eligible Investments (including but not limited to indices on commodities), within the investment restrictions stated in Section 1.3 below.

To that end the Sub-Fund will invest 70% to 100% of its net assets in UCITS and other UCIs. The management company and/or investment management entity of those UCITS or other UCIs may be affiliated with the Bankinter Group.

Due to the fact that the Sub-Fund invests a substantial portion in other UCIs, the Shareholders are exposed to a possible duplication of fees and charges.

Subject to Section 1.2 below, the Sub-Fund may gain exposure either (i) directly or (ii) indirectly on an ancillary basis to the aforementioned financial instruments by the use of Financial Derivative Instruments.

The Sub-Fund will invest up to 25% of its net assets in equities or UCITS or other UCIs, whose investment strategy is mainly focused on equities.

#### **1.2 Use of Financial Derivative Instruments and other EPM Techniques**

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedging purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.4 to 6.9 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor OTC Derivative transactions. However, the Sub-Fund may use exchange traded derivatives, in particular for currency hedging purposes.

The Sub-Fund will not make use of SFT and TRS under SFTR.



### 1.3 **Investment restrictions**

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions subject to the investment policy set out in Section 1.1 above:

- The Sub-Fund may invest up to 100% of its assets in UCITS. UCITS which charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The Sub-Fund does not invest in distressed and/or defaulted securities.

### 1.4 **Cash and cash equivalent**

The Sub-Fund may hold cash on an ancillary basis.

Where financial market conditions so require, up to 100% of the net assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

## 2. **REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

## 3. **TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

## 4. **VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated on each Business Day (the **Valuation Day**).

## 5. **DISTRIBUTION**

5.1 The Board does currently not intend to propose the distribution of a cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.

5.2 The Shareholders may vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of a dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.

5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and reverted to the Sub-Fund.

## 6. **CLASSES**

The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation

Reference Currency	EUR
Minimum Subscription Amount	EUR10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.81% p.a. of the average Net Asset Value of each Class within the Sub-Fund.
Distributor Fee	Up to 0.32% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.25% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.24% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

Class	B
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR1,000,000
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.52% p.a. of the average Net Asset Value of each Class within the Sub-Fund.
Distributor Fee	Up to 0.03% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.25% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

Investment Advisory Fee	Up to 0.24% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
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Class	C
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR3,000,000
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.33% p.a. of the average Net Asset Value of each Class within the Sub-Fund.
Distributor Fee	Up to 0.03% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.16% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.14% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

## 7. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund will commence on 1 February 2017 and will end on 6 March 2017 (the **Initial Offering Period**).

## 8. ONGOING SUBSCRIPTION

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or

- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

8.2 The Subscription Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.

8.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth. No Subscription Fee will be levied.

## **9. REDEMPTION**

9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.

9.2 The Redemption Form (or the written application mentioned under Section 9.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 Redemptions will be paid in EUR within three (3) Business Days after the relevant Valuation Day.

9.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.

9.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of Net Asset Value as determined in Section 25 of the General Section. No Redemption Fee will be levied.

## **10. CONVERSION**

10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.

10.2 The Conversion Form (or the written application mentioned under Section 10.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes

the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

10.3 No Conversion Fee will be levied.

## **11. PROVIDER FEE**

11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.

11.2 The Provider Fee will also include any fees to be paid to a third party distributor of the Shares of the Sub-Fund (the **Distributor**). The Distributor will be entitled to receive out of the respective Provider Fee, a Distributor Fee for each Class as indicated under Section 6 above of this Schedule. The Distributor provides distribution services but also puts in place and maintains the infrastructure for the distribution of the Sub-Fund. In addition, the Distributor creates and supports the investor relations of the Sub-Fund.

11.3 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **12. REMUNERATION OF THE INVESTMENT MANAGER**

The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **13. INVESTMENT ADVISER**

13.1 The Management Company and the Investment Manager have appointed Bankinter Gestion de Activos, S.A., S.G.I.I.C., Madrid, Spain, as the investment adviser of the Sub-Fund (the **Investment Adviser**) pursuant to an investment advisory agreement effective as of 20 January 2017.

13.2 The Investment Adviser's registered office is at Marques de Riscal, 11. bis, 28010 Madrid, Spain.

13.3 The Investment Adviser is entitled to an Investment Advisory Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Advisory Fee is payable monthly in arrears.

## **14. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure.

## **15. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for non-sophisticated investors that have knowledge or experience in UCITS and specifically in Fund of Funds. The fund may invest up to 25% of its net assets in equities and could enter into Financial Derivative Instruments; hence the investor acknowledges the market risk linked to those investments and the potential loss they may generate.

