

# **APERTURE INVESTORS SICAV**

*Société d'investissement à capital variable (SICAV)*

*Luxembourg*

an undertaking for collective investment in transferable securities (UCITS)  
in the form of an open-ended investment company with variable share capital

subject to the Luxembourg law of 17 December 2010 relating to  
undertakings for collective investment, as amended

**Prospectus for  
Switzerland**

**JANUARY 2025**

## TABLE OF CONTENTS

<b>1.</b>	<b>INTRODUCTION</b> .....	<b>4</b>
<b>2.</b>	<b>DEFINITIONS</b> .....	<b>6</b>
<b>3.</b>	<b>ORGANISATION OF THE FUND</b> .....	<b>13</b>
3.1	Registered office .....	13
3.2	Board of Directors .....	13
3.3	Administration .....	13
<b>4.</b>	<b>INVESTMENT OBJECTIVES AND POLICIES</b> .....	<b>15</b>
4.1	Authorised investments.....	15
4.2	Prohibited investments.....	17
4.3	Risk diversification limits .....	18
4.4	Control limits .....	21
4.5	Financial techniques and instruments .....	22
4.6	Global exposure limits .....	34
4.7	Breach of investment limits .....	35
<b>5.</b>	<b>POOLING</b> .....	<b>35</b>
<b>6.</b>	<b>RISKS</b> .....	<b>37</b>
6.1	General .....	37
6.2	Specific risks .....	45
<b>7.</b>	<b>MANAGEMENT AND ADMINISTRATION</b> .....	<b>59</b>
7.1	The Board of Directors.....	59
7.2	The Management Company.....	59
7.3	The Investment Managers .....	61
7.4	The Depository.....	62
7.5	The Domiciliary and Administrative Agent, Registrar and Transfer Agent, Paying Agent ....	66
7.6	The Global Distributors/the Distributors .....	66
7.7	The Auditor .....	67
7.8	Conflicts of interest.....	67
<b>8.</b>	<b>SHARES</b> .....	<b>67</b>
8.1	Shares Class Category .....	69
8.2	Dividend policy .....	70
8.3	Hedging policy.....	71
8.4	Subscription for Shares.....	71
8.5	Redemption of Shares .....	75
8.6	Conversion of Shares .....	77
8.7	Late trading and market timing.....	79

8.8	Temporary suspension of subscriptions, redemptions and conversions .....	79
8.9	Procedures for subscriptions, redemptions and conversions representing 10% or more of any Sub-fund.....	79
<b>9.</b>	<b>FEES AND CHARGES .....</b>	<b>80</b>
9.1	Subscription commission.....	80
9.2	Redemption commission.....	80
9.3	Conversion commission.....	80
9.4	Fund Charges .....	81
<b>10.</b>	<b>NET ASSET VALUE .....</b>	<b>86</b>
10.1	Definition .....	86
10.2	Temporary Suspension of Determination of Net Asset Value per Share.....	89
10.3	Net Asset Value adjustment ("Swing Pricing").....	90
10.4	Publication of Net Asset Value per Share.....	91
<b>11.</b>	<b>GENERAL INFORMATION.....</b>	<b>92</b>
11.1	Annual and Semi-annual Reports.....	92
11.2	General Meetings .....	92
11.3	Investors' rights.....	92
11.4	Changes to this Prospectus .....	93
11.5	Benchmarks Regulation .....	93
11.6	SFDR related disclosures .....	94
11.7	Documents Available for Inspection .....	96
11.8	Data protection .....	97
11.9	Liquidation – Termination and amalgamation of Sub-fund.....	98
11.10	Applicable law.....	100
<b>12.</b>	<b>TAXATION.....</b>	<b>100</b>
12.1	The Fund .....	101
12.2	Shareholders.....	101
12.3	Common Reporting Standard .....	101
12.4	FATCA .....	102
12.5	UK reporting fund status .....	104
	<b>APPENDIX A DETAILS OF EACH SUB-FUND .....</b>	<b>105</b>
	Credit Opportunities Fund.....	106
	European Innovation Fund .....	119
	Small Cap Innovation Fund .....	129
	Discover Equity Fund.....	139
	<b>ANNEX I – SFDR RELATED INFORMATION .....</b>	<b>149</b>

## 1. INTRODUCTION

This Prospectus contains information about Aperture Investors SICAV that a prospective investor should consider before investing in the Fund and should be retained for future reference.

The Fund is a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

The Fund has been authorised by the *Commission de Surveillance du Secteur Financier* (CSSF) which is the Luxembourg supervisory authority of the financial market. However, such authorisation does not require the CSSF to approve or disapprove either the adequacy or accuracy of this Prospectus or the portfolio of assets held by the Fund. Any declaration to the contrary should be considered as unauthorised and illegal.

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-funds. Shares in the Fund are shares in a specific Sub-fund. The Fund may issue Shares of different Share Classes in each Sub-fund. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of investors. Investors should refer to section 8 of this Prospectus for further information on characteristics of Share Classes.

The Fund is registered with the Luxembourg Trade and Companies Register under number B 230397. The Articles of Incorporation were published in the *Recueil Electronique des Sociétés et Associations* of the Grand Duchy of Luxembourg on 21 December 2018.

Neither delivery of the Prospectus nor anything stated herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale.

The information contained in this Prospectus is supplemented by the financial statements and further information contained in the latest Annual Report and Semi-Annual Report, copies of which may be requested free of charge at the registered office of the Fund and on the Website of the Management Company.

No Distributor, agent, salesman or other person has been authorised to give any information or to make any representation other than those contained in the Prospectus and in the documents referred to herein in connection with the offer of Shares and, if given or made, such information or representation must not be relied upon as having been authorised.

The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no material facts the omission of which would make misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

In addition to this Prospectus, the Management Company publishes a Key Information Document, as applicable ("**KID**") relating to an investment in each Sub-fund, in particular information on the risk and reward profile and the past performance or performance scenarios (as applicable).

Further a Key Investor Information Document may also be published, as applicable ("**KIID**") relating to an investment in each Sub-fund, in particular information on the profile of a typical investor and the historical performance.

The KIID and KID are available, free of charge, to each potential subscriber at the registered offices of the Management Company, the Central Administration and any Distributor as well as on the Website of the Management Company and must be considered by an investor before the conclusion of the subscription contract.

The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may be restricted or prohibited by law. No Shares may be acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. In particular, the Board of Directors has decided that US Persons would be considered as Prohibited Persons.

The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing. In particular, anti-money laundering measures in force in the Grand Duchy of Luxembourg require the Fund or its agent to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the relationship on an ongoing basis. Failure to provide information or documentation may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisers to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

**THE VALUE OF THE SHARES MAY FALL AS WELL AS RISE AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INITIALLY INVESTED. INVESTING IN THE FUND INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL.**

## 2. DEFINITIONS

<b>1915 Law</b>	the Luxembourg law of 10 August 1915 on commercial companies, as may be amended from time to time.
<b>1993 Law</b>	the law of 5 April 1993 on the financial sector, as may be amended from time to time.
<b>2004 Law</b>	the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time.
<b>Administration Agreement</b>	the agreement entered into between the Fund, the Management Company and the Central Administration governing the appointment of the Central Administration, as may be amended or supplemented from time to time.
<b>Ancillary</b>	in the Appendix A sections Investment Policy of this Prospectus must be read as "up to 30%" of a Sub-fund's net assets.
<b>Ancillary Liquid Assets</b>	ancillary liquid assets limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41 (1) of the UCI Law or for a period of time strictly necessary in case of unfavourable market conditions.
<b>Annual Report</b>	the annual report produced by the Fund in compliance with the UCI Law.
<b>Appendix</b>	the appendix(ces) to this Prospectus, which form part of this Prospectus.
<b>Articles of Incorporation</b>	the articles of association of the Fund, as may be amended from time to time.
<b>Board of Directors</b>	the board of directors of the Fund.
<b>Benchmarks Regulation</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
<b>Capitalisation Shares</b>	shares with respect to which the Fund does not intend to distribute dividends.
<b>Central Administration</b>	the domiciliary and administration agent, registrar and transfer agent, and paying agent appointed by the Management Company in accordance with the provisions of the UCI Law and the Administration Agreement, as identified in section 3 of this Prospectus.
<b>CSSF</b>	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial market.

<b>CSSF Circular 08/356</b>	CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments.
<b>CSSF Circular 14/592</b>	CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues.
<b>Depository</b>	the depository bank appointed by the Fund in accordance with the provisions of the UCI Law and the Depository Agreement, as identified in section 3 of this Prospectus.
<b>Depository Agreement</b>	the agreement entered into between the Fund and the Depository governing the appointment of the Depository, as may be amended or supplemented from time to time.
<b>Cash Equivalents</b>	means Money Market Instruments, bank deposits, treasury bonds and money market UCIs and UCITS.
<b>Directive 2013/34/EU</b>	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as may be amended from time to time.
<b>Directive (EU) 2015/849</b>	Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (Text with EEA relevance) as may be amended from time to time.
<b>Distribution Shares</b>	Shares with respect to which the Fund intends to distribute dividends and which confer on their holder the right to receive such dividends, if and when declared by the Fund.
<b>EEA</b>	the European Economic Area.
<b>Emerging Markets</b>	any country determined by each Investment Manager to have an emerging market economy, taking into account a number of factors. These factors may include whether the country has a low-to middle-income economy according to the International Bank for Reconstruction and Development (also known as the World Bank), the country's foreign currency debt rating, its location and neighboring countries, its political and economic stability and the development of its financial and capital markets. These countries may include those located in Latin America and the Caribbean, Asia, Africa, the former Soviet Union, the Middle East and the developing countries of Europe (primarily Central and Eastern Europe).

<b>EMT</b>	the following efficient portfolio management techniques: a repurchase or reverse-repurchase transaction, securities lending and securities borrowing, a buy-sell back transaction or sell-buy back transaction, as defined in SFTR.
<b>ESG</b>	environmental, social and governance.
<b>ESMA</b>	the European Securities and Markets Authority.
<b>Essentially</b>	in the Appendix A sections Investment Policy of this Prospectus must be read as "at least 70%" of a Sub-fund's net assets.
<b>ETF</b>	Exchange traded fund, qualifying as eligible Transferable Securities, UCITS or other UCIs (in the latter case, meeting the criteria laid-down under article 41 (1) (e) of the UCI Law).
<b>EU</b>	the European Union.
<b>EUR</b>	the legal currency of the Eurozone.
<b>Eurozone</b>	the monetary union of those Member States which have adopted the EUR as their common currency and sole legal tender.
<b>FATCA</b>	the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA), and other regulations promulgated thereunder.
<b>Fund</b>	Aperture Investors SICAV.
<b>GAFI</b>	Groupe d'Action Financière / Financial Action Task Force.
<b>Group of Companies</b>	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.
<b>Initial Price</b>	the price at which Shares may be subscribed for on or during the Initial Offer.
<b>Initial Offer</b>	the first day or period on or during which Shares of a Share Class will be or were available for subscription.
<b>Institutional Investor</b>	an institutional investor as defined by the administrative practice of the CSSF.
<b>Investment Grade Credit Rating</b>	credit rating from AAA to BBB- for Standard & Poors or from Aaa to Baa3 for Moody's or from AAA to BBB- for Fitch or an equivalent credit rating by a recognised credit rating agency or an equivalent credit rating as deemed by each Investment Manager.
<b>Investment Management Agreement</b>	the agreement entered into between the Fund, the Management Company and each Investment Manager governing the appointment of such Investment Manager, as may be amended or supplemented from time to time.



<b>Investment Manager</b>	the investment manager appointed by the Management Company and the Fund in accordance with the provisions of the UCI Law and the Investment Management Agreement, as identified in section 3 of this Prospectus.
<b>Luxembourg Business Day</b>	any full working day on which banks are open for normal banking business in Luxembourg (excluding Saturdays and Sundays) unless otherwise specified in Appendix A for a particular Sub-fund.
<b>Mainly</b>	in the Appendix A sections Investment Policy of this Prospectus must be read as "at least 51%" of a Sub-fund's net assets.
<b>Management Company</b>	the management company appointed by the Fund in accordance with the provisions of the UCI Law and the Management Company Agreement, as identified in section 3 of this Prospectus.
<b>Management Company Agreement</b>	the agreement entered into between the Fund and the Management Company governing the appointment of the Management Company, as may be amended or supplemented from time to time.
<b>Member State</b>	a member state of the European Union.
<b>MIFID II</b>	Directive 2014/65/EU on Markets in Financial Instruments repealing Directive 2004/39/EC, as may be amended from time to time.
<b>Money Market Instruments</b>	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
<b>Net Asset Value or NAV</b>	as the context indicates, the net asset value of the Fund, a Sub-fund, or a Share Class determined in accordance with the provisions of this Prospectus.
<b>OECD</b>	the Organisation for Economic Cooperation and Development.
<b>Prohibited Persons</b>	any person considered as a Prohibited Person in the opinion of the Board of Directors according to the criteria set out in the Articles of Incorporation and section 8.4.2 of this Prospectus.
<b>Prospectus</b>	this prospectus including all Appendices, as may be amended from time to time.
<b>Reference Currency</b>	as the context indicates, (i) in relation to the Fund, the USD, or (ii) in relation to a Sub-fund, the currency in which the assets and liabilities of the Sub-fund are valued and reported, as specified for each Sub-fund in Appendix A.
<b>Regulated Market</b>	a regulated market within the meaning of MiFID II.
<b>Regulation S Securities</b>	securities, qualifying as eligible Transferable Securities under the UCI Law, that are offered outside the United States of America without registration under the US Securities Act of 1933.
<b>REITs</b>	equity securities of closed-ended real estate investment trusts.

<b>Rule 144A Securities</b>	securities, qualifying as eligible Transferable Securities under the UCI Law, issued pursuant to Rule 144A, promulgated under the US Securities Act of 1933, which are issued with an undertaking to register with the Securities and Exchange Commission of the United States of America.
<b>Semi-Annual Report</b>	the semi-annual reports produced by the Fund.
<b>SFDR</b>	Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.
<b>SFDR RTS</b>	means Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.
<b>Share Class or Class</b>	a class of Shares of a Sub-fund created by the Board of Directors, as described in section 8 of this Prospectus. For the purposes of this Prospectus, each Sub-fund shall be deemed to comprise at least one Share Class.
<b>Share Class Category</b>	family of Shares as described in section 8.1 of this Prospectus.
<b>Shares</b>	shares of a Sub-fund or Share Class issued by the Fund.
<b>SFT Agent</b>	means any person involved in SFTs and/or TRS as agent, broker, collateral agent or service provider and that may be paid fees, commissions, costs or expenses out of any Sub-fund's revenue (which can be the counterparty of a Sub-fund in an SFT and/or a TRS).
<b>SFTR</b>	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.
<b>Stock Connect</b>	the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the mutual market access programs through which foreign investors can deal in selected securities listed on the Shanghai Stock Exchange (" <b>SSE</b> ") and the Shenzhen Stock Exchange (" <b>SZSE</b> "), respectively, through the Stock Exchange of Hong Kong (" <b>SEHK</b> ") and the clearing house in Hong Kong.
<b>Subscription Form</b>	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation,

in order to make an initial and/or additional application for subscription of Shares.

<b>Sub-fund</b>	a sub-fund of the Fund. Under Luxembourg law, each Sub-fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Fund arising in respect of the creation, operation or liquidation of a Sub-fund will be limited to the assets allocated to that Sub-fund.
<b>Sub-Investment Grade Credit Rating</b>	credit rating below BBB- for Standard & Poors or below Baa3 for Moody's or below BBB- for Fitch or an equivalent credit rating by a recognised credit rating agency or an equivalent credit rating as deemed by each Investment Manager.
<b>Sustainability Factors</b>	Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters
<b>Sustainability Risk(s)</b>	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.
<b>Transferable Securities</b>	shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange; excluding the techniques and instruments referred to in section 4.5.2 of this Prospectus.
<b>UCI</b>	undertaking for collective investment within the meaning of article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in Transferable Securities and other liquid financial assets.
<b>UCI Law</b>	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
<b>UCITS</b>	Undertakings for collective investment in transferable securities.
<b>UCITS-CDR</b>	Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC with regard to obligations of depositaries.
<b>UCITS Directive</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast), as amended by Directive 2014/91/EU of the European Parliament and Council of 23 July 2014 as regards depositary functions, remuneration policies and sanctions, as may be further amended in the future.

<b>US Person</b>	for purposes of this Prospectus, but subject to such applicable laws and to such changes as may be notified by the Fund to applicants for and transferees of Shares, a US Person shall have the meaning set forth in Regulation S promulgated under the US Securities Act of 1933.
<b>US Securities Act of 1933</b>	United States Securities Act of 1933, as amended.
<b>USD</b>	the legal currency of the United States of America.
<b>Valuation Day</b>	unless otherwise specified in Appendix A for a given Sub-fund, any Luxembourg Business Day.
<b>Variable Share Class</b>	A Share Class subject to a Variable Management Fee.
<b>Website of the Management Company</b>	<a href="http://www.generali-investments-luxembourg.com">www.generali-investments-luxembourg.com</a>

### 3. ORGANISATION OF THE FUND

#### 3.1 Registered office

##### **Aperture Investors SICAV**

(registered office)

49, avenue J.F. Kennedy

L-1855 Luxembourg

Grand Duchy of Luxembourg

Luxembourg B 230397

Mr Pierluigi Martino

Director

General Counsel / Group Investments Asset  
and Wealth Management

Mr Timothy Cameron Rainsford

Head of Product and Distribution

Generali Asset Management S.p.A. Società  
di gestione del risparmio.

#### 3.2 Board of Directors

##### CHAIRMAN OF THE BOARD OF DIRECTORS

Mr Paolo Casadonte

Head of Projects & Business Relationship  
Management

Assicurazioni Generali S.p.A.

Mrs Sophie Mosnier

Independent Director

41, rue du Cimetière

L-3350 Leudelange

Grand Duchy of Luxembourg

Mr Geoffroy Linard de Guertechin

Independent Director

2, rue Jean-Pierre Beicht

L-1226 Luxembourg

Grand Duchy of Luxembourg

##### OTHER MEMBERS OF THE BOARD OF DIRECTORS

Ms Alessia Donati

Head of Legal and Corporate Affairs

Generali Investments Luxembourg S.A.

Ms Anouk Agnes

Independent Director

22, rue Charles Darwin

L-1433 Luxembourg

Grand Duchy of Luxembourg

Mr Ben Freeman

General Counsel

Aperture Investors, LLC

##### AUDITOR OF THE MANAGEMENT COMPANY

Ms Evi Christine Vogl

Independent Director

Antonienstr. 1

D-80802 Munich

Germany

KPMG Luxembourg, *Société coopérative*

39, avenue J.F. Kennedy

L-1855 Luxembourg

Grand Duchy of Luxembourg

#### 3.3 Administration

##### MANAGEMENT COMPANY

Generali Investments Luxembourg S.A.

4, rue Jean Monnet

L-2180 Luxembourg

Grand Duchy of Luxembourg

##### DAY-TO-DAY MANAGERS OF THE MANAGEMENT COMPANY

Mrs Ilaria Drescher

Manager

Generali Investments Luxembourg S.A.

##### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr Erionald Lico

Manager

Generali Investments Luxembourg S.A.

Mr Carlo Angelo TRABATTONI

Chairman, Director

Generali Real Estate S.G.R. S.p.A.

Mr Stefano Portolan

Manager

Generali Investments Luxembourg S.A.

## INVESTMENT MANAGERS

Aperture Investors UK, Ltd  
1 Old Queen Street, 1st Floor  
London, SW1H 9JA  
United Kingdom

Aperture Investors, LLC  
250 West 55th Street, 30th Floor  
New York, NY 10019  
United States of America

## DEPOSITARY

State Street Bank International GmbH,  
Luxembourg Branch  
49, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## DOMICILIARY AND ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT, AND PAYING AGENT

State Street Bank International GmbH,  
Luxembourg Branch  
49, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## AUDITOR

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

## LEGAL ADVISOR

Allen Overy Shearman Sterling SCS  
5, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## **4. INVESTMENT OBJECTIVES AND POLICIES**

The main objective of the Fund is to seek capital appreciation by investing in a range of diversified Transferable Securities and/or other liquid financial assets permitted by law through the constitution of different professionally managed Sub-funds.

Each Sub-fund has a specific investment objective and policy described for each Sub-fund in Appendix A. The investments of each Sub-fund must comply with the provisions of the UCI Law. The investment restrictions and policies set out in this section 4 apply to all Sub-funds, without prejudice to any specific rules adopted for a Sub-fund, as described in Appendix A. The Board of Directors may impose additional investment guidelines for each Sub-fund from time to time, for instance where it is necessary to comply with local laws and regulations in countries where Shares are distributed. Each Sub-fund should be regarded as a separate UCITS for the purposes of this section 4.

### **4.1 Authorised investments**

**4.1.1** The investments of each Sub-fund must comprise only one or more of the following:

- (a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market.
- (b) Transferable Securities and Money Market Instruments dealt in on another regulated market in a Member State, which operates regularly and is recognized and open to the public.
- (c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State or dealt in on another regulated market in a non-Member State, which operates regularly and is recognized and open to the public.
- (d) Recently issued Transferable Securities and Money Market Instruments provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to under (a) to (c) above or, in the case of Rule 144A Securities with an exchange agreement registered under the US Securities Act of 1933, an exchange right into Transferable Securities admitted to trading on a stock exchange or another Regulated Market referred to under (a), (b) and (c) above; and
  - such admission or, in the case of Rule 144A Securities with an exchange agreement registered under the US Securities Act of 1933, such exchange, is secured within one year of issue.
- (e) Shares or units of UCITS or other UCI, whether or not established in a Member State, provided that:
  - such other UCI are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law and that cooperation between authorities is sufficiently ensured;
  - the level of guaranteed protection for share- or unit-holders in such other UCI is equivalent to that provided for share- or unit-holders 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;

- the business of the other UCI is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of incorporation, invested in aggregate in shares or units of other UCITS or UCIs.
- (f) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law.
- (g) Financial derivatives, including equivalent cash settled instruments, dealt in on a regulated market referred to under (a), (b) and (c) above, and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
- the underlying consists of instruments covered by this section 4.1.1, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest in accordance with its investment objectives;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF as further explained in section 4.5.4b) below, and
  - 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 market value at the initiative of the Fund.
- (h) Money Market Instruments other than those dealt in on a Regulated Market or dealt in on another market in a non-Member State which is regulated, operates regularly and is recognised and open to the public, provided that the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and that such instruments are:
- issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-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 Member States belong; or
  - issued by an undertaking any securities of which are listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraph (a), (b) or (c) above; or
  - 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



- issued by other bodies provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second and third indent of this paragraph (h), and provided that the issuer (i) is a company whose capital and reserves amount at least to ten million Euro (EUR 10,000,000) and (ii) which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, (iii) 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 (iv) is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

**4.1.2** Moreover, each Sub-fund may:

- (a) invest up to 10% of the net assets of each of the Sub-funds in Transferable Securities and Money Market Instruments other than those referred to in paragraphs (a) to (d) and (h) of section 4.1.1 of this Prospectus including Rule 144A Securities with an exchange right registered under the US Securities Act of 1933 that has not been secured in compliance with section 4.1.1(d) above;
- (b) hold Ancillary Liquid Assets up to 20% of its net assets. Liquid assets held to cover exposure to financial derivative instruments do not fall under this restriction. Each Sub-fund may exceptionally and temporarily hold liquid assets on a principal basis if the Board of Directors considers this to be in the best interest of its shareholders;
- (c) borrow the equivalent of up to 10% of its net assets on a temporary basis. Collateral arrangements to cover exposure to financial derivative instruments are not considered borrowings for the purposes of this restriction;
- (d) acquire foreign currencies by means of back-to-back loans.

**4.1.3** The Fund may acquire movable and immovable property which is essential for the direct pursuit of its business. Each Sub-fund may borrow up to 10% of its net assets for this purpose. However the total amount of borrowing for this purpose and any borrowing on a temporary basis permitted by section 4.1.2(c) of this Prospectus may not exceed 15% of the net assets of the Sub-fund.

**4.1.4** Each Sub-fund may invest into shares issued by other Sub-funds (called "**Target Sub-funds**") provided that, during the period of investment:

- (a) the Target Sub-fund does not, in turn, invest in the investing Sub-fund and no more than 10% of the net assets of the Target Sub-fund may be invested in other Sub-funds;
- (b) the voting rights attached to such Shares of the Target Sub-fund are suspended;
- (c) the value of such Share of the Target Sub-fund will not be taken into consideration for the calculation of the Net Asset Value of the Fund for the purposes of verifying the minimum threshold of net assets imposed by the UCI Law.

**4.2 Prohibited investments**

**4.2.1** The Sub-funds may not acquire commodities or precious metals or certificates representing them or hold any option, right or interest therein. Investments in debt instruments linked to, or backed by the performance of, commodities or precious metals do not fall under this restriction.

- 4.2.2** Except as set out in section 4.1.3 of this Prospectus, the Sub-funds may not invest in real estate or hold any option, right or interest in real estate. Investments in debt instruments linked to or backed by the performance of real estate or interests therein, or shares or debt instruments issued by companies which invest in real estate or interests therein, are not affected by this restriction.
- 4.2.3** The Fund may not issue warrants or other instruments giving holders the right to purchase shares in a Sub-fund.
- 4.2.4** Without prejudice to the possibility of the Sub-funds to acquire debt securities and to hold bank deposits, the Fund may not grant loans to or act as guarantor for third parties. This restriction does not prohibit any Sub-fund from investing in Transferable Securities, Money Market Instruments or other financial instruments that are not fully paid-up. Furthermore, this restriction will not prevent any Sub-fund from entering into repurchase, reverse repurchase or securities lending transactions as described in section 4.5.2 of this Prospectus.
- 4.2.5** The Sub-funds may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

### **4.3 Risk diversification limits**

If an issuer or body is a legal entity with multiple Sub-fund or compartments where the assets of each sub-fund or compartment are exclusively reserved to the investors of that Sub-fund or compartment and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund or compartment, each Sub-fund or compartment is to be considered as a separate issuer or body for the purpose of the risk diversification rules. For the calculation of the limits defined in points (1) to (5) and (7) below, companies belonging to the same Group of Companies shall be treated as a single issuer.

### **Transferable Securities and Money Market Instruments**

- (1) A Sub-fund may not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments issued by the same body.

The total value of the Transferable Securities and Money Market Instruments held by the Sub-fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This restriction does not apply to deposits with financial institutions that are governed by prudential regulations or to transactions in OTC derivative instruments with these institutions.

- (2) The 10% limit laid down in paragraph (1) above is raised to 20% in the case of Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The 10% limit laid down in paragraph (1) above is raised to a maximum of 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States are members.
- (4) The 10% limit laid down in paragraph (1) above is raised to 25% for debt securities which fall under the definition of covered bonds in point (1) of article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council and for bonds issued by a credit

institution whose registered office is in a Member State and which is subject by law to special public supervision designed to protect the holders of debt securities that were issued before 8 July 2022. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of the debt securities that were issued before 8 July 2022, are capable of covering claims attaching to the debt securities and which, in event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest. To the extent that a Sub-fund invests more than 5% of its assets in such debt securities, issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Sub-fund's net assets.

- (5) The values mentioned in paragraphs (3) and (4) above are not taken into account for the purpose of applying the 40% limit referred to in paragraph (1) above.
- (6) **Notwithstanding the limits indicated above, and in accordance with the principle of risk-spreading, each Sub-fund is authorized to invest up to 100% of its assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, its local authorities, a member state of the OECD or public international bodies of which one or more Member States are members, provided that (i) the Sub-fund holds in its portfolio securities from at least six different issues and (ii) securities from any issue do not account for more than 30% of the net assets of the Sub-fund.**

#### **Index replicating Sub-funds**

- (7) Without prejudice to the limits laid down in section 4.4 of this Prospectus, the limits laid down in paragraph (1) above are raised to maximum 20% for investment in shares and/or debt securities issued by the same body and when the investment policy of the Sub-fund is aimed at duplicating the composition of a certain share or debt securities index, which is recognized by the CSSF and meets the following criteria:
- the index's composition is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers;
  - the index is published in an appropriate manner.

The 20% limit is increased to 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for one single issuer.

#### **Bank deposits**

- (8) Each Sub-fund may invest up to 20% of its net assets in deposits made with the same entity.

#### **Derivatives**

- (9) The counterparty risk exposure arising from OTC derivative transactions and efficient portfolio management techniques (as described below) undertaken with a single body for

the benefit of a Sub-fund may not exceed 10% of the Sub-fund's net assets when the counterparty is a credit institution referred to in section 4.1.1(f) of this Prospectus, or 5% of its net assets in other cases.

- (10) The Fund may invest in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraphs (1) to (5), (8), (16) and (17). When the Fund invests in index based financial derivative instruments, these investments do not have to be combined to the limits laid down in (1) to (5), (8), (16) and (17).
- (11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when applying the provisions laid down in paragraphs (12), (16) and (17), and when determining the risks arising on transactions in derivative instruments.
- (12) With regard to derivative instruments, the Fund, for each Sub-fund, will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The risks 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.

#### **Shares or units of UCITS or other UCI**

- (13) Each Sub-fund may not invest more than 20% of its net assets in shares or units of a single UCITS or other UCI referred to in section 4.1.1(e) above.
- (14) Furthermore, investments made in UCI other than UCITS, may not exceed, in aggregate, 30% of the net assets of the Sub-fund.
- (15) When the Fund invests in the units of other UCITS and/or other UCI that are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked by common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, the management company or other company may not charge any management fee nor any subscription or redemption fees on account of the Fund's investment in the units of other UCITS and/or other UCI.

If a Sub-fund invests a substantial proportion of its assets in other UCITS and/or other UCIs the maximum level of management fees that may be charged to both the Sub-fund and to the UCITS and/or other UCI in which it intends to invest will be disclosed in Appendix A.

#### **Combined limits**

- (16) Notwithstanding the individual limits laid down in paragraphs (1), (8) and (9), a Sub-fund may not combine:
  - investments in Transferable Securities and Money Market Instruments issued by;
  - deposits made with; and/or

➤ exposures arising from OTC derivatives transactions undertaken with;  
a single body in excess of 20% of its net assets.

- (17) The limits set out in paragraphs (1) to (5), (8) and (9) cannot be combined. Thus, investments by each Sub-fund in Transferable Securities and Money Market Instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with paragraphs (1) to (5), (8) and (9) may not exceed a total of 35% of the net assets of the Sub-fund.

## **Derogation**

During the first six (6) months following its launch, a new Sub-fund may derogate from the risk diversification limits set out in this section 4.3 and the diversification rules in the relevant Prospectus supplement, provided that the principle of risk-spreading is complied with and within the limits of the UCI Law.

### **4.4 Control limits**

**4.4.1** The Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

**4.4.2** A Sub-fund may acquire no more than:

- (i) 10% of the outstanding non-voting shares of the same issuer;
- (ii) 10% of the outstanding debt securities of the same issuer;
- (iii) 10% of the outstanding Money Market Instruments of the same issuer;
- (iv) 25% of the outstanding shares or units of the same UCITS and/or other UCI.