In view of the Sub-Funds' type of investment strategy, it is designed for investors having a conservative appetite for risk.

## SCHEDULE 12 - BANKINTER INTERNATIONAL FUND SICAV – MULTIFUNDS DYNAMIC

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Multifunds Dynamic (the **Sub-Fund**).

### 1. INVESTMENT POLICY

#### 1.1 Investment objective and strategy

##### *Objective*

The main investment objective of the Sub-Fund is to provide long-term positive returns investing in UCITS and other UCIs with a defined maximum target exposure to equity.

**There can be no guarantee of achieving any specific return on the investors.**

##### *Strategy*

The Sub-Fund may gain principally exposure to any of the following financial instruments through the investment in UCITS and other UCIs: any type of Transferable Securities including equity and fixed income securities, Money Market Instruments and other Eligible Investments (including but not limited to indices on commodities), within the investment restrictions stated in Section 1.3 below.

To that end the Sub-Fund will invest (i) 70% to 100% of its net assets in UCITS and other UCIs and (ii) up to 75% of its net assets in equities either directly or via UCITS or other UCIs, whose investment strategy is mainly focused on equities in accordance with (i) above. The management company and/or investment management entity of those UCITS or other UCIs may be affiliated with the Bankinter Group.

Due to the fact that the Sub-Fund invests a substantial portion in other UCIs, the Shareholders are exposed to a possible duplication of fees and charges.

Subject to Section 1.2 below, the Sub-Fund may gain exposure either (i) directly or (ii) indirectly on an ancillary basis to the aforementioned financial instruments by the use of Financial Derivative Instruments.

#### 1.2 Use of Financial Derivative Instruments and other EPM Techniques

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedging purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.4 to 6.9 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor OTC Derivative transactions. However, the Sub-Fund may use exchange traded derivatives, in particular for currency hedging purposes.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### 1.3 Investment restrictions

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions subject to the investment policy set out in Section 1.1 above:

- The Sub-Fund may invest up to 100% of its net assets in UCITS. UCITS which charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The Sub-Fund does not invest in distressed and/or defaulted securities.

#### 1.4 **Cash and cash equivalent**

The Sub-Fund may hold cash on an ancillary basis.

Where financial market conditions so require, up to 100% of the net assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

## 2. **REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

## 3. **TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

## 4. **VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated on each Business Day (the **Valuation Day**).

## 5. **DISTRIBUTION**

5.1 The Board does currently not intend to propose the distribution of a cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.

5.2 The Shareholders may vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of a dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.

5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and reverted to the Sub-Fund.

## 6. **CLASSES**

6.1 The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR

Minimum Subscription Amount	EUR10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 1.19% p.a. of the average Net Asset Value of each Class within the Sub-Fund.
Distributor Fee	Up to 0.48% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.36% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.35% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

Class	B
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR1,000,000
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.75% p.a. of the average Net Asset Value of each Class within the Sub-Fund.
Distributor Fee	Up to 0.03% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.36% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.



Investment Advisory Fee	Up to 0.35% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
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Class	C
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR1,000,000
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.43% p.a. of the average Net Asset Value of each Class within the Sub-Fund.
Distributor Fee	Up to 0.03% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.21% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.19% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

## 7. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund will commence on 1 February 2017 and will end on 6 March 2017 (the **Initial Offering Period**).

## 8. ONGOING SUBSCRIPTION

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or

- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

8.2 The Subscription Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.

8.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth. No Subscription Fee will be levied.

## **9. REDEMPTION**

9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or

- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.

9.2 The Redemption Form (or the written application mentioned under Section 9.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 Redemptions will be paid in EUR within three (3) Business Days after the relevant Valuation Day.

9.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.

9.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of Net Asset Value as determined in Section 25 of the General Section. No Redemption Fee will be levied.

## **10. CONVERSION**

10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or

- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.

10.2 The Conversion Form (or the written application mentioned under Section 10.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes

the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

10.3 No Conversion Fee will be levied.

## **11. PROVIDER FEE**

11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.

11.2 The Provider Fee will also include any fees to be paid to a third party distributor of the Shares of the Sub-Fund (the **Distributor**). The Distributor will be entitled to receive out of the respective Provider Fee, a Distributor Fee for each Class as indicated under Section 6 above of this Schedule. The Distributor provides distribution services but also puts in place and maintains the infrastructure for the distribution of the Sub-Fund. In addition, the Distributor creates and supports the investor relations of the Sub-Fund.