**4.4.3** For the purpose of this point (iv), if such target UCITS or other UCI is composed of multiple sub-funds, this restriction is applicable by reference to all shares or units issued by such target UCITS or other UCI concerned, at an umbrella fund level (i.e. all the shares or units issued by all the Sub-funds of such target UCITS or other UCI combined). The limits set in sections 4.4.1 to 4.4.2 of this Prospectus may be disregarded at the time of acquisition if at that time the gross amount of debt securities or Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

**4.4.4** The limits laid down in sections 4.4.1 to 4.4.2 of this Prospectus do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;
- Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
- Shares held in the capital of a company which is incorporated under or organised pursuant to the laws of a non-Member State provided that (i) such company invests

its assets mainly in securities of issuing bodies having their registered office in that State, (ii) under the legislation of that State, such holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State and (iii) such company observes in its investment policy the restrictions set out in section 4.3 (with the exception of section 4.3(6) and 4.3(7)) and sections 4.4.1 and 4.4.2 of this Prospectus;

- Shares held in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country/ state where the subsidiary is located, in regard to the repurchase of the shares at the shareholders request exclusively on its or their behalf.

## **4.5 Financial techniques and instruments**

### **4.5.1 General provisions**

Where specified in Appendix A for a given Sub-fund, for the purpose of efficient portfolio management and/or hedging purposes and/or investment purposes, the Fund may arrange for such Sub-fund to make use of techniques and instruments relating to Transferable Securities and Money Market Instruments or other types of underlying assets in compliance with applicable laws and regulations, including CSSF Circular 08/356, CSSF Circular 14/592, and SFTR.

Such techniques and instruments must be economically appropriate and must be realised in a cost-effective way.

The relating risks of these transactions will be adequately captured by the Management Company's risk management process.

The techniques and instruments referred to in this paragraph include, among others, the purchase and sale of call and put options and the purchase and sale of future contracts or the entering into swaps relating to foreign exchange rates, currencies, securities, indices, interest rates or other admissible financial instruments as further described herein below. The Sub-funds shall use instruments dealt in on a regulated market referred to under paragraphs (a), (b) and (c) of section 4.1.1 of this Prospectus or dealt in over-the-counter in accordance with the conditions set out in this section 4. In general, when these transactions involve the use of derivatives, the conditions and restrictions set out in this section 4 must be complied with. In addition, such techniques and instruments include EMT.

"Efficient portfolio management" allows techniques and instruments to be used for the purpose of reducing risks and/or costs and/or increasing capital or income returns with a level of risk which is consistent with the risk profile and risk diversification requirements of the relevant Sub-fund. "Investment purposes" refers to the use of techniques and instruments to fulfil the investment objectives of the relevant Sub-fund. "Hedging purposes" refers to combinations of positions on derivative instruments and/or positions in cash realised for the purpose of reducing risks linked to derivatives and/or securities held by the relevant Sub-fund.

In no case whatsoever must the recourse to transactions involving derivatives or other techniques and instruments cause the Fund to depart from the investment objectives set out in the Prospectus.

### **4.5.2 Efficient portfolio management techniques ("EMT")**

Where specified in Appendix A for a given Sub-fund, the Fund will use EMT, in accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-fund, as set out in Appendix A. The use of EMT will not result in a change of the declared investment objective of any Sub-fund or substantially increase the risk profile of such Sub-fund.

## **1. Securities lending and borrowing transactions**

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

Where specified in Appendix A for a given Sub-fund, the Fund will lend the securities included in the portfolio of that Sub-fund to a borrower using the securities lending program organised by State Street Bank International GmbH, Frankfurt Branch, acting as SFT Agent.

Securities lending transactions to be entered into exclusively aim to generate additional capital or income. Therefore, the Sub-funds will engage in securities lending transactions based on the expected revenues and costs of the transaction, which are essentially driven by the borrowers' demand for the securities held in each Sub-fund's portfolio at any time. As such, there is no restriction on the frequency under which a Sub-fund may engage into such type of transactions. Nevertheless, the Fund must ensure that (a) the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and (b) these transactions do not jeopardize the management of the Sub-fund's assets in accordance with its investment policy.

The expected and maximum portion the Net Asset Value of the Sub-funds that could be subject to securities lending transactions are disclosed in Appendix A.

Where specified in Appendix A for a given Sub-fund, the Fund will also engage for each Sub-fund in securities borrowing transactions provided that these transactions comply with the following rules:

- (1) The Fund is authorised to borrow securities within a standardised system organised by a recognised securities clearing institution or a first rate financial institution specialised in this type of transaction.
- (2) The Fund cannot sell any securities borrowed during the period of the borrowing agreement unless hedging has been arranged by means of financial instruments that will enable the Fund to return the securities borrowed when the agreement expires.
- (3) Borrowing transactions may not extend beyond a period of 30 days, nor may they exceed 50% of the aggregate market value of the securities in the portfolio of the Sub-fund concerned.
- (4) The Fund may engage in securities borrowing only in the following exceptional circumstances. First, when the Fund is committed to selling certain securities in its portfolio at a time when these securities are in the process of being registered with a government agency and are therefore not available. Second, when securities lent were not returned at the specified time. Third, to avoid the situation whereby a delivery of securities as

promised cannot be made in the event that the Depositary did not fulfil its obligation to complete delivery of the said securities.

## **2. Repurchase and reverse repurchase agreement transactions, and buy-sell back transactions**

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements ("**Repo**") for the party selling the securities or instruments, and reverse repurchase agreements ("**Reverse Repo**") for the counterparty buying them.

Buy-sell back transactions consist of transactions, not being governed by a repurchase agreement or a reverse repurchase agreement as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty selling them.

Repo/Reverse repo transactions to be entered into exclusively aim to generate additional capital or income as well as to manage excess cash. Therefore, the Sub-funds will engage in repo/reverse repo transactions to meet extraordinary short-term cash funding requirements, to manage temporary excess cash balances or to sell securities which are trading in demand in the Repo and cash markets, offering higher returns compared to holding similar securities for yield enhancement purposes.

When entering into Repo/Reverse repo transactions, a Sub-fund will generally seek to reinvest the cash collateral received in eligible financial instruments with the aim to generate additional return. As such, there is no restriction on the frequency under which a Sub-fund may engage into such type of transactions.

Where a Sub-fund engages into Repo and Reverse Repo, such transactions will be made directly with the counterparty with no involvement of intermediaries. The Investment Managers do not charge any additional costs or fees or receive any additional revenues in connection with these transactions, so that 100% of the revenues (or losses) generated by their execution are allocated to the Sub-funds.

Where specified in Appendix A for a given Sub-fund, the Fund will enter into Repo, Reverse Repo and/or buy-sell back transactions as buyer or seller of securities or instruments subject to the provisions of this section.

The counterparties to Repo, Reverse Repo, buy-sell back transactions must be establishments:

- authorised by a financial authority;
- subject to prudential supervision;
- and either be located in the EEA or in a country belonging to the Group of ten or have at least an investment grade rating. Considering such criteria, the legal form of the counterparties shall not be relevant;
- specialised in such transactions; and



- in accordance with the standard terms laid down by the GMRA (Global Master Repurchase Agreement), as applicable.

During the duration of a buy-sell back or a Reverse Repo transaction, the Fund may not sell or pledge/give as security the securities which are the subject of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired, unless it has other means of coverage.

It must ensure that it is able, at all times, to meet its redemption obligations towards its shareholders.

Securities that are the subject of buy-sell back or Reverse Repo transactions are limited to:

- (i) short term bank certificates or Money Market Instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;
- (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) bonds issued by non-governmental issuers offering an adequate liquidity;
- (v) shares quoted or negotiated on a regulated market of a Member State or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

The securities purchased through buy-sell back or Reverse Repo transactions must be in accordance with the Sub-fund investment policy and must, together with the other securities that it holds in its portfolio, globally comply with its investment restrictions.

The expected and maximum portion of the Net Asset Value of the Sub-funds that could be subject to Repo, Reverse Repo agreements, and buy-sell back transactions are disclosed in Appendix A.

Where it invests in such transactions, a Sub-fund may incur costs and fees. In particular, a Sub-fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Managers or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable.

All revenues arising from such transactions, net of any direct or indirect operating costs, shall be returned to the relevant Sub-fund.

### 3. Common provisions to EMT

In order to limit the exposure of a Sub-fund to the risk of default of the counterparty under an EMT, the Sub-fund will receive cash or other assets as collateral, as further specified in section 4.5.3 below.

Assets received under an EMT (other than as collateral) are held by the Depositary or its delegate in accordance with section 7.4 of this Prospectus.

The Annual report will contain information on income from EMT for the Sub-funds' entire reporting period, together with details of the Sub-funds' direct and indirect operational costs and fees, insofar as they are associated with the management of the corresponding Sub-fund.

The Annual Report will also provide information on the identity of entities to which such costs and fees are paid and any affiliation they may have with the Management Company, the Investment Managers or the Depositary, as the case may be.

#### 4.5.3 Management of collateral for OTC derivatives and EMT

As guarantee for any EMT and OTC derivatives transactions, the relevant Sub-fund will obtain the following type of collateral covering at least the market value of the financial instruments object of EMT and OTC derivatives:

- (i) liquid assets which include not only cash and short term bank certificates, but also Money Market Instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets.

Haircut comprised between 0% and 2% depending on market conditions;

- (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 worldwide scope.

Haircut comprised between 0% and 5% depending on market conditions;

- (iii) shares or units issued by money market UCI calculating a daily net asset value and being assigned a rating of AAA or its equivalent.

Haircut comprised between 0% and 2% depending on market conditions;

- (iv) shares or units issued by UCITS investing mainly in bonds/shares mentioned in (v) and (vi) below.

Haircut comprised between 4% and 20% depending on market conditions;

- (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity.

Haircut comprised between 4% and 20% depending on market conditions; or

- (vi) shares admitted to or dealt in on a regulated market of a member state of the OECD, on the condition that these shares are included in a main index.

Haircut comprised between 5% and 20% depending on market conditions.

Collateral will be valued and exchanged, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the above haircut policy. That policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

The Fund, for each relevant Sub-fund, must make sure that it is able to claim its rights on the guarantee in case of the occurrence of an event requiring the execution thereof. Therefore, the guarantee must be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Fund is able to appropriate or realize the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities.

During the duration of the agreement, the guarantee cannot be sold or given as a security or pledged, except when the Sub-fund has other means of coverage.

Collateral received must at all times meet with the following criteria:

- (a) Liquidity: collateral must be sufficiently liquid in order that it can be sold quickly at a robust price that is close to its pre-sale valuation.
- (b) Valuation: collateral must be capable of being valued on at least a daily basis and must be marked to market daily.
- (c) Issuer credit quality: the Fund will ordinarily only accept high quality collateral.
- (d) Correlation: the collateral will 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.
- (e) 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 efficient portfolio management and OTC derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Sub-fund's 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 from this sub-paragraph, 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.

Such a Sub-fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-fund's Net Asset Value.

- (f) Safe-keeping: collateral must be held by the Depositary or its delegate.
- (g) Enforceable: collateral must be immediately available to the Fund without recourse to the counterparty, in the event of a default by that entity.

- (h) Non-cash collateral
  - cannot be sold, pledged or re-invested;
  - must be issued by an entity independent of the counterparty; and
  - must be diversified to avoid concentration risk in one issue, sector or country.
- (i) If the guarantee is given in the form of cash, such cash should only be:
  - (a) placed on deposit with entities prescribed in section 4.1.1(f) of this Prospectus;
  - (b) invested in high-quality government bonds;
  - (c) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and that the Fund, for each Sub-fund, is able to recall at any time the full amount of cash on accrued basis;
  - (d) invested in short-term money market funds as defined in the ESMA's guidelines on a common definition of European money market funds.

Financial assets other than bank deposits and units or shares of funds acquired by means of reinvestment of cash received as a guarantee, must be issued by an entity not affiliated to the counterparty.

Financial assets may not be pledged/given as a guarantee, except when the Sub-fund has sufficient liquid assets enabling it to return the guarantee by a cash payment.

Short-term bank deposits, money market funds and bonds referred to above must be eligible investments within the meaning of section 4.1.1 of this Prospectus.

Exposures arising from the reinvestment of collateral received by the Sub-fund shall be taken into account within the diversification limits applicable under the UCI Law.

If the short-term bank deposits referred to in (a) are likely to expose each Sub-fund to a credit risk vis-à-vis the trustee, the Fund must take this into consideration for the purpose of the limits on deposits prescribed by article 43 (1) of the UCI Law.

The Fund, when receiving collateral for at least 30% of the assets of a Sub-fund, must have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (c) reporting frequency and limit/loss tolerance threshold(s); and
- (d) mitigation actions to reduce loss including haircut policy and gap risk protection.

The reinvestment must, in particular if it creates a leverage effect, be taken into account for the calculation of each Sub-fund's global exposure. Any reinvestment of a guarantee provided in the form of cash in financial assets providing a return in excess of the risk free rate, is subject to this requirement.

Reinvestments will be mentioned with their respective value in an appendix to the Annual Report.

The Annual Report will also mention the following information:

- a) if the collateral received from an issuer has exceeded 20% of the NAV of a Sub-fund, and/or;
- b) if a Sub-fund has been fully collateralised in securities issued or guaranteed by a Member State.

#### **4.5.4 Use of financial derivative instruments ("FDI")**

##### **a) General**

The Fund, for each Sub-fund, may use FDI such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging and/or investment and/or efficient portfolio management purposes, in accordance with the provisions of this section 4 and the investment objective and policy of the Sub-fund, as set out in Appendix A. The use of FDI may not, under any circumstances, cause a Sub-fund to deviate from its investment objective.

FDI used by the Fund, for any Sub-fund, may include, without limitation, the following categories of instruments.

- (A) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of an underlying asset at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.
- (B) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.
- (C) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.
- (D) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.
- (E) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.
- (F) Credit default swaps: a credit default swap (CDS) is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt

obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread.

- (G) Total return swaps: a total return swap (TRS) is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.
- (H) Contracts for differences: a contract for differences (CFD) is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends. The difference in the settlements is generally made by payment in cash more than by physical delivery of underlying assets.

Each Sub-fund must hold at any time sufficient liquid assets to cover its financial obligations arising under FDI used.

Investments in FDI may be carried out provided the global risk relating to FDI does not exceed the total net assets of a Sub-fund.

In such context "global risk relating to FDI does not exceed the total net value of the portfolio" means that the global risk relating to the use of FDI shall not exceed 100% of the Net Asset Value and that the global risk for a Sub-fund shall not be higher on a long-term basis than 200% of the Net Asset Value. The global risk for the Sub-fund may be increased by 10% by way of temporary borrowings in such a way that such global risk shall never be higher than 210% of the Net Asset Value.

The risks 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.

Short and long positions on the same underlying asset or on assets having an important historical correlation, may be set off.

The exposure of a Sub-fund to underlying assets referenced by FDI, combined with any direct investment in such assets, may not exceed in aggregate the investment limits set out in section 4.3 of this Prospectus. However, to the extent the Fund, for a Sub-fund, invests in FDI referencing financial indices as described in sub-section g) below, the exposure of the Sub-fund to the underlying assets of the financial indices do not have to be combined with any direct or indirect investment of the Sub-fund in such assets for the purposes of the limits set out in section 4.3 of this Prospectus.

When a Transferable Security or a Money Market Instrument embeds a derivative product, the latter must be taken into account when complying with the risk diversification rules, global exposure limits and information requirements of this section 4 applicable to FDI.

## **b) OTC derivatives**

Where specified in Appendix A for a given Sub-fund, the Fund, may invest into OTC derivatives including, without limitation, TRS or other FDI with similar characteristics, in accordance with the conditions set out in this section and the investment objective and policy of the Sub-fund.

The counterparties to OTC derivatives transactions must be establishments:

- authorised by a financial authority;
- subject to prudential supervision;
- and either be located in the EEA or in a country belonging to the Group of ten or have at least an investment grade rating. Considering such criteria, the legal form of the counterparties shall not be relevant;
- specialised in such transactions; and
- in accordance with the standard terms laid down by the ISDA.

The identity of the counterparties will be disclosed in the Annual Report.

The Management Company uses a process for accurate and independent assessment of the value of OTC derivatives in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-fund to the risk of default of the counterparty under OTC derivatives, the Sub-fund may receive cash or other assets as collateral, as further specified in section 4.5.3 of this Prospectus.

Information on income from TRS and other FDI with similar characteristics, costs and fees incurred by each Sub-fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Managers or the Management Company, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in Appendix A.

Assets received under a TRS or other FDI with similar characteristics (other than as collateral) are held by the Depositary or its delegate in accordance with section 7.4 of this Prospectus.

The Sub-funds will engage in TRS or other FDI with similar characteristics based on available market opportunities and in particular depending on the market demand for the securities held in each Sub-fund's portfolio at any time and the expected revenues of the transaction compared to the market conditions on the investment side. TRS (or other FDI with similar characteristics) to be entered into exclusively aim to generate additional capital or income. As such, there is no restriction on the frequency under which a Sub-fund may engage into such type of transactions.

The expected and maximum portion of the Net Asset Value of the Sub-funds that could be subject TRS or other FDI with similar characteristics are disclosed in Appendix A.

A Sub-fund may incur costs and fees in connection with TRS or other FDI with similar characteristics, upon entering into TRS and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable.

All revenues arising from TRS or other FDI with similar characteristics, net of any direct or indirect operating costs, shall be returned to the relevant Sub-fund.

These types of transactions will be made either directly with the counterparty or through the use of a broker or intermediary.

When engaging in TRS (or other FDI with similar characteristics) directly with the counterparty (without an intermediary/broker), the Investment Managers do not charge any additional costs or

fees or receive any additional revenues, so that 100% of the revenues (or losses) generated by their execution are allocated to the Sub-funds.

Where an intermediary/broker is used, 100% of the revenues (or losses) generated by the execution of the transactions are likewise to be allocated to the Sub-funds. In such a case, the Investment Managers do not charge any additional costs or fees or receive any additional revenues in connection with these transactions.

Investors should note that additional costs may be inherent in certain products (e.g. the financing leg on a CFD), which are imposed by the counterparty based on market pricing, form part of the revenues or losses generated by the relevant product, and are allocated 100% to the Sub-funds.

### **c) Special limits relating to credit derivatives**

The Fund, for each Sub-fund, may carry out transactions on credit derivatives:

- whose underlying assets comply with the investment objectives and policy of the Sub-fund;
- that may be liquidated at any time at their valuation value;
- whose valuation, realised independently, must be reliable and verifiable on a daily basis;
- for hedging purposes or not.

If the credit derivatives are concluded for another purpose than hedging, the following requirements must be fulfilled:

- credit derivatives must be used in the exclusive interest of investors by assuming an interesting return balanced against risks of the Sub-fund and in accordance with the investment objectives;
- investment restrictions in this section 4 shall apply to the issuer of a CDS and to the risk of the final debtor of the credit derivative (underlying), except if the credit derivative is based on an index;
- the Sub-fund must ensure an appropriate and permanent covering of the commitments relating to CDS in order to be able at any time to meet the redemption requests from investors;
- claimed strategies relating to credit derivatives are notably the following (which may, as appropriate, be combined);
- to invest quickly the newly subscribed amounts in a fund in the credit market via the sale of credit derivatives;
- in case of positive anticipation on the evolution of spreads, to take a credit exposure (global or targeted) thanks to the sale of credit derivatives;
- in case of negative anticipation on the evolution of spreads, to protect or take actions (globally or targeted) by the purchase of credit derivatives.

### **d) Special limits relating to equity swaps and index swaps**



The Fund, for each Sub-fund, may conclude equity swaps and swaps on market index, in accordance with the investment restrictions in this section 4:

- where underlying assets comply with the investment objectives and policy of the Sub-fund;
- they may be liquidated at any time at their valuation value;
- whose valuation, realised independently, must be reliable and verifiable on a daily basis;
- for hedging purposes or not.

Each index will comply with the provisions of sub-section g) below.

**e) Conclusion of "Contracts for Difference" (CFD)**

The Fund, for each Sub-fund, may enter into CFD.

When these CFD transactions are carried out for a different purpose than risk hedging, the risk exposure relating to these transactions, together with the global risk relating to other derivative instruments shall not, at any time, exceed the Net Asset Value of the concerned Sub-fund.

Particularly, the CFD on Transferable Securities, on financial index or on swaps shall be used strictly in accordance with the investment policy followed by each Sub-fund. Each Sub-fund shall ensure an adequate and permanent coverage of its commitments related to CFDs in order to face the redemption requests of shareholders.

**f) Intervention on currency markets**

The Fund, for each Sub-fund, may enter into transactions on derivatives on currencies (such as forward exchange, options, futures and swaps) for hedging purposes or intended to take exchange risks within its investment policy without however diverting from its investment objectives.

Moreover, Sub-funds which follow a benchmark may also purchase or sell, forward contracts on currencies within an efficient management of its portfolio in order to maintain the same exposure on currencies as the one of the benchmark of each Sub-fund. These forward contracts on currencies must be within the limits of the benchmark of the Sub-fund in the way that an exposure in currency other than the reference currency of the Sub-fund shall not, in principle, be higher than the portion of this currency being part of the benchmark. The use of these forward contracts on currencies shall be made in the best interest of shareholders.

In addition, Sub-funds which follow a benchmark may purchase or sell, forward contracts on currencies in order to protect itself against the risk of exchange rate fluctuation with the view to acquire future investments. The hedging purpose of these transactions presupposes the existence of a direct relationship between them and the future commitments to be covered taking into account the benchmark of the Sub-funds; consequently, the transactions made in one currency may in principle no exceed the valuation of the aggregate future commitments in that currency nor exceed the presumed period during which such future commitments will be held.

**g) Derivatives referencing financial indices**

Each Sub-fund may use financial derivative instruments to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in section 4.1.1 above of this Prospectus and instruments with one or more characteristics of those assets, as well as interest rates, foreign exchange rates or currencies, other financial indices and/or other assets, such as commodities or real estate.

For the purposes of this Prospectus, a 'financial index' is an index which complies, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner.

When a Sub-fund uses derivatives on indices, the frequency of the review and rebalancing of the composition of the underlying index of such financial derivative instruments varies per index and could generally be weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the relevant Sub-fund.

These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

Further information relating to such indices is available from the Management Company on request.

## **4.6 Global exposure limits**

### **4.6.1 General**

In accordance with Luxembourg laws and regulations, the Management Company has adopted and implemented 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 Sub-funds.

The global exposure of a Sub-fund to financial derivative instruments and EMT may not exceed the Net Asset Value of the Sub-fund. Global exposure is calculated, at least on a daily basis, using either the commitment approach or the value-at-risk or "VaR" approach, as further explained below. Global exposure is a measure designed to limit either the incremental exposure and leverage generated by a Sub-fund through the use of financial derivative instruments and EMT (where the Sub-fund uses the commitment approach) or the market risk of the Sub-fund's portfolio (where the Sub-fund uses the VaR approach). The method used by each Sub-fund to calculate global exposure is mentioned for each Sub-fund in Appendix A.

### **4.6.2 Commitment approach**

Under the commitment approach, all financial derivative positions of the Sub-fund are converted into the market value of the equivalent position in the underlying assets. Netting and hedging arrangements may be taken into account when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Under this approach, the global exposure of a Sub-fund is limited to 100% of its Net Asset Value.

### **4.6.3 VaR approach**

In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR measures the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The calculation of VaR is conducted on the basis of a one-sided confidence interval of 99% and a holding period of 20 days. The exposure of the Sub-fund is subject to periodic stress tests.

VaR limits are set using an absolute or relative approach. The Management Company will decide which VaR approach is the most appropriate methodology given the risk profile and investment strategy of the Sub-fund. The VaR approach selected for each Sub-fund using VaR is specified in Appendix A.

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark for the Sub-fund (for instance, where the Sub-fund has an absolute return target). Under the absolute VaR approach a limit is set as a percentage of the Net Asset Value of the Sub-fund. Based on the above calculation parameters, the absolute VaR of each Sub-fund is limited to 20% of its Net Asset Value. The Management Company may set a lower limit if appropriate.

The relative VaR approach is used for a Sub-fund where a leverage-free VaR benchmark or reference portfolio may be defined, reflecting the investment strategy of the Sub-fund. The relative VaR of a Sub-fund is expressed as a multiple of the VaR of the defined benchmark or reference portfolio and is limited to no more than twice the VaR on that benchmark or reference portfolio. The VaR benchmark or reference portfolio of the Sub-fund using the relative VaR approach, which may be different from the benchmark used for other purposes, is specified for each relevant Sub-fund in Appendix A.

#### **4.7 Breach of investment limits**

The Sub-funds need not comply with the limits set out above in this section 4 when exercising subscription rights attached to Transferable Securities and Money Market Instruments which form part of its assets.

If the limits referred to above are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

### **5. POOLING**

In order to reduce operational administrative charges while allowing a wider diversification of the investments, the Board of Directors may decide that part or all of the assets of any Sub-fund will be co-managed with assets belonging to other Luxembourg collective investment schemes.

In the following paragraphs, the words "co-managed entities" shall refer to any Sub-fund and all entities with and between which there would exist any given co-management arrangement and the words "co-managed assets" shall refer to the entire assets of these co-managed entities and co-managed pursuant to the same co-management arrangement.

Under the co-management arrangement, each Investment Manager will be entitled to take, on a consolidated basis for the relevant co-managed entities, investment, disinvestment and portfolio readjustment decisions which will influence the composition of the Sub-fund's assets. Each co-managed entity shall hold a portion of the co-managed assets corresponding to the proportion of

its net assets to the total value of the co-managed assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management. In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investments shall be allotted to the co-managed entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed assets held by each co-managed entity.

In case of new subscriptions in one of the co-managed entities, the subscription proceeds shall be allotted to the co-managed entities pursuant to the modified proportions resulting from the net asset increase of the co-managed entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed entities, the cash required may be levied on the cash held by the co-managed entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed entity which has suffered from the redemptions and, in such cases, all lines of investment shall be adjusted to the modified proportions. Shareholders should be aware that, in the absence of any specific action by the Board of Directors or its appointed agents, the co-management arrangement may cause the composition of assets of a Sub-fund to be influenced by events attributable to other co-managed entities such as subscriptions and redemptions. Thus, all other things being equal, subscriptions received in one entity with which any Sub-fund is co-managed will lead to an increase of the Sub-fund's reserve of cash. Conversely, redemptions made in one entity with which any Sub-fund is co-managed will lead to a reduction of the Sub-fund's reserve of cash. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions must pass. The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Board of Directors or its appointed agents to decide at any time to terminate a Sub-fund's participation in the co-management arrangement permit the Sub-fund to avoid the readjustments of its portfolio if these adjustments are likely to affect the interest of the Sub-fund and of its shareholders.

If a modification of the composition of the Sub-fund's assets resulting from redemptions or payments of charges and expenses peculiar to another co-managed entity (i.e. not attributable to the Sub-fund) is likely to result in a breach of the investment restrictions applicable to the Sub-fund, the relevant assets shall be excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

Co-managed assets of any Sub-fund shall only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed assets of such Sub-fund in order to assure that investment decisions are fully compatible with the investment policy of the Sub-fund. Co-managed assets of any Sub-fund shall only be co-managed with assets for which the Depositary is also acting as depositary in order to assure that the Depositary is able, with respect to the Fund, to fully carry out its functions and responsibilities pursuant to the UCI Law. The Depositary shall at all times keep the Fund's assets segregated from the assets of other co-managed entities, and shall therefore be able at all time to identify the assets of the Fund. Since co-managed entities may have investment policies which are not strictly identical to the investment policy of one of the Sub-funds, it is possible that as a result the common policy implemented may be more restrictive than that of the Sub-fund.

The Board of Directors may decide at any time and without notice to terminate the co-management arrangement.

Shareholders may at all times contact the registered office of the Fund to be informed of the percentage of assets which are co-managed and of the entities with which there is such a co-management at the time of their request. The Annual Reports and Semi-annual Reports shall state the co-managed assets' composition and percentages.

## **6. RISKS**

### **6.1 General**

The performance of the Shares depends on the performance of the investments of the

Sub-fund, which may increase or decrease in value. The past performance of the Shares is not an assurance or guarantee of future performance. The value of the Shares at any time could be significantly lower than the initial investment and investors may lose a portion or even the entire amount originally invested.

Investment objectives express an intended result only. Unless otherwise specified in Appendix A, the Shares do not include any element of capital protection and the Fund gives no assurance or guarantee to any investors as to the performance of the Shares. Depending on market conditions and a variety of other factors outside the control of the Fund, investment objectives may become more difficult or even impossible to achieve. The Fund gives no assurance or guarantee to any investors as to as to the likelihood of achieving the investment objective of a Sub-fund.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisors to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

Investors should also carefully consider all of the information set out in this Prospectus and Appendix A before making an investment decision with respect to Shares of any Sub-fund or Share Class. This section 6 and Appendix A do not purport to be a complete explanation of all risks involved in an investment in the Shares of any Sub-fund or Share Class and other risks may also be or become relevant from time to time.

#### **6.1.1 Market risk**

Market risk is understood as the risk of loss for a Sub-fund resulting from fluctuation in the market value of positions in its portfolio attributable to changes in market variables, such as general economic conditions, interest rates, foreign exchange rates, or the creditworthiness of the issuer of a financial instrument. This is a general risk that applies to all investments, meaning that the value of a particular investment may go down as well as up in response to changes in market variables. Although it is intended that each Sub-fund will be diversified with a view to reducing market risk, the investments of a Sub-fund will remain subject to fluctuations in market variables and the risks inherent in investing in financial markets.

#### **6.1.2 Economic risk**

The value of investments held by a Sub-fund may decline in value due to factors affecting financial markets generally, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The value of investments may also decline due to factors affecting a particular industry, area or sector, such as changes in production costs and competitive conditions. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict.

When the economy performs well, there can be no assurance that investments held by a Sub-fund will benefit from the advance.

### **6.1.3 Interest rate risk**

The performance of a Sub-fund may be influenced by changes in the general level of interest rates. Generally, the value of fixed income instrument will change inversely with changes in interest rates: when interest rates rise, the value of fixed income instruments generally can be expected to fall and vice versa. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. In accordance with its investment objective and policy, a Sub-fund may attempt to hedge or reduce interest rate risk, generally through the use of interest rate futures or other derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

### **6.1.4 Foreign exchange risk (currency risk)**

Each Sub-fund investing in securities denominated in currencies other than its Reference Currency may be subject to foreign exchange risk. As the assets of each Sub-fund are valued in its Reference Currency, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in such other currencies. Foreign exchange exposure may increase the volatility of investments relative to investments denominated in the Reference Currency. In accordance with its investment objective and policy, a Sub-fund may attempt to hedge or reduce foreign exchange risk, generally through the use of derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-fund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-fund. Currency hedged Share Classes seek to limit the impact of such fluctuations through currency hedging transactions. However, there can be no assurance that the currency hedging policy will be successful at all times. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

### **6.1.5 Credit risk**

Sub-funds investing in fixed income instruments will be exposed to the creditworthiness of the issuers of the instruments and their ability to make principal and interest payments when due in accordance with the terms and conditions of the instruments. The creditworthiness or perceived creditworthiness of an issuer may affect the market value of fixed income instruments. Issuers with higher credit risk typically offer higher yields for this added risk, whereas issuers with lower credit risk typically offer lower yields. Generally, government debt is considered to be the safest in terms of credit risk, while corporate debt involves a higher credit risk. Related to that is the risk of downgrade by a rating agency. Rating agencies are private undertakings providing ratings for a variety of fixed income instruments based on the creditworthiness of their issuers. The agencies

may change the rating of issuers or instruments from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the market value of the affected instruments.