11.3 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **12. REMUNERATION OF THE INVESTMENT MANAGER**

The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **13. INVESTMENT ADVISER**

13.1 The Management Company and the Investment Manager have appointed Bankinter Gestion de Activos, S.A., S.G.I.I.C., Madrid, Spain, as the investment adviser of the Sub-Fund (the **Investment Adviser**) pursuant to an investment advisory agreement effective as of 20 January 2017.

13.2 The Investment Adviser's registered office is at Marques de Riscal, 11. bis, 28010 Madrid, Spain.

13.3 The Investment Adviser is entitled to an Investment Advisory Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Advisory Fee is payable monthly in arrears.

## **14. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure.

## **15. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for non-sophisticated investors that have knowledge or experience in UCITS and specifically in fund of funds. The Sub-Fund may invest (i) a minimum of 50% of its net assets in UCITS and other UCIs and (ii) up to 75% of its net assets in equities and could enter into Financial Derivative Instruments; hence the investor acknowledges the market risk linked to those investments and the potential loss they may generate.

In view of the Sub-Funds' type of investment strategy, it is designed for investors having a dynamic appetite for risk.

## **SCHEDULE 13 - BANKINTER INTERNATIONAL FUND SICAV – EUROPE DIVIDEND**

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Europe Dividend (the **Sub-Fund**).

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective and strategy**

##### *Objective*

The main investment objective of the Sub-Fund is to achieve long term capital growth (on a 3-5 years horizon) by investing primarily in equities focused on European issuers, occasionally the Sub-Fund may also invest other OECD or emerging market issuers.

**There can be no guarantee of achieving any specific return on the investors.**

##### *Strategy*

The Sub-Fund aims to achieve its objective by investing in any Transferable Securities including: equity and fixed income securities and Money Market Instruments based on the market condition at the time. The management company and/or investment management entity of those UCITS or other UCIs may be affiliated with the Bankinter Group, within the investment restrictions stated in Section 1.3 below.

The Sub-Fund will invest a minimum of 75% of its net assets directly in equities or indirectly through UCITS and other UCIs. Indirect investments are limited to a maximum of 10% of the Net Asset Value in aggregate.

The Sub-Fund will invest at least 75% of the total exposure to equity in stocks with historical high and sustainable dividends but also in stocks with high dividend growth potential.

Subject to Section 1.2 below, the Sub-Fund may gain exposure either (i) directly or (ii) indirectly on an ancillary basis to the aforementioned financial instruments by the use of Financial Derivative Instruments.

#### **1.2 Use of Financial Derivative Instruments and other EPM Techniques**

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedging purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.4 to 6.9 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor OTC Derivative transactions. However, the Sub-Fund may use exchange traded derivatives, in particular for currency hedging purposes.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### **1.3 Investment restrictions**

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions subject to the investment policy set out in Section 1.1 above:

- UCITS which charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The Sub-Fund does not invest in distressed and/or defaulted securities.

#### 1.4 **Cash and cash equivalent**

The Sub-Fund may hold cash on an ancillary basis.

Where financial market conditions so require, up to 100% of the net assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

## 2. **REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

## 3. **TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

## 4. **VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated on each Business Day (the **Valuation Day**).

## 5. **DISTRIBUTION**

5.1 The Board does currently not intend to propose the distribution of a cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.

5.2 The Shareholders may vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of a dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.

5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and reverted to the Sub-Fund.

## 6. **CLASSES**

6.1 The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR

Minimum Subscription Amount	EUR10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 1.73% p.a. of the average Net Asset Value of each Class within the Sub-Fund.
Distributor Fee	Up to 0.69% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.53% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Advisory Fee	Up to 0.51% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

Class	B
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR1,000,000
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 0.75% p.a. of the average Net Asset Value of each Class within the Sub-Fund.
Distributor Fee	Up to 0.03% p. a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
Investment Management Fee	Up to 0.37% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

Investment Advisory Fee	Up to 0.35% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
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## 7. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund will commence on 1 February 2017 and will end on 6 March 2017 (the **Initial Offering Period**).

## 8. ONGOING SUBSCRIPTION

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

8.2 The Subscription Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.

8.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth. No Subscription Fee will be levied.

## 9. REDEMPTION

9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.

9.2 The Redemption Form (or the written application mentioned under Section 9.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 Redemptions will be paid in EUR within three (3) Business Days after the relevant Valuation Day.

9.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.

9.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of Net Asset Value as determined in Section 25 of the General Section. No Redemption Fee will be levied.

## 10. CONVERSION

10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.