When assessing the creditworthiness of an issuer, the Management Company may rely both on the credit ratings granted by credit rating agencies and, when available, on the credit rating as defined by each Investment Manager. This process may take into consideration, among quantitative and qualitative criteria, the credit ratings granted by credit rating agencies established in the European Union and registered in accordance with the Regulation N° 462/2013 of the European Parliament and of the Council of 21 May 2013 amending Regulation N° 1060/2009 on credit rating agencies.

Equivalency table for the long-term credit ratings provided by the main credit rating agencies:

Creditworthiness		Moody's	Standard & Poor's <sup>1</sup>	Fitch	Creditworthiness Description
Investment Grade	High Grade	From Aaa to A2	From AAA to A	From AAA to A	Extremely Strong/very strong/strong capacity for an issuer to meet its financial commitments ( <b>high quality debt instruments – minimal to low credit risk</b> )
	Medium Grade	From A3 to Baa3	From A- to BBB-	From A- to BBB-	Strong/Adequate capacity for an issuer to meet its financial commitment ( <b>medium quality debt instruments – moderate to substantial credit risk</b> )
Sub-Investment Grade	Speculative Grade	From Ba1 to Ba3	From BB+ to BB-	From BB+ to BB-	Less vulnerable to non-payment than other speculative issues. Faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation ( <b>lower quality debt instruments – substantial credit risk</b> )
	Highly Speculative	From B1 to B3	From B+ to B-	From B+ to B-	More vulnerable to non-payment than obligations rated BB/Ba, but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation ( <b>lower quality debt instruments – high credit risk</b> )
	Extremely Speculative	< B3	< B-	< B-	Vulnerable/highly vulnerable to non-payment. In case of adverse business, financial, or economic conditions the obligor's is not likely to have

<sup>1</sup> Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.



					the capacity to meet its financial commitments on the obligation ( <b>very low quality debt instruments – very high credit risk</b> )
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Among Investment Grade financial instruments, "High Grade" financial instruments are those that report, at issue or issuer level, the highest creditworthiness levels according to the process implemented by the Management Company. Sub-Investment Grade financial instruments are considered "Speculative", "Highly Speculative" or "Extremely Speculative" on the basis of the credit ratings awarded by the Management Company according to its internal process.

#### 6.1.6 Distressed securities risk

Certain Sub-funds may directly or indirectly purchase securities and other obligations of securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy, insolvency or other reorganisation and liquidation proceedings ("**Distressed Companies**"). Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time or any return at all. Evaluating investments in Distressed Companies is highly complex and there is no assurance that the Investment Managers will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action.

In any reorganisation or liquidation proceeding relating to a Distressed Company in which a Sub-fund invests, such Sub-fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

In addition, distressed investments may require active participation of the Fund and/or its representatives and this may expose the Fund to litigation risks or restrict its ability to dispose of its investments. Under such circumstances, the returns generated from the Fund's investments may not compensate Shareholders adequately for the risks assumed.

There are a number of significant risks when investing in Distressed Companies that are or may be involved in bankruptcy or insolvency proceedings, including adverse and permanent effects on an issuer, such as the loss of its market position and key personnel, otherwise becoming incapable of restoring itself as a viable entity and, if converted to a liquidation, a possible liquidation value of the company that is less than the value that was believed to exist at the time of the investment. Many events in a bankruptcy or insolvency are the product of contested matters and adversary proceedings that are beyond the control of the creditors. Bankruptcy or insolvency proceedings are often lengthy and difficult to predict and could adversely impact a creditor's return on investment. The bankruptcy and insolvency courts have extensive power and, under some circumstances, may alter contractual obligations of a bankrupt company. Shareholders, creditors and other interested parties are all entitled to participate in bankruptcy or insolvency proceedings and will attempt to influence the outcome for their own benefit. Administrative costs relating to bankruptcy or insolvency proceedings will be paid out of the debtor's estate prior to any returns to creditors. Also, certain claims, such as for taxes, may have priority by law over the claims of certain creditors.

### **6.1.7 Volatility risk**

The volatility of a financial instrument is a measure of the variations in the price of that instrument over time. A higher volatility means that the price of the instrument can change significantly over a short time period in either direction. Each Sub-fund may make investments in instruments or markets that are likely to experience high levels of volatility. This may cause the Net Asset Value per Share to experience significant increases or decreases in value over short periods of time.

### **6.1.8 High-Yield risk**

Investments by a Sub-fund in fixed-income securities with Sub-Investment Grade ratings may involve greater risks of loss of income and principal than rated or higher-rated securities and are more speculative in nature. Although they may offer higher yields than do higher-rated securities, they generally involve greater price volatility and greater risk of default in payment of principal and income due to factors including corporate developments, negative perceptions of high-yield instruments generally and decreased secondary market liquidity.

### **6.1.9 Inflation risk**

Investments by a Sub-fund in fixed-income securities are subject to the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the Sub-fund's assets can decline as can the value of the Sub-fund's distributions. This risk is significantly greater if the Sub-fund invests a significant portion of its assets in fixed-income securities with longer maturities.

### **6.1.10 Liquidity risk**

Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Sub-fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-fund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In principle, each Sub-fund will only make investments for which a liquid market exists or which can otherwise be sold, liquidated or closed at any time within a reasonable period of time. However, in certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, a Sub-fund may invest in financial instruments traded OTC, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for a Sub-fund and/or compromise the ability of the Sub-fund to meet a redemption request.

### **6.1.11 Laws and regulations risk**

The Fund may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the Sub-funds and their operations.

### **6.1.12 FATCA and CRS**

Under the terms of the FATCA Law and CRS Law, the Fund is likely to be treated as a Reporting (Foreign) Financial Institution. As such, the Fund may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should the Fund becomes subject to a withholding tax and/or penalties as a result of a non-compliance under the FATCA Law and/or penalties as a result of a non-compliance under the CRS Law, the value of the Shares held by all shareholders may be materially affected.

Furthermore, the Fund may also be required to withhold tax on certain payments to its Investors who would not be compliant with FATCA (i.e. the so-called foreign passthru payments withholding tax obligation).

### **6.1.13 Counterparty risk**

Counterparty risk refers to the risk of loss for a Sub-fund resulting from the fact that the counterparty to a transaction entered into by the Sub-fund may default on its contractual obligations. There can be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Sub-fund. This risk may arise at any time the assets of a Sub-fund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a Sub-fund has deposited cash with a financial institution, invests into debt securities and other fixed income instruments, enters into OTC financial derivative instruments, or enters into securities lending, repurchase and reverse repurchase agreements.

### **6.1.14 Operational risk**

Operational risk means the risk of loss for the Fund resulting from inadequate internal processes and failures in relation to people and systems of the Fund, the Management Company and/or its agents and service providers, or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the Fund.

### **6.1.15 Management risk**

It is possible that the investment strategies and techniques used each Investment Manager will not produce the intended results. The Sub-funds are subject to management risk as an actively-managed investment fund. Each Investment Manager will apply its investment techniques and risk analyses in making investment decisions, but there is no guarantee that the investment objective of the Sub-funds will be achieved.

### **6.1.16 Valuation risk**

Certain Sub-funds may hold investments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market. In addition, in certain circumstances, investments may become less liquid or illiquid. Such investments will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There

is no assurance that the estimates resulting from the valuation process will reflect the actual sales or liquidation prices of investments.

#### **6.1.17 Segregation of Sub-funds**

The Fund is a single legal entity incorporated as an "umbrella fund" comprised of separate Sub-funds. Under Luxembourg law, each Sub-fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Fund arising in respect of the creation, operation or liquidation of a Sub-fund will be limited to the assets allocated to that Sub-fund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Sub-fund in satisfaction of an obligation owed in relation to another Sub-fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-funds. Moreover, under Luxembourg law, there is no legal segregation of assets and liabilities between Share Classes of the same Sub-fund. In the event that, for any reason, assets allocated to a Share Class become insufficient to pay for the liabilities allocated to that Share Class, the assets allocated to other Share Classes of the Sub-fund will be used to pay for those liabilities. As a result, the Net Asset Value of the other Share Classes may also be reduced.

#### **6.1.18 Depositary risk**

The assets owned by the Fund are held in custody for account of the Fund by a depositary that is also regulated by the CSSF. The Depositary may entrust the safekeeping of the Fund's assets to sub-custodians in the markets where the Fund invests. Luxembourg law provides that the Depositary's liability shall not be affected by the fact that it has entrusted the assets of the Fund to third parties. The CSSF requires that the Depositary ensures that there is legal separation of non-cash assets held under custody and that records are maintained that clearly identify the nature and amount of all assets under custody, the ownership of each asset and where the documents of title to that asset are located.

Where the Depositary engages a sub-custodian, the CSSF requires that the Depositary ensures that the sub-custodian maintains these standards and the liability of the Depositary will not be affected by the fact that it has entrusted to a sub-custodian some or all of the assets of the Fund.

However, certain jurisdictions have different rules regarding the ownership and custody of assets generally and the recognition of the interests of a beneficial owner such as a Sub-fund. There is a risk that in the event the Depositary or sub-custodian becomes insolvent, the relevant Sub-fund's beneficial ownership of assets may not be recognised in foreign jurisdictions and creditors of the Depositary or sub-custodian may seek to have recourse to the Sub-fund's assets. In jurisdictions where the relevant Sub-fund's beneficial ownership is ultimately recognised, the Sub-fund may suffer a delay in recovering its assets, pending the resolution of the relevant insolvency or bankruptcy proceedings.

In respect of cash assets, the general position is that any cash accounts will be designated to the order of the Depositary for the benefit of the relevant Sub-fund. However, due to the fungible nature of cash, it will be held on the balance sheet of the bank with whom such cash accounts are held (whether a sub-custodian or a third party bank), and will not be protected from the bankruptcy of such bank. A Sub-fund will therefore have counterparty exposure risk to such bank. Subject to any applicable government guarantee or insurance arrangements in respect of bank deposits or cash deposits, where a sub-custodian or third party bank holds cash assets and subsequently becomes insolvent, the Sub-fund would be required to prove the debt along with other unsecured creditors. The Sub-fund will monitor its exposure in respect of such cash assets on an ongoing basis.

### 6.1.19 Market suspension risk

Trading on a market may be halted or suspended due to market conditions, technical malfunctions which prevent trades from being processed or otherwise pursuant to the rules of such market. If trading on a market is halted or suspended, the Sub-fund will not be able to sell the securities traded on that market until trading resumes. Further, trading of the securities of a specific issuer may be suspended by a market due to circumstances relating to the issuer. If trading of a particular security is halted or suspended, the Sub-fund will not be able to sell that security until trading resumes.

## 6.2 Specific risks

### 6.2.1 Emerging Markets

Potential investors should note that investments in emerging markets carry risks additional to those inherent in other investments. In particular, potential investors should note that investment in any emerging market carries a higher risk than investment in a developed market; emerging markets may afford a lower level of legal protection to investors; some countries may place controls on foreign ownership; and some countries may apply accounting standards and auditing practices which do not necessarily conform with internationally accepted accounting principles.

**China.** Investments in China will be sensitive to any political, social and diplomatic developments which may take place in or in relation to China. Any change in the policies of China may adversely impact on the securities markets in China as well as the performance of a Sub-fund.

The economy of China differs from the economies of most developed countries in many respects, including with respect to government involvement in its economy, level of development, growth rate and control of foreign exchange.

The regulatory and legal framework for capital markets and companies in China is not well developed when compared with those of developed countries.

The economy in China has experienced rapid growth in recent years, but such growth has been uneven both geographically and among the various sectors of the economy and such growth may or may not continue, and may not apply evenly across different sectors in China's economy. All these may have an adverse impact on the performance of a Sub-fund.

Potential investors should be aware that, the China government has adopted a planned economic system in the past. Since 1978, the China government has implemented economic reform measures which emphasize decentralization and the utilization of market forces and social progress. However, many of the economic reforms in China are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on the securities markets.

The legal system of China is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, regulations which govern currency exchange in China are relatively new and their application is uncertain. Such regulations also empower the Chinese authorities to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

**Stock Connect.** Certain Sub-funds may invest in China via Stock Connect. Stock Connect is a mutual market access program through which foreign investors such as the Sub-funds can deal

in selected securities listed on a PRC stock exchange through the SEHK and the clearing house in Hong Kong.

The securities which can be accessed through Stock Connect are, at the date of this Prospectus, all constituent stocks of the SSE 180 Index, the SSE 380 Index and all China A shares listed on the SSE, and certain other securities as well as, since 5 December 2016, selected securities listed on the SZSE including any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of RMB6 billion or above and all SZSE-listed shares of companies which have issued both China A shares and H shares (the "**Stock Connect Shares**"). In addition to the Stock Connect Shares described in this paragraph, a Sub-fund may, subject to investment policy, invest in any other security listed on the SSE or SZSE which is made available in the future through Stock Connect.

Stock Connect currently comprises a northbound link, through which Hong Kong and overseas investors like the Fund may purchase and hold Stock Connect Shares and a southbound link, through which investors in mainland China (i.e. the PRC with the exception of the special administrative regions of Hong Kong and Macau, the "**Mainland China**") may purchase and hold shares listed on the SEHK.

*Risks linked with dealing in securities in China via Stock Connect.* To the extent that a Sub-fund's investments in China are dealt via Stock Connect, such dealing may be subject to additional risk factors. In particular, investors should note that Stock Connect is a new trading program.

The relevant regulations are subject to change. Stock Connect is subject to daily quota limitations which may restrict a Sub-fund's ability to deal via Stock Connect on a timely basis. This may impact that Sub-fund's ability to implement its investment strategy effectively.

Investors should note further that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the Sub-fund's ability to meet its investment objective, e.g. when the Investment Managers wish to purchase a security which is recalled from the scope of Stock Connect.

*Pre-trade check.* PRC law provides that a sell order may be rejected if an investor does not have sufficient available China A shares in its account. SEHK will apply a similar check on all sell orders of Stock Connect Shares on the northbound trading link at the level of SEHK's registered exchange participants ("**Exchange Participants**") to ensure there is no overselling by any individual exchange participant ("**Pre-Trade Checking**"). In addition, Stock Connect investors will be required to comply with any requirements relating to Pre-Trade Checking imposed by the applicable regulator, agency or authority with jurisdiction, authority or responsibility in respect of Stock Connect ("**Stock Connect Authorities**").

This Pre-Trade Checking requirement may require a pre-trade delivery of the Stock Connect Shares from a Stock Connect investor's domestic custodian or sub-custodian to the Exchange Participant which will hold and safekeep such securities so as to ensure that they can be traded on a particular trading day. There is a risk that creditors of the Exchange Participant may seek to assert that such securities are owned by the Exchange Participant and not the Stock Connect investor, if it is not made clear that the Exchange Participant acts as a custodian in respect of such securities for the benefit of the Stock Connect investor.