10.2 The Conversion Form (or the written application mentioned under Section 10.1(ii)above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

10.3 No Conversion Fee will be levied.

## 11. PROVIDER FEE

11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.

11.2 The Provider Fee will also include any fees to be paid to a third party distributor of the Shares of the Sub-Fund (the **Distributor**). The Distributor will be entitled to receive out of the respective Provider Fee, a Distributor Fee for each Class as indicated under Section 6 above of this Schedule. The Distributor provides distribution services but also puts in place and maintains the infrastructure for the distribution of the Sub-Fund. In addition, the Distributor creates and supports the investor relations of the Sub-Fund.

11.3 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## 12. REMUNERATION OF THE INVESTMENT MANAGER

The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## 13. INVESTMENT ADVISER

13.1 The Management Company and the Investment Manager have appointed Bankinter Gestion de Activos, S.A., S.G.I.I.C., Madrid, Spain, as the investment adviser of the Sub-Fund (the **Investment Adviser**) pursuant to an investment advisory agreement effective as of 20 January 2017.

13.2 The Investment Adviser's registered office is at Marques de Riscal, 11. bis, 28010 Madrid, Spain.

13.3 The Investment Adviser is entitled to an Investment Advisory Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Advisory Fee is payable monthly in arrears.



**14. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure.

**15. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for non-sophisticated investors that look to preserve their wealth, but understand and are able to bear the investment risks and accept potential losses. Investments in the Sub-Fund involve a higher level of risk due to higher volatility.

In view of the Sub-Funds' type of investment strategy, it is designed for investors having a long term experience with investments in funds, have a high appetite for risk and understand the risks of an equity portfolio. The Sub-Fund is suitable for investors who want to achieve long-term growth of capital and who can afford some losses if medium-term gains (3 to 5 years) are above annual inflation.

## SCHEDULE 14– BANKINTER INTERNATIONAL FUND SICAV – LAURISILVA GLOBAL STRATEGY

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Laurisilva Global Strategy (the **Sub-Fund**).

### 1. INVESTMENT POLICY

#### 1.1 Investment objective and strategy

##### *Objective*

The main investment objective of the Sub-Fund is the preservation of capital in the long term via a prudent management of the assets by investing in transferable securities issued by companies through the world with a limited exposure to equity with no particular benchmark.

**There can be no guarantee of achieving any specific return on the investors.**

##### *Strategy*

The Sub-Fund is actively managed and plans to achieve its investment objective through investments in mainly investment grade bonds with different maturities (ranging from treasury bills to notes with longer maturities) and with different rates (fixed, floating and variable), including convertible bonds directly or via investments in other UCITS or UCIs and on an ancillary basis in equity securities from all geographical areas, directly or via investments in other UCITS or UCI within the investment restrictions stated in Section 1.3.

The Sub-Fund will have a limited exposure to the equities market as in particular set out in Section 1.3 below. The choice of investments of the Sub-Fund will neither be limited by geographical area (including emerging markets), industrial or economic sector, nor in terms of currencies in which investments will be denominated, although the investments will be mainly done in USD or EUR unless market circumstances recommend otherwise.

The Sub-Fund may also invest up to 49% of its net assets in Money Market Instruments issued by an EU Member State or an OECD Member State, and in deposits or call deposits with a credit institution having its registered office in an EU Member State or an OECD Member State and with a maximum term of one year.

#### 1.2 Use of Financial Derivative Instruments and other EPM Techniques

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedging purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.6 to 6.9 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor OTC Derivative transactions. However, the Sub-Fund may use exchange traded derivatives, in particular for currency hedging purposes.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### 1.3 Investment restrictions

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions subject to the investment policy set out in Section 1.1 above:

- The Sub-Fund may invest up to 100% of its assets in UCITS or UCIs for flexibility purposes. UCITS or other eligible UCIs which, according to their legal documents, charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The cumulative exposure to non-investment grade debt securities (high yield securities) with a credit rating below BBB- (Standard and Poor's or an equivalent rating assigned by another independent agency) and debt issued by public or private entities located in emerging countries will not exceed 20% of the Sub-Fund's net assets.
- The Sub-Fund may invest up to 10% of the net assets of the Sub-Fund in Contingent Convertible Bonds directly or via investments in other UCITS or UCIs.
- The Sub-Fund does not invest in distressed and/or defaulted securities.
- The Sub-Fund does not intend to invest in structured products.
- The Sub-Fund will invest at least 50% of its assets in securities denominated in EUR or USD.
- The Sub-Fund may invest up to 25% of its net assets in equities (directly or indirectly via investments in UCITS or UCIs with a predominant exposure to equity).
- The Sub-Fund may invest up to 10% of its net assets in China only indirectly via investments in UCITS or UCIs.

#### **1.4 Cash and cash equivalent**

The Sub-Fund may hold cash on an ancillary basis.

Where financial market conditions so require, up to 100% of the net assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents for defensive purposes, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

#### **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

#### **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### **4. VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated on each Business Day (the **Valuation Day**).

## 5. DISTRIBUTION

- 5.1 The Board does currently not intend to propose the distribution of a cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.
- 5.2 The Shareholders may vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of a dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.
- 5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and reverted to the Sub-Fund.

## 6. CLASSES

The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 1.50% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.
Investment Management Fee	Up to 1.50% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

## 7. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund will commence on 25 June 2021 and will end on 31 July 2021 (the **Initial Offering Period**).

## **8. ONGOING SUBSCRIPTION**

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (i) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

8.2 The Subscription Form (or the written application mentioned under Section 8.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.

8.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth. No Subscription Fee will be levied.

## **9. REDEMPTION**

9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or
- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.

9.2 The Redemption Form (or the written application mentioned under Section 9.1(ii) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 Redemptions will be paid in EUR within three (3) Business Days after the relevant Valuation Day.

9.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.

9.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of Net Asset Value as determined in Section 25 of the General Section. No Redemption Fee will be levied.

## **10. CONVERSION**

10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:

- (i) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or

- (ii) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.

10.2 The Conversion Form (or the written application mentioned under Section 10.1(ii)above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

10.3 No Conversion Fee will be levied.

## **11. PROVIDER FEE**

11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.

11.2 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **12. REMUNERATION OF THE INVESTMENT MANAGER**

12.1 The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **13. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure.

## **14. SPECIFIC RISK FACTORS**

The Sub-Fund is subject to specific risks linked to indirect investments in China and to investments in high-yield securities. Please refer to the Section 6 headed "Risk factors" of the main body of the Prospectus for further details in this connection.

## **15. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for non-sophisticated investors that look to preserve their wealth, but understand and are able to bear the investment risks and accept potential losses. Investments in the Sub-Fund involve a higher level of risk due to higher volatility.

In view of the Sub-Funds' type of investment strategy, it is designed for investors having a long term experience with investments in funds, have a high appetite for risk and understand the risks of an equity portfolio. The Sub-Fund is suitable for investors who want to achieve long-term growth of capital and who can afford some losses if medium-term gains (3 to 5 years) are above annual inflation.

## **SCHEDULE 15- BANKINTER INTERNATIONAL FUND SICAV – DYNAMIC ALLOCATION**

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Dynamic Allocation (the **Sub-Fund**).

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective and strategy**

##### *Objective*

The main investment objective of the Sub-Fund is geared, in the long term, towards generating capital growth by investing in transferable securities issued by companies through the world with no particular benchmark.

**There can be no guarantee of achieving any specific return on the investors.**

##### *Strategy*

The Sub-Fund is actively managed and plans to achieve its investment objective mainly through investments in equities securities, ETFs, bonds, including convertible and hybrid bonds and commodities (investment in commodities via eligible ETFs or ETCs only) from all geographical areas, directly or via investments in other UCITS or UCI within the investment restrictions stated in Section 1.3.

The choice of investments of the Sub-Fund will neither be limited by capitalisation size, geographical area (including emerging markets), industrial or economic sector, nor in terms of currencies in which investments will be denominated, although the investments will be mainly done in USD or EUR unless market circumstances recommend otherwise.

The Sub-Fund may also invest up to 33% in Money Market Instruments issued by an EU Member State or an OECD Member State, and in deposits or call deposits with a credit institution having its registered office in an EU Member State or an OECD Member State and with a maximum term of one year.

#### **1.2 Use of Financial Derivative Instruments and other EPM Techniques transactions**

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedge purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.6 to 6.9 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor OTC Derivative transactions. However, the Sub-Fund may use exchange traded derivatives, in particular for currency hedging purposes.

The Sub-Fund will not make use of SFT and TRS under SFTR.