Where a Sub-fund trades Stock Connect Shares through a broker affiliated to the Fund's sub-custodian, who is an Exchange Participant and a clearing agent of its affiliated broker, no pre-trade delivery of securities is required and the above risk is mitigated.

*Beneficial owner of the Stock Connect Shares.* Stock Connect Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System ("**CCASS**") maintained by the Hong Kong Securities and Clearing Corporation Limited ("**HKSCC**") as central securities depository in Hong Kong and nominee holder. HKSCC in turn holds these Stock Connect Shares of all its participants through a "single nominee omnibus securities account" in its name registered with ChinaClear, the central securities depository in Mainland China.

Because HKSCC is only a nominee holder and not the beneficial owner of these Stock Connect Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that these Stock Connect Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in these Stock Connect Shares in Mainland China. Foreign investors like a Sub-fund investing through the Stock Connect holding the Stock Connect Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only.

*Not protected by Investor Compensation Fund.* Investors should note that any northbound or southbound trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund established under the Securities and Futures Ordinance nor the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, bankruptcy or winding-up, breach of trust, defalcation, fraud, or misfeasance.

*Restriction on day trading.* Save with a few exceptions, day (turnaround) trading is generally not permitted on the China A shares market. If a Sub-fund buys Stock Connect Shares on a dealing day (T), the Sub-fund may not be able to sell the Stock Connect Shares until on or after T+1 day. This will limit the Sub-funds' investment options, in particular where a Sub-fund wishes to sell any Stock Connect Shares on a particular trading day. Settlement and Pre-Trade Checking requirements may be subject to change from time to time.

*Quotas used up.* Dealing on Stock Connect is subject to daily quota limitations. The northbound trading link will be subject to a separate daily quota, which is monitored by SEHK. The daily quota limits the maximum net buy value of cross-border trades via the northbound trading link under Stock Connect each trading day. The daily quota may change from time to time without prior notice and investors should refer to the SEHK website and other information published by the SEHK for up-to-date information.

Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted. Depending on the aggregate quota balance situation, buying services will be resumed on the following trading day. Therefore, quota limitations may restrict the Sub-funds' ability to invest in Stock Connect Shares through Stock Connect on a timely basis.

*Difference in trading day and trading hours.* Due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the markets accessible through Stock Connect.

Stock Connect will only operate on days when these markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any Stock Connect Shares trading in Hong Kong. The Sub-funds may be subject to a risk of price fluctuations in Stock Connect Shares during the time when Stock Connect is not trading as a result. Each Investment Manager should take note of the days and the hours during which Stock Connect is open for business and decide according to its own risk tolerance capability whether or not to take on the risk of price fluctuations in Stock Connect Shares during the time when Stock Connect is not trading.

*The recalling of eligible stocks and trading restrictions.* A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Managers. Each Investment Manager should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by the PRC and Hong Kong authorities.

Under Stock Connect, each Investment Manager will only be allowed to sell Stock Connect Shares but restricted from further buying if: (i) the Stock Connect Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the Stock Connect Share is subsequently under "risk alert"; and/or (iii) the corresponding H share of the Stock Connect Share subsequently ceases to be traded on SEHK. Each Investment Manager should also note that price fluctuation limits would be applicable to Stock Connect Shares.

*Trading costs.* In addition to paying trading fees and stamp duties in connection with Stock Connect Shares trading, a Sub-fund carrying out trading via Stock Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined by the relevant authorities.

*Local market rules, foreign shareholding restrictions and disclosure obligations.* Under Stock Connect, China A shares listed companies and trading of China A shares are subject to market rules and disclosure requirements of the China A shares market. Any changes in laws, regulations and policies of the China A shares market or rules in relation to Stock Connect may affect share prices. Each Investment Manager should also take note of the foreign shareholding restrictions and disclosure obligations applicable to China A shares.

Each Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A shares as a result of its interest in the China A shares. Each Investment Manager is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interests in China A shares.

Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed in Mainland China, the investor is required to disclose his interest within three calendar days and during which he cannot trade the shares of that company unless otherwise approved by China Securities Regulatory Commission ("**CSRC**"). The investor is also required to disclose relevant changes in his shareholding and comply with related trading restrictions in accordance with Mainland China rules.

According to existing Mainland China practices, investors engaged in trading of Stock Connect Shares on the northbound trading link may cast their votes by providing instructions to HKSCC through their Stock Connect clearing participants. HKSCC will consolidate all the disclosure voting information from CCASS participants and submit them to the relevant issuers or authorized



agents or representatives. The Sub-funds may not be able to exercise the voting rights of the invested company in the same manner as provided in some developed markets.

*Clearing, settlement and custody risks.* HKSCC and ChinaClear have established the clearing links between the relevant exchanges and each will become a participant of the other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Hong Kong and overseas investors which have acquired Stock Connect Shares through northbound trading should maintain such securities with their brokers' or custodians' stock accounts with CCASS (operated by HKSCC).

*No manual trade or block trade.* Currently there is no manual trade facility or block trade facility for Stock Connect Shares transactions under northbound trading. A Sub-fund's investment options may become limited as a result.

*Order priority.* Trade orders are entered into China Stock Connect System ("**CSC**") based on time order. Trade orders cannot be amended, but may be cancelled and re-entered into the CSC as new orders at the back of the queue. Due to quota restrictions or other market intervention events, there can be no assurance that trades executed through a broker will be completed.

*Execution issues.* Stock Connect trades may, pursuant to the Stock Connect rules, be executed through one or multiple brokers that may be appointed by the Fund for northbound trading. Given the Pre-Trade Checking requirements and hence the pre-trade delivery of Stock Connect Shares to an Exchange Participant, each Investment Manager may determine that it is in the interest of a Sub-fund that it only executes Stock Connect trades through a broker who is affiliated to the Fund's sub-custodian that is an Exchange Participant. In that situation, whilst each Investment Manager will be cognisant of its best execution obligations it will not have the ability to trade through multiple brokers and any switch to a new broker will not be possible without a commensurate change to the Fund's sub-custody arrangements.

*No off-exchange trading and transfers.* Market participants must match, execute or arrange the execution of any sale and buy orders or any transfer instructions from investors in respect of any Stock Connect Shares in accordance with the Stock Connect rules. This rule against off-exchange trading and transfers for trading of Stock Connect Shares under northbound trading may delay or disrupt reconciliation of orders by market participants. However, to facilitate market players in conducting northbound trading and the normal course of business operation, off-exchange or "non-trade" transfer of Stock Connect Shares for the purposes of post-trade allocation to different funds/sub-funds by fund managers have been specifically allowed.

*Currency risks.* Northbound investments by a Sub-fund in the Stock Connect Shares will be traded and settled in Renminbi ("**RMB**"). If a Sub-fund holds a Share Class denominated in a local currency other than RMB, the Sub-fund will be exposed to currency risk if the Sub-fund invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the Sub-fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when a Sub-fund purchases it and when the Sub-fund redeems/sells it, the Sub-fund will still incur a loss when it converts the redemption/sale proceeds into local currency if RMB has depreciated.

*Risk of ChinaClear default.* ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the general rules of

CCASS, if ChinaClear (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Stock Connect Shares and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable.

HKSCC will in turn distribute the Stock Connect Shares and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect authorities. Although the likelihood of a default by ChinaClear is considered to be remote, investors in the relevant Sub-funds should be aware of this arrangement and of this potential exposure.

*Risk of HKSCC default.* A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Shares and/or monies in connection with them and a Sub-fund and its investors may suffer losses as a result. Neither the Fund nor the Investment Managers shall be responsible or liable for any such losses.

*Ownership of Stock Connect Shares.* Stock Connect Shares are uncertificated and are held by HKSCC for its accountholders. Physical deposit and withdrawal of Stock Connect Shares are not available currently under the northbound trading for a Sub-fund.

A Sub-fund's title or interests in, and entitlements to Stock Connect Shares (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. It is uncertain whether the Chinese courts would recognise the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in case disputes arise. This is a complex area of law and investors should seek independent professional advice.

The above may not cover all risks related to Stock Connect and any above-mentioned laws, rules and regulations are subject to change.

**Russia.** Investments in Russia involve significant risks including political, economic, legal, currency, inflation and taxation risks. There is a risk of loss due to lack of adequate systems for transferring, pricing, accounting for and safekeeping or record keeping of securities.

In particular, investments in Russia are subject to increased risks concerning property and the ownership of Russian securities. It may be that the ownership and holding of securities is documented only by registration in the books of the issuers or those keeping the register (who are neither agents of, or are responsible to, the depositary). No certificate representing the ownership of securities issued by Russian companies will be held by the Depositary, or by a local correspondent of the Depositary, or by a central depositary. Due to market practices and the absence of effective regulations and controls, a Sub-fund could lose its status as owner of the securities issued by Russian companies due to fraud, theft, destruction, negligence, loss or disappearance of the securities in question. Moreover, owing to market practices, it may be that the Russian securities must be deposited in Russian institutions that do not have adequate insurance to cover the risks linked to theft, destruction, loss or disappearance of these deposited securities.

## **6.2.2 Equity**

The value of a Sub-fund that invests in equity securities will be affected by changes in the stock markets and changes in the value of individual portfolio securities. At times, stock markets and individual securities can be volatile and prices can change substantially in short periods of time. The equity securities of smaller companies are more sensitive to these changes than those of larger companies. This risk will affect the value of such Sub-funds, which will fluctuate as the value of the underlying equity securities fluctuates.

### **6.2.3 Investment in smaller companies**

Investment in smaller companies may involve greater risks and thus may be considered speculative. Investment in a Sub-fund investing in smaller companies should be considered long-term and not as a vehicle for seeking short term profits. Many small company stocks trade less frequently and in smaller volumes and may be subject to more abrupt or erratic price movements than stocks of larger companies. The securities of small companies may also be more sensitive to market changes than securities in large companies.

### **6.2.4 Short Exposure**

A Sub-fund may proceed with short-term sales of their investment via the use of derivatives. The short exposure risk results from short sales achieved through the use of derivatives, and includes the potential for losses exceeding the cost of the investment, as well as the risk that the third party to the short sale will not fulfil its contractual obligations.

### **6.2.5 Directional risk**

Each of the Sub-funds may use derivative transactions for both hedging and/or Efficient Portfolio Management and for pure investment purposes. It should be noted that while financial derivative instruments used for hedging purposes can reduce or eliminate losses, such use can also reduce or eliminate gains. When financial derivative instruments are used purely for investment purposes, the Sub-fund will be directly exposed to the risks of the financial derivative instrument and any gains or losses on the financial derivative instrument will not be offset by corresponding losses or gains in other assets within the Sub-fund.

Certain Sub-funds following an active extension approach may not follow a market neutral strategy and may be exposed to directional risk. A directional strategy is an investment strategy that entails taking a net long or short position in a certain market, benefiting from a rise in the market in a net long position and from a decline in a net short position. The directional risk is the risk of the relevant market moving in one direction (up or down) and causing a corresponding movement in the value of the Sub-fund.

### **6.2.6 Derivatives**

Each of the Sub-funds may use derivative instruments, such as options, futures and swap contracts and enter into forward foreign exchange transactions. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. Participation in the options or futures markets, in swap contracts and in foreign exchange transactions involves investment risks and transaction costs to which a Sub-fund would not be subject if it did not use these strategies. If the Investment Managers' predictions of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Sub-fund may leave the Sub-fund in a less favourable position than if such strategies were not used.

Risks inherent in the use of options, foreign currency, swaps and futures contracts and options on futures contracts include, but are not limited to (a) dependence on the Investment Managers' ability to predict correctly movements in the direction of interest rates, securities prices and currency markets; (b) imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (d) the possible absence of a liquid secondary market for any particular instrument at

any time; and (e) the possible inability of a Sub-fund to purchase or sell a portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for a Sub-fund to sell a portfolio security at a disadvantageous time.

Where a Sub-fund enters into swap transactions it is exposed to a potential counterparty risk. In case of insolvency or default of the swap counterparty, such event would affect the assets of the Sub-fund.

### **6.2.7 Rule 144A and Regulation S securities**

SEC Rule 144A provides a safe harbour exemption from the registration requirements of the US Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. Regulation S provides an exclusion from registration requirements of the US Securities Act of 1933 for offerings made outside the United States by both US and foreign issuers. A securities offering, whether private or public, made by an issuer outside of the United States in reliance on Regulation S need not be registered. The advantage for investors may be higher returns due to lower administration charges. However, dissemination of secondary market transactions is limited and might increase the volatility of the security prices and, in extreme conditions, decrease the liquidity of a particular security.

### **6.2.8 Contingent capital securities (CoCos)**

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. 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.

Upon such occurrence, there is a risk of a partial or total loss in nominal value or conversion into the common stock of the issuer which may cause a Sub-fund as a CoCo bondholder to suffer losses (i) before both equity investors and other debt holders which may rank *pari passu* or junior to CoCo investors and (ii) in circumstances where the bank remains a going concern.

The value of such instrument may be impacted by the mechanism through which the instruments are converted into equity or written-down which may vary across different securities which may have varying structures and terms. CoCo structures may be complex and terms may vary from issuer to issuer and bond to bond.

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 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. CoCos may trade differently to other subordinated debt of an issuer which does not include a write-down or equity conversion feature which may result in a decline in value or liquidity in certain scenarios.

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 assurance that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter, and bondholders shall accordingly have no right to claim the payment of any foregone interest which may impact the value of the relevant Sub-fund.

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.

Coupon cancellation may be at the option of the issuer or its regulator but may also be mandatory under certain European directives and related applicable laws and regulations.

This mandatory deferral may be at the same time that equity dividends and bonuses may also be restricted, but some CoCo structures allow the bank at least in theory to keep on paying dividends whilst not paying CoCo holders. Mandatory deferral is dependent on the amount of required capital buffers a bank is asked to hold by regulators.

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 and/or the access of the issuer to liquidity of the issuing financial institution.

Shareholders should be aware that the structure of CoCos is yet to be tested and there is some uncertainty as to how they may perform in a stressed environment. Depending on how the market views certain triggering events, as outlined above, there is the potential for price contagion and volatility across the entire asset class. Furthermore, this risk may be increased depending on the level of underlying instrument arbitrage and in an illiquid market, price formation may be increasingly difficult.

### **6.2.9 OTC financial derivative instruments**

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-fund to the risk that the counterparty

will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty.

Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly reported to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or "**EMIR**") requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories.

In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-funds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to

the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the ISDA.

#### **6.2.10 Credit Default Swaps ("CDS")**

A CDS is a bilateral financial contract in which one counterpart (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 at their par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference or strike price. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The ISDA has produced standardized documentation for these transactions under the umbrella of its ISDA Master Agreement.

As protection seller, the Fund will seek a specific credit exposure to the reference issuer – selling protection (by mitigating the counterparty risk) is economically equivalent to buying a maturity-matching floating rate note on the same reference entity.

As protection buyer, the Fund may seek either to hedge a specific credit risk of some issuers in the portfolio or to exploit a negative view on a given reference entity.

When these transactions are used in order to eliminate a credit risk in respect of the issuer of a security, they imply that the Fund bears a counterparty risk in respect of the protection seller.

This risk is, however, mitigated by the fact that the Fund will only enter into CDS transactions with highly rated financial institutions.

CDS used for a purpose other than hedging, such as for efficient portfolio management purposes or if disclosed in relation to any Sub-fund, as part of the principal investment policy, may present a risk of liquidity if the position must be liquidated before its maturity for any reason. The Fund will mitigate this risk by limiting in an appropriate manner the use of this type of transaction. Furthermore, the valuation of CDS may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts.