### 1.3 Investment restrictions

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions subject to the investment policy set out in Section 1.1 above:

- The Sub-Fund may invest between 25% and 85% of its net assets in equities (directly or indirectly via investments in UCITS or UCIs with a predominant exposure to equity). Under exceptional circumstances the exposure to equity may raise up to 100%.
- The Sub-Fund may invest between 15% and 75% of its net assets in bonds (directly or indirectly via investments in UCITS or UCIs with a predominant exposure to debt).
- The Sub-Fund may invest up to 25% of its assets in securities listed in any Regulated Market located in Emerging Markets directly or via investments in other UCITS or UCIs.
- The Sub-Fund may invest up to 100% of its assets in UCITS for flexibility purposes and under exceptional circumstances. UCITS or other eligible UCIs which, according to their legal documents, charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The exposure to non-investment grade debt securities (high yield securities) with a credit rating below BBB- (Standard and Poor's or an equivalent rating assigned by another independent credit agency) will not exceed 25% of the Sub-Fund's net assets directly or via investments in other UCITS or UCIs.
- The Sub-Fund may invest up to 10% of the net assets of the Sub-Fund in Contingent Convertible Bonds directly or via investments in other UCITS or UCIs.
- The Sub-Fund may invest up to 10% of the net assets of the Sub-Fund in hybrid bonds directly or via investments in other UCITS or UCIs.
- The Sub-fund may invest up to 10% of its assets in commodities via eligible ETFs or ETCs only.
- The Sub-Fund may invest up to 10% of its net assets in China only indirectly via investments in UCITS or UCIs.
- The Sub-Fund does not invest in Structured products, Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS).

### 1.4 Cash and cash equivalent

The Sub-Fund may hold cash on an ancillary basis.

Where financial market conditions so require, up to 100% of the net assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents for defensive purposes, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.



## 2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund is EUR.

## 3. TERM OF THE SUB-FUND

The Sub-Fund has been created for an unlimited period of time.

## 4. VALUATION DAY

Each Business Day is a Valuation Day.

## 5. DISTRIBUTION

5.1 The Board does currently not intend to propose the distribution of a cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.

5.2 The Shareholders may vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of a dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.

5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and reverted to the Sub-Fund.

## 6. CLASSES

The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 1.50% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.

Investment Management Fee	Up to 1.50% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.
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## 7. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund will commence on 11 June 2021 and will end on 31 July 2021.

## 8. ONGOING SUBSCRIPTION

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (a) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or
- (b) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

8.2 The Subscription Form (or the written application mentioned under Section 8.1(b) above) must be received by the Company at latest at 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.

8.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth.

8.5 No Subscription Fee will be levied.

## 9. REDEMPTION

9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

- (a) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or
- (b) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.

9.2 The Redemption Form (or the written application mentioned under Section 9.1(b) above) must be received by the Company at latest at 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 Redemptions will be paid in EUR within three (3) Business Days after the relevant Valuation Day.

- 9.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.
- 9.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of Net Asset Value as determined in Section 25 of the General Section.
- 9.6 No Redemption Fee will be levied.

## **10. CONVERSION**

- 10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:
- (a) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or
  - (b) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.
- 10.2 The Conversion Form (or the written application mentioned under Section 10.1(b) above) must be received by the Company at latest on 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.
- 10.3 No Conversion Fee will be levied.

## **11. PROVIDER FEE**

- 11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.
- 11.2 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **12. REMUNERATION OF THE INVESTMENT MANAGER**

- 12.1 The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **13. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure.

## **14. SPECIFIC RISK FACTORS**

The Sub-Fund is subject to specific risks linked to contingent convertible bonds, investments in emerging markets, indirect investments in China and to investments in high-yield securities. Please refer to the Section 6 headed "Risk factors" of the main body of the Prospectus for further details in this connection.

## **15. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for non-sophisticated investors that look to preserve their wealth, but understand and are able to bear the investment risks and accept potential losses. Investments in the Sub-Fund involve a higher level of risk due to higher volatility.

In view of the Sub-Funds' type of investment strategy, it is designed for investors having a long term experience with investments in funds, have a high appetite for risk and understand the risks of an mixed equity and bond portfolio. The Sub-Fund is suitable for investors who want to achieve long-term growth of capital and who can afford some losses if medium-term gains (3 to 5 years) are above annual inflation.

## **SCHEDULE 16 - BANKINTER INTERNATIONAL FUND SICAV – MODERATE ALLOCATION**

This Schedule is valid only if accompanied by the General Section of the Prospectus. This Schedule refers only to Bankinter International Fund SICAV – Moderate Allocation (the **Sub-Fund**).

### **1. INVESTMENT POLICY**

#### **1.1 Investment objective and strategy**

##### *Objective*

The main investment objective of the Sub-Fund is geared, in the long term, towards generating capital growth by investing in transferable securities issued by companies through the world with no particular benchmark.

**There can be no guarantee of achieving any specific return on the investors.**

##### *Strategy*

The Sub-Fund is actively managed and plans to achieve its investment objective mainly through investments in bonds and equities with a minimum exposure of 51% via investments in other UCITS or UCI. On ancillary basis, the Sub-Fund will invest in convertible and hybrid bonds, within the investment restrictions stated in Section 1.3.

The choice of investments of the Sub-Fund will neither be limited by capitalisation size, geographical area (including emerging markets), industrial or economic sector, nor in terms of currencies in which investments will be denominated, although the investments will be mainly done in OECD currencies.

The Sub-Fund may also invest up to 33% in Money Market Instruments issued by an EU Member State or an OECD Member State, and in deposits or call deposits with a credit institution having its registered office in an EU Member State or an OECD Member State and with a maximum term of one year.

#### **1.2 Use of Financial Derivative Instruments and other EPM Techniques transactions**

In accordance with Section 4 of the General Section, the Sub-Fund is entitled to open positions in Financial Derivative Instruments for investment and for hedging purposes. The use of Financial Derivative Instruments may increase the volatility of the Sub-Fund. In accordance with Section 4 of the General Section, the Sub-Fund may use EPM Techniques. Investors should refer to Section 6.6 to 6.9 of the General Section for special risk considerations applicable to Financial Derivative Instruments and EPM Techniques.

Currently the Sub-Fund does not make use of any EPM Techniques nor OTC Derivative transactions. However, the Sub-Fund may use exchange traded derivatives, in particular for currency hedging purposes.

The Sub-Fund will not make use of SFT and TRS under SFTR.

#### **1.3 Investment restrictions**

In addition to the investment restrictions set out under Section 4 of the General Section, the Sub-Fund will comply with the following investment restrictions subject to the investment policy set out in Section 1.1 above:

- The Sub-Fund may invest up to 100% of its net assets in bonds (directly or indirectly via investments in UCITS or UCIs with a predominant exposure to debt).
- The Sub-Fund may invest up to 50% of its net assets in equities (directly or indirectly via investments in UCITS or UCIs with a predominant exposure to equity).
- The Sub-Fund may invest up to 20% of its assets in securities listed in any Regulated Market located in Emerging Markets directly or via investments in other UCITS or UCIs.
- UCITS or other eligible UCIs which, according to their legal documents, charge management fees exceeding 3% of their net asset value are not eligible for investment.
- The exposure to non-investment grade debt securities (high yield securities) with a credit rating below BBB- (Standard and Poor's or an equivalent rating assigned by another independent credit agency) will not exceed 20% of the Sub-Fund's net assets directly or via investments in other UCITS or UCIs.
- The Sub-Fund may invest up to 10% of the net assets of the Sub-Fund in Contingent Convertible Bonds directly or via investments in other UCITS or UCIs.
- The Sub-Fund may invest up to 10% of the net assets of the Sub-Fund in hybrid bonds directly or via investments in other UCITS or UCIs.
- The Sub-fund may invest up to 15% of its assets in commodities via eligible ETFs or ETCs only.
- The Sub-Fund does not invest in Structured products, Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS).

#### 1.4 **Cash and cash equivalent**

The Sub-Fund may hold cash on an ancillary basis.

Where financial market conditions so require, up to 100% of the net assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents for defensive purposes, subject to compliance with the principle of risk diversification.

While the Sub-Fund does not borrow cash for investment purposes, a temporary shortage of cash may be covered by the use of a credit facility provided by a credit institution subject to the condition that this borrowing is temporary and does not exceed 10% of the Sub-Fund's Net Asset Value.

#### 2. **REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR.

#### 3. **TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### 4. **VALUATION DAY**

Each Business Day is a Valuation Day.

## 5. DISTRIBUTION

- 5.1 The Board does currently not intend to propose the distribution of a cash dividend. Income and capital gains will be accumulated and will be capitalised within the Net Asset Value of the Sub-Fund.
- 5.2 The Shareholders may vote in favour of the distribution of a cash or stock dividend. In such a case the distribution of a dividend will be payable to the holders of outstanding Shares at the dividend record date. Notices of the payment of a dividend will be published in a daily newspaper in each country where the Shares are registered for public distribution.
- 5.3 Cash dividends remaining unclaimed during a period of five (5) years after their declaration will be forfeited and reverted to the Sub-Fund.