Insofar as the Sub-fund(s) use CDS for efficient portfolio management or hedging purposes, investors should note that such instruments are designed to transfer credit exposure of fixed income products between the buyer and seller.

The Sub-fund(s) would typically buy a CDS to protect against the risk of default of an underlying investment, known as the reference entity and would typically sell a CDS for which it receives payment for effectively guaranteeing the creditworthiness of the reference entity to the buyer. In the latter case, the Sub-fund(s) would incur exposure to the creditworthiness of the reference entity but without any legal recourse to such reference entity. In addition, as with all OTC derivatives, CDS expose the buyer and seller to counterparty risk and a Sub-fund may suffer losses in the event of a default by the counterparty of its obligations under the transaction and/or disputes as to whether a credit event has occurred, which could mean the Sub-fund cannot realize the full value of the CDS.

### **6.2.11 Securities lending, repurchase and reverse repurchase transactions**

Securities lending, repurchase or reverse repurchase transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Fund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-fund.

However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

Securities lending, repurchase or reverse repurchase transactions also entail liquidity risks due, inter alia, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Sub-fund may also incur operational risks such as, inter alia, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

The Sub-funds may enter into securities lending, repurchase or reverse repurchase transactions with other companies in the same group of companies as each Investment Manager. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with a Sub-fund in a commercially reasonable manner.

In addition, each Investment Manager will select counterparties and enter into transactions in accordance with best execution principles. However, investors should be aware that each Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

### **6.2.12 Collateral Management**

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Sub-fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-fund may not be collateralised. If a counterparty defaults, the Sub-fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-fund to meet redemption requests.

A Sub-fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-fund to the counterparty as required by the terms of the transaction. The Sub-fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-fund.



### **6.2.13 Sovereign debt securities risk**

Certain Sub-funds may invest in sovereign debt instruments. These instruments are subject to the risk that a governmental entity may delay or refuse to pay interest or repay principal on its sovereign debt, due, for example, to cash flow problems, insufficient foreign currency reserves, political considerations, the relative size of the governmental entity's debt position in relation to the economy, or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies.

### **6.2.14 Securitized debt**

Certain Sub-funds may have exposure to a wide range of ABS (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralised mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds.

ABS and MBS are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

In certain circumstances investments in ABS and MBS may become less liquid making it difficult to dispose of them. As a result, a Sub-fund's ability to respond to market events may be impaired and such Sub-fund may experience adverse price movements upon disposal of such investments. In addition, the market price for MBS has, in the past, been volatile and difficult to ascertain, and it is possible that similar market conditions may occur in the future.

MBS that are issued by government-sponsored enterprises are known as Agency MBS. Such government-sponsored enterprises guarantee payments on Agency MBS. Non-agency MBS are typically supported solely by the underlying mortgage loans and do not carry the guarantee of any institution, and therefore carry a greater degree of credit/default risk in addition to extension and prepayment risk.

The list above refers to the most frequently encountered risks and is not an exhaustive list of all the potential risks.

### **6.2.15 Sustainable finance risk**

Sustainable finance is a rapidly developing area. The legal and regulatory framework governing sustainable finance continues to evolve.

The European Commission has initiated legislative reforms in this area, which include, without limitation, SFDR regarding the introduction of transparency and disclosure obligations for investors, funds and asset managers in relation to ESG factors, for which most rules took effect beginning on 10 March 2021.

Whilst there has been a step towards a common standard, there is however still discretion among firms that may result in different approaches to setting and achieving ESG objectives. ESG factors

may vary depending on investment themes, asset classes, investment philosophy and subjective use of different ESG indicators governing portfolio construction. The selection and weightings applied may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. ESG information, whether from an external and/or internal source, is, by nature and in many instances, based on a qualitative and judgemental assessment, especially in the absence of well-defined market standards and due to the existence of multiple approaches to sustainable investment. An element of subjectivity and discretion is therefore inherent to the interpretation and use of ESG data. It may consequently be difficult to compare strategies integrating ESG criteria.

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there exists a risk of incorrectly assessing a security or issuer, resulting in the incorrect inclusion or exclusion of a security. ESG data providers are private undertakings providing ESG data for a variety of issuers. The ESG data providers may change the evaluation of issuers or instruments, at their discretion and from time to time, due to ESG or other factors.

The approach to sustainable finance may evolve and develop over time, both due to a refinement of investment decision-making processes to address ESG factors and risks, and because of legal and regulatory developments.

Applying ESG and sustainability criteria to the investment process may exclude securities of certain issuers for non-investment reasons and therefore the concerned Sub-funds may forgo some market opportunities available to funds that do not use ESG or sustainability criteria. Securities of companies with ESG practices may shift into and out of favor depending on market and economic conditions, and the concerned Sub-funds' performance may at times be better or worse than the performance of funds that do not use ESG or sustainability criteria. The selection of investments may in part rely on a proprietary ESG scoring process or ban lists that rely partially on third party data. The lack of common or harmonised definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by the Investment Managers when setting ESG objectives and determining that these objectives have been met by the funds they manage. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may, to a certain extent, be subjective or based on metrics that may share the same name but have different underlying meanings. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from the Investment Managers' methodology. The lack of harmonised definitions may also potentially result in certain investments not benefitting from preferential tax treatments or credits because ESG criteria are assessed differently than initially thought.

#### **6.2.16 Special Purpose Acquisition Companies**

Certain Sub-funds may invest in special purpose acquisition companies (**SPACs**). A SPAC is a publicly traded company that raises investment capital for the purpose of acquiring an existing company. Prior to the acquisition of a target, the SPAC is effectively a cash holding vehicle for a period of time pre-acquisition, meaning it does not have any operating history or ongoing business other than seeking to acquire an ongoing business and will be subject to equity risk, as well as risks that are specific to SPACs. The risk profile of the SPAC will change if a target is acquired as the opportunity to redeem out of the SPAC at the price it was purchased for lapses upon such acquisition. Generally, post-acquisition there is a higher volatility in price as the SPAC trades as a listed equity. The potential target of the SPAC acquisition may not be appropriate for the relevant Sub-fund or may be voted down by the SPAC shareholders, which foregoes the investment opportunity presented post-acquisition. Similar to smaller companies, companies after the SPAC

acquisition may be less liquid, more volatile and tend to carry greater financial risk than stocks of larger companies.

Shareholders should be aware that the structure of SPACs can be complex and their characteristics may vary largely from one SPAC to another. In addition to the above, SPACs may include different kind of risks such as dilution, liquidity, conflicts of interests or the uncertainty as to the identification, evaluation and eligibility of the target company.

Given the risk profile of SPACs, a detailed risk assessment intending to cover all material risks to which the Sub-fund will be exposed to as a result of the investment will be performed before investing into SPACs.

#### **6.2.17 Indemnification rights in case of NAV calculation errors, breaches of investment restrictions or other errors for investors subscribing through financial intermediaries**

The rights of any investors subscribing to shares in the Fund through financial intermediaries, i.e., where investors are not registered themselves and in their own name in the register of the Fund, may be affected in relation to indemnification payments for NAV calculation errors, breaches of investment restrictions or other errors occurring at the level of the Fund. For instance, transactions may be aggregated through financial intermediaries, therefore the Fund may not be in a position to trace back through the intermediary chain the individual payments due and ensure that the payment of indemnifications take into account each investor's individual situation. Investors are encouraged to consult the relevant intermediary through which they subscribed for shares in the Fund to receive information on the arrangements made with the Fund regarding the indemnification process in the event of a NAV calculation error, a breach of investment restriction or another type of error.

## **7. MANAGEMENT AND ADMINISTRATION**

### **7.1 The Board of Directors**

The Board of Directors is responsible for the Fund's management, control, administration and the determination of its overall investment objectives and policies.

There are no existing or proposed service contracts between any of the Directors and the Fund, although the Directors are entitled to receive remuneration in accordance with usual market practice.

The Directors have appointed Generali Investments Luxembourg S.A. as Management Company to be responsible, under the supervision of the Board of Directors, for providing administration, marketing and investment management services in respect of the Fund.

The Directors of the Fund shall be elected by the shareholders at a general meeting of shareholders; the latter shall further determine the number of Directors, their remuneration and the term of their office. However, any Director may be removed with or without cause or be replaced at any time by resolution adopted by the general meeting of shareholders. In the event of a vacancy in the office of Director, the remaining Directors may temporarily fill such vacancy; the shareholders shall take a final decision regarding such nomination at their next general meeting of shareholders.

### **7.2 The Management Company**

Generali Investments Luxembourg S.A., a public limited liability company (*société anonyme*), has been designated to serve as Management Company to the Fund in accordance with the provisions of the UCI Law and the Management Company Agreement. The Management Company is approved as a management company regulated by chapter 15 of the UCI Law and is subject to any implementing regulations, circulars or positions issued by the CSSF.

The Management Company results from the demerger with Generali Fund Management S.A. on 1 July 2014. The Management Company is incorporated for an unlimited duration under the laws of Luxembourg on 1 July 2014 by notarial deed deposited with the Luxembourg Trade and Companies Register and published in the *Mémorial*.

As at the date of this Prospectus, its share capital amounts to EUR 1,921,900.

The shareholder of the Management Company is Generali Investments Holding S.p.A.

The Management Company also acts as Management Company for other investment funds. The names of these other funds will be published in the Annual Report.

The Management Company shall in particular be responsible for the following duties:

- portfolio management of the Sub-funds;
- central administration, including *inter alia*, the calculation of the Net Asset Value, the procedure of registration, conversion and redemption of the Shares and the general administration of the Fund;
- distribution of the Shares of the Fund; in this respect the Management Company may appoint Global Distributors/Distributors/nominees as defined and further outlined under section 7.6 of this Prospectus;
- general co-ordination, administration and marketing services.

The rights and duties of the Management Company are governed by the UCI Law and the Management Company Agreement. The Management Company Agreement has been entered into for an unlimited period of time and may be terminated by either party upon three months' prior written notice.

In accordance with applicable laws and regulations and with the prior consent of the Board of Directors, the Management Company is empowered to delegate, under its responsibility, all or part of its duties and powers to any person or entity, which it may consider appropriate; it being understood that the Prospectus shall, in such case, be amended accordingly.

For the time being the duties of portfolio management, central administrative agent, which include the registrar and transfer agent duties have been delegated as further detailed under sections 7.3 and 7.5 of this Prospectus.

Notwithstanding any delegation the Management Company shall remain liable to the Fund for the proper performance of its duties.

The Management Company has designed and implemented a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile of the Fund. The Management Company's remuneration policy integrates governance, balanced

pay structure between fixed and variable components as well as risk and long-term performance alignment rules, in a multi-year framework, that are designed to be consistent with the business strategy, objectives, values and interests of the Management Company and the Fund and the shareholders in the Fund, and includes measures to avoid conflicts of interest. Details of the Management Company's up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on <https://generali-investments.lu/wp-content/uploads/2017/07/Remuneration-Policy-Statement.pdf> and a paper copy of such remuneration policy is available to investors free of charge upon request at the registered office of the Management Company.

### 7.3 The Investment Managers

For the definition of the investment policy and the management of each of the Sub-funds, the Management Company may be assisted by one or several Investment Managers.

The Management Company has with the consent of the Board of Directors delegated to Investment Managers the discretion, on a daily basis but subject to the overall control and responsibility of the Management Company and the Fund, to purchase and sell securities as agent for the Fund and otherwise to manage the portfolios of the Sub-funds for the account and in the name of the Fund.

The Management Company has appointed the following Investment Managers to manage the assets of the Sub-funds as specified in Appendix A:

- Aperture Investors, LLC ("**Aperture US**") has been appointed by the Management Company, pursuant to an Investment Management Agreement dated 12 December 2018, as amended from time to time; and
- Aperture Investors UK, Ltd, ("**Aperture UK**") has been appointed by the Management Company, pursuant to an Investment Management Agreement dated 27 May 2020.

This agreement may be terminated by either party upon three months' prior written notice, subject to the right for the Management Company to terminate this agreement with immediate effect if the interests of the shareholders so request.

Each Investment Manager may under the conditions of the UCI Law delegate the performance of its functions to a regulated investment/asset management company of the Generali Group or, with the prior consent of the Management Company, to an eligible third party. Each Investment Manager may appoint one or more affiliated entities, at its own expense and responsibility, to manage all or part of the assets of a Sub-fund or to provide recommendations or advice on any part of the investment portfolio (each, a "**Sub-Investment Manager**"). The affiliated entities which may act as Sub-Investment Managers are those eligible to act as Investment Managers and are listed at the beginning of this Prospectus. The Sub-Investment Managers shall provide their investment management services (i) under the supervision of the Management Company and the relevant Investment Manager, (ii) in accordance with instructions received from and investment allocation criteria set forth by the Management Company and/or the relevant Investment Manager from time to time, and (iii) in compliance with the investment objectives and policies of the relevant Sub-fund.

Subject to compliance with applicable laws, each Investment Manager may select and rely upon affiliated investment advisors as well as sub-advisors for investment advice with respect to certain

securities and is able to draw upon the investment advice, research and investment expertise of such selected investment advisors as well as its other affiliate offices with respect to the selection and management of investments for each Sub-fund. Except for research costs that can be paid from the research payment account (“**RPA**”) as detailed below, the fees payable to any such investment advisor will not be payable out of the net assets of the relevant Sub-fund but will be payable by the relevant Investment Manager out of its fee in an amount agreed between the relevant Investment Manager and such investment advisor from time to time.

#### *Research Payment Account*

Aperture UK, in its capacity as Investment Manager will utilise a RPA to pay for research as permitted under MiFID II and ESMA rules, for each Sub-fund for which it acts as Investment Manager listed in Appendix A, unless otherwise provided in Appendix A for a specific Sub-fund. Such research services may include, but are not limited to, research analysis, models or reports, other material or services suggesting or recommending an investment strategy or trade ideas, macroeconomic analysis, and access to research analysts or industry experts; provided, for the avoidance of doubt, the foregoing research services may include services related to ESG such as ESG screens, ratings, scores and reports, and eligibility to utilise the RPA will be assessed on a case-by-case basis by the Investment Manager. The design and intention of Aperture UK’s research policy is to pay for certain research consumed by way of an RPA that is funded wholly by a direct research charge to the applicable Sub-fund. The RPA is not funded by collecting the research charge alongside the transaction commission. The RPA and Aperture UK’s research policy operate in compliance with the applicable regulatory requirements under MiFID II.

The RPA will pay for investment research provided by brokers, or other research providers, selected by Aperture UK which will be utilised in the portfolio management decision process only in respect of the applicable Sub-funds. Such research charges shall be funded based on a budget for research payments based on an estimate of research costs that can be charged across all portfolios with similar strategies under management. The research budget will be reviewed regularly by Aperture UK and previously approved by the Board of Directors, at least annually. Information on the budgeted amount for research (including any changes to the budget) will be made available to shareholders on the following website: <https://apertureinvestors.com/uk-regulatory-disclosure>. Estimated aggregate research charges and research and RPA policy will be made available to shareholders upon request. Aperture UK considers that access to research may be integral to the applicable Sub-funds’ investment objectives and will aim to add significant value to investment decisions made on behalf of the applicable Sub-funds. Where the full research budget is not spent, this will either be returned to the Sub-fund or Sub-funds concerned or carried over and offset against research payments in future periods. Aperture UK, in consultation with and approval by, the Management Company, will take reasonable steps to ensure that the rebate or offset is fairly allocated between clients. For the avoidance of doubt, Aperture US, as a U.S. registered investment advisor, is not subject to a requirement to have a research payment account and is therefore excluded from utilizing a research payment account and/or the RPA.