## 6. CLASSES

The Board has opened the following Class with the following features:

Class	A
Distribution or accumulation	Accumulation
Reference Currency	EUR
Minimum Subscription Amount	EUR10
Initial Subscription Price	EUR10
Management Fee	Up to 0.05% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month subject to a minimum fee of up to EUR7,500 p.a..
Provider Fee	Up to 1.50% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month.
Investment Management Fee	Up to 1.50% p.a. of the average Net Asset Value of each Class within the Sub-Fund during the relevant month, out of the Provider Fee.

## 7. SUBSCRIPTION DURING THE INITIAL OFFERING PERIOD

The Initial Offering Period of the Sub-Fund will commence on 11 June 2021 and will end on 31 July 2021.

## **8. ONGOING SUBSCRIPTION**

8.1 The subscription of Shares may be made by investors under one of the two methods described below:

- (a) A duly completed, dated and signed Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule, or
- (b) A written, dated and signed application used by a Distributor and contains at least the information required by the Subscription Form is submitted to the Company within the cut-off times indicated under Section 8.2 of this Schedule.

8.2 The Subscription Form (or the written application mentioned under Section 8.1(b) above) must be received by the Company at latest at 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for subscription received after that cut-off time will be deferred to the next following Valuation Day.

8.3 Payment of the subscription price must be made in full within three (3) Business Days after the relevant Valuation Day.

8.4 After the Initial Offering Period, Shares are issued at the Net Asset Value per Share rounded up to the nearest whole hundredth.

8.5 No Subscription Fee will be levied.

## **9. REDEMPTION**

9.1 A Shareholder is entitled to apply for the redemption of his/her/its Shares in accordance with one of the two methods described below:

- (a) A duly completed, dated and signed Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section, or
- (b) A written, dated and signed application used by a Distributor and contains at least the information required by the Redemption Form is submitted to the Administrative Agent within the cut-off times indicated under Section 9.2 of this Section.

9.2 The Redemption Form (or the written application mentioned under Section 9.1(b) above) must be received by the Company at latest at 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for redemption received after that cut-off time will be deferred to the next following Valuation Day.

9.3 Redemptions will be paid in EUR within three (3) Business Days after the relevant Valuation Day.

9.4 Shares are redeemed at the Net Asset Value per Share rounded up to the nearest whole hundredth.

9.5 A request to redeem Shares duly made is irrevocable except during the period of suspension of Net Asset Value as determined in Section 25 of the General Section.

9.6 No Redemption Fee will be levied.

## **10. CONVERSION**

10.1 A Shareholder is entitled to apply for the conversion of his/her/its Shares held in this Sub-Fund into Shares issued by another Sub-Fund in accordance with one of the two methods described below:



- (a) A duly completed, dated and signed Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule, or
- (b) A written, dated and signed application used by a Distributor and contains at least the information required by the Conversion Form is submitted to the Administrative Agent within the cut-off times indicated under Section 10.2 of this Schedule.

10.2 The Conversion Form (or the written application mentioned under Section 10.1(b) above) must be received by the Company at latest at 15.00 (Luxembourg time) on the Business Day which precedes the Valuation Day. Application for conversions received after that cut-off time will be deferred to the next following Valuation Day.

10.3 No Conversion Fee will be levied.

## **11. PROVIDER FEE**

11.1 The Management Company will be entitled to receive out of the Sub-Fund's assets a Provider Fee calculated at the annual rates set out in the table in Section 6 above.

11.2 In addition, the Management Company will receive a distribution fee of EUR 1,500 p.a. and levy a fee of EUR 85 per month for extraordinary assistance and out-of-pocket expenses.

## **12. REMUNERATION OF THE INVESTMENT MANAGER**

12.1 The Investment Manager is entitled to receive from the Management Company, out of the respective Provider Fee, an Investment Management Fee for each Class as indicated under Section 6 above of this Schedule. The Investment Management Fee is payable monthly in arrears.

## **13. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure.

## **14. SPECIFIC RISK FACTORS**

The Sub-Fund is subject to specific risks linked to contingent convertible bonds, investments in emerging markets, distressed securities and to investments in high-yield securities. Please refer to the Section 6 headed "Risk factors" of the main body of the Prospectus for further details in this connection.

## **15. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for non-sophisticated investors that look to preserve their wealth, but understand and are able to bear the investment risks and accept potential losses. Investments in the Sub-Fund involve a higher level of risk due to higher volatility.

In view of the Sub-Funds' type of investment strategy, it is designed for investors having a long term experience with investments in funds, have a moderate appetite for risk and understand the risks of funds of funds portfolio composed mainly of financial instrument securities. The Sub-Fund is suitable for investors who want to achieve long-term growth of capital and who can afford some losses if medium-term gains (3 to 5 years) are above annual inflation.