#### **7.4 The Depositary**

The Fund has appointed State Street Bank International GmbH, acting through its Luxembourg Branch as its Depositary within the meaning of the UCI Law pursuant to the Depositary Agreement. State Street Bank International GmbH is a limited liability company organized under the laws of Germany, having its registered office at Brienner Str. 59, 80333 München, Germany and registered with the commercial register court, Munich under number HRB 42872. It is a credit institution supervised by the European Central Bank (ECB), the German Federal Financial Services Supervisory Authority (BaFin) and the German Central Bank. State Street Bank

International GmbH, Luxembourg Branch is authorized by the CSSF in Luxembourg to act as depositary and is specialized in depositary, fund administration, and related services. State Street Bank International GmbH, Luxembourg Branch is registered in the Luxembourg Commercial and Companies' Register (“**RCS**”) under number B148186. State Street Bank International GmbH is a member of the State Street group of companies having as their ultimate parent State Street Corporation, a US publicly listed company.

### **Depositary's functions**

The relationship between the Fund and the Depositary is subject to the terms of the Depositary Agreement. Under the terms of the Depositary Agreement, the Depositary is entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable laws and the Articles of Incorporation;
- ensuring that the value of the Shares is calculated in accordance with applicable laws and the Articles of Incorporation;
- carrying out the instructions of the Management Company/the Fund unless they conflict with applicable laws and the Articles of Incorporation;
- ensuring that in transactions involving the assets of the Fund any consideration is remitted within the usual time limits;
- ensuring that the income of the Fund is applied in accordance with applicable laws and the Articles of Incorporation;
- monitoring of the Fund's cash and cash flows;
- safe-keeping of the Fund's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

### **Depositary's liability**

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular article 18 of the UCITS-CDR, the Depositary shall return financial instruments of identical type or the corresponding amount to the Fund acting on behalf of the Fund without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the shareholders may invoke the liability of the Depositary directly or indirectly through the Fund provided that this does not lead to a duplication of redress or to unequal treatment of the shareholders.

The Depositary will be liable to the Fund for all other losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfill its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

### **Delegation**

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at One Congress Street, Suite 1, Boston, MA 02114-2016, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Fund or at the following internet site: <https://www.statestreet.com/disclosures-and-disclaimers/lu/subcustodians>.

### **Conflicts of Interest**

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Fund;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Fund, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;
- (iv) may provide the same or similar services to other clients including competitors of the Fund;



(v) may be granted creditors' rights by the Fund which it may exercise.

The Fund may use an affiliate of the Depository to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund.

Where cash belonging to the Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Investment Managers and/or the Management Company may also be a client or counterparty of the Depository or its affiliates.

Potential conflicts that may arise in the Depository's use of sub-custodians include four broad categories:

- (i) conflicts from the sub-custodian selection and asset allocation among multiple sub-custodian influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depository may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- (ii) sub-custodian, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- (iii) sub-custodian, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depository as its counterparty, which might create incentive for the Depository to act in its self-interest, or other clients' interests to the detriment of clients; and
- (iv) sub-custodian may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depository shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its shareholders.

The Depository has functionally and hierarchically separated the performance of its depository tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depository issues to be properly identified, managed and monitored. Additionally, in the context of the Depository's use of sub-custodians, the Depository imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depository further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depository internally separates the performance of its custodial tasks from its proprietary activity and follows a standard of conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depository, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depository, the list of delegates and sub-delegates and any conflicts

of interest that may arise from such a delegation will be made available to shareholders on request.

### **7.5 The Domiciliary and Administrative Agent, Registrar and Transfer Agent, Paying Agent**

With the consent of the Fund, the Management Company has appointed State Street Bank International GmbH, acting through its Luxembourg Branch also as administrative, registrar and transfer agent and as domiciliary and paying agent of the Fund, in its capacity as UCI administrator (the "**Central Administration**") pursuant to the Administration Agreement.

The relationship between the Fund, the Management Company and the Central Administration is subject to the terms of the Administration Agreement. Under the terms of the Administration Agreement, the Central Administration will carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, without limitation, calculate the Net Asset Value per Share, accounting function, maintain the accounting records of the Fund (book-keeping function), as well as process all subscriptions, redemptions, conversions, and transfers of Shares, and register these transactions in the register of shareholders (registrar function). The Central Administration is responsible for the general administration of the Fund (including the client communication function). In addition, as registrar and transfer agent of the Fund, the Central Administration is also responsible for collecting the required information and performing verifications on investors to comply with applicable anti-money laundering rules and regulations.

The Central Administration is not responsible for any investment decisions of the Fund or the effect of such investment decisions on the performance of the Fund.

The Administration Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than ninety (90) calendar days' prior written notice. The Administration Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of a material clause of the Administration Agreement. The Administration Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Administration Agreement contains provisions exempting the Central Administration from liability and indemnifying the Central Administration in certain circumstances. However, the liability of the Central Administration towards the Management Company and the Fund will not be affected by any delegation of functions by the Central Administration.

### **7.6 The Global Distributors/the Distributors**

The Management Company may decide to appoint distributors/nominees (the "**Distributors**") or global distributors (the "**Global Distributors**") which are authorized, on their turn, to appoint distributors/nominees for the purpose of assisting in the distribution of the Shares of the Fund in the countries in which they are marketed. Certain Global Distributors or Distributors may not offer all of the Sub-funds/Share Classes to their clients. Investors are invited to consult their Global Distributors or Distributors for further details.

Distribution and nominee agreements (the "**Distribution and Nominee Agreements**") and global distribution agreements (the "**Global Distribution Agreements**") will be signed between the Management Company, the Fund and the different Distributors, respectively the different Global Distributors.

In accordance with such agreements, certain Distributors may act as nominees. In that case, the nominee shall be recorded in the register of shareholders and not the clients who have invested

in the Fund through that nominee. The terms and conditions of the agreements with nominees shall stipulate, amongst other things, that a client who has invested in the Fund via a nominee may at all times require that the Shares thus subscribed be transferred to his name, as a result of which the client shall be registered under his own name in the register of shareholders with effect from the date on which the transfer instructions are received from the nominee.

Where the Distributor or any sub-distributor holds Shares in its own, or a nominee's, name for and on behalf of shareholders it will act as nominee in respect of such Shares. Whether investors elect to make use of such nominee service is their own decision. Investors are advised to inform themselves of, and when appropriate consult with their nominee regarding, the rights that they have in respect of Shares held through the relevant nominee service. In particular, investors should ensure that their arrangements with such nominees deal with information being given regarding corporate actions and notifications arising in respect of the Fund's Shares, as the Fund is only obliged to deliver notice to parties inscribed as a shareholder in the Fund's register and can have no obligation to any third party.

Subscribers may subscribe for Shares applying directly to the Fund without having to act through one of the Global Distributors or the Distributors.

## **7.7 The Auditor**

The Fund has appointed KPMG, *Société coopérative* as its approved statutory auditor (*réviseur d'entreprises agréé*) within the meaning of the UCI Law. The Auditor is elected by the Fund's general meeting of shareholders. The Auditor will inspect the accounting information contained in the Annual Report and fulfil other duties prescribed by the UCI Law.

## **7.8 Conflicts of interest**

The Board of Directors, the Management Company, the Investment Managers, the Depositary, the Central Administration and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

Any Director who has, directly or indirectly, an interest in a transaction submitted to the approval of the Board of Directors which conflicts with the Fund's interest, must inform the Board of Directors. The Director may not take part in the discussions on and may not vote on the transaction.

The Management Company has adopted and implemented a conflicts of interest policy and has made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund is treated fairly.

## **8. SHARES**

The share capital of the Fund is represented by fully paid up Shares of no par value. The share capital of the Fund is at all times equal to the Net Asset Value of the Fund, which is the total Net Asset Value of all Sub-funds expressed in the Reference Currency of the Fund. The share capital of the Fund must at all times be at least equal to the minimum required by the UCI Law, which is currently the equivalent in the Reference Currency of the Fund of 1,250,000 EUR.

The Fund offers investors a choice of investments in one or more Sub-funds as detailed in Appendix A, in respect of which a separate portfolio of investments is held for each Sub-fund.

Within each Sub-fund, Shares may be offered in different Shares Classes of those Shares Class Categories indicated for each Sub-fund in Appendix A, which may differ *inter alia* in their fee structure and distribution policy applying to them as described in section 8.1 of this Prospectus. Certain Share Classes are available to retail investors or to certain categories of retail investors while other Share Classes are available only to Institutional Investors or to specific categories of Institutional Investors. Investors should note that not all Share Classes are suitable for all investors and they should ensure that the chosen Share Class is the most suitable for them. Investors should note the restrictions applicable to the Share Classes, which are further described in section 8.1 of this Prospectus.

The amounts invested in the various Share Classes of each Sub-fund are themselves invested in a common underlying portfolio of investments. Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of the Class to which it belongs or its Net Asset Value, is entitled to one vote at all general meetings of shareholders. Fractions of Shares to three decimal places will be issued, the Fund being entitled to receive the adjustment. Fractions of Shares are not entitled to a vote, but are entitled to participate in the liquidation proceeds. Shares are issued without par value and must be fully paid for subscription.

All Shares are issued in uncertificated registered form only (the share register is conclusive evidence of ownership). The Shares may be held in a settlement system represented by a global note. In this case, the investors in Shares will directly or indirectly have their interests in the Shares credited by book-entry in the accounts of the settlement system.

The Fund treats the registered owner of a Share as the absolute and beneficial owner thereof.

Upon the death of a shareholder, the Board of Directors reserves the right to require the provision of appropriate legal documentation in order to verify the rights of all and any successors in title to Shares.

Shares are freely transferable (with the exception that Shares may not be transferred to a Prohibited Person or a US Person) and may be converted in accordance with section 8.5 of this Prospectus. Upon issue, Shares are entitled to participate equally in the profits and dividends of the Sub-fund attributable to the relevant Class in which the Shares have been issued, as well as in the liquidation proceeds of such Sub-fund.

No Shares of any Share Class will be issued by the Fund during any period in which the determination of the Net Asset Value of the Shares of a Sub-fund is suspended by the Fund, as noted under section 10.2 of this Prospectus.

The Board of Directors may decide that for a particular Sub-fund no further Shares will be issued after the Initial Offer as further specified for the respective Sub-fund in Appendix A.

The Board of Directors may decide to create further Share Classes/Share Classes Categories with different characteristics and/or review the Shares Class Categories available in each Sub-fund. In such cases, this Prospectus will be updated accordingly.

## 8.1 Shares Class Category

Shares	Available to	Initial Price (in the relevant Share Class currency)	Minimum Initial Subscription Amount (in USD or equivalent amount in the relevant Share Class currency*)	Subscription Commission
A	Insurance companies of Generali Group and any other investors at the discretion of the Board of Directors	100	100,000	Up to 3%
AA	Insurance companies of Generali Group and any other investors at the discretion of the Board of Directors	100	100,000	Up to 3%
D	Retail Investors	100	500	Up to 3%
DD	Retail Investors	100	500	Up to 3%
E	Retail Investors	100	1,000	Up to 3%
EE	Retail Investors	100	1,000	Up to 3%
I	Institutional Investors	100	10,000	Up to 3%
II	Institutional Investors	100	10,000	Up to 3%
R	Financial intermediaries that are prohibited by the local laws or regulations applicable to them to receive and/or keep any commissions or other non-monetary benefits. Distributors rendering portfolio management and investment advice on an independent basis. Distributors providing non independent advice who have agreed with their clients not to receive and retain any commissions	100	1,000	Up to 3%
RR	Financial intermediaries that are prohibited by the local laws or regulations applicable to them to receive and/or keep any commissions or other non-monetary benefits. Distributors rendering portfolio management and investment advice on an independent basis. Distributors providing non independent advice who have agreed with their clients not to receive and retain any commissions	100	1,000	Up to 3%
X**	Individuals who are part of the investment management team within an Investment Manager	N/A	N/A	N/A
Z	Employees of Aperture UK	100	500	N/A

\* To evaluate the minimum initial subscription amount in another currency, the term "or equivalent" shall be understood as the minimum initial investment amount translated into the relevant currency at the last available exchange rate provided by the European Central Bank.

\*\*Share class only available to Individuals (as defined below) for the purpose of the re-investment by the Fund of the Deferred Amount with respect to the crystallized VMF, in case of clawback, as described in section 9.4.3 below.

The Fund may at its discretion decide to create within each Sub-fund different Share Classes with specific features such as different currency and dividend policy. The Share Classes may also be hedged in order to attempt to mitigate against the effect of exchange rate fluctuations between the currency of the Share Class and the Reference Currency of the Sub-fund.

Shares	Distribution policy*	Distribution frequency*	Available currencies	Hedging policy**
A AA D DD E EE I II R RR X	Accumulation (x)	N/A	EUR GBP USD CHF	Unhedged Currency hedged (H)
	Distribution (y)	Annually distributing Semi-annually distributing Quarterly distributing		

<b>Z</b>					
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\* Please refer to section 8.2 of this Prospectus.

\*\* Please refer to section 8.3 of this Prospectus.

For the Share Classes currently available in each Sub-fund, please refer to the Website of the Management Company.

## **8.2 Dividend policy**

The Board of Directors may issue Distribution Shares (y) and Accumulation Shares (x) within each Sub-fund. The difference between Accumulation Shares and Distribution Shares lies in the different distribution policies.

### **8.2.1 Distribution Shares**

Each year the general meeting of shareholders will decide, based on a proposal from the Board of Directors, for each Sub-fund and for Distribution Shares on the use of the Fund's Distributable Cash (as defined below) within the limits provided by the UCI Law.

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

Part or all of the net income and realized and unrealized capital gains as well as part of the net assets of the Fund (together the "**Distributable Cash**") may be distributed provided that after the distribution the net assets of the Fund total more than the minimum required by the UCI Law.

The part of the year's net income that has been decided to be distributed will be distributed to holders of Distribution Shares in cash.

Dividends will be declared in the Reference Currency of each Sub-fund and will be paid in the relevant Share Class currency. The exchange rates used to calculate payments will be determined by the Central Administration by reference to normal banking rates. Such currency transaction will be effected with the Depositary at the relevant shareholder's cost. In the absence of written instructions, dividends will be paid in the relevant Share Class currency.

For tax and accounting purposes, and to avoid any dilution in respect of Distribution Shares, the Fund uses an accounting practice known as equalisation, by which a portion of the Subscription Price or Redemption Price, equivalent on a per Share basis to the amount of undistributed earnings of the Share Class on the subscription day or redemption day, is credited or charged to undistributed earnings of such Share Class. As a result, undistributed earnings per Share are unaffected by subscriptions or redemptions of Shares on any subscription day or redemption day.

Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-fund/Class.

### **8.2.2 Accumulation Shares**

Shareholders holding Accumulation Shares will not receive any distributions. Instead, the income due to them will be rolled up to enhance the value of their Accumulation Shares.

The part of the year's net income corresponding to Accumulation Shares will be capitalised in the relevant Sub-fund for the benefit of such Accumulation Shares.

### 8.3 Hedging policy

A currency passive overlay is performed on the currency hedged Share Classes, enabling the hedging of the currency risks against currency exchange fluctuations, when the Share Class currency is different from the reference currency of the Sub-fund.

Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of the Share Class. Similarly, any expenses arising from such hedging transactions will be borne by the relevant hedged Share Class. There is no assurance that these hedging strategies will be successful.

The currency hedging will be performed by State Street Bank International GmbH, Luxembourg Branch, or its designated affiliate, on the relevant hedged Share Classes.

### 8.4 Subscription for Shares

#### 8.4.1 Initial offer

On the initial subscription day (the "**Initial Subscription Day**") or during the initial subscription period (the "**Initial Subscription Period**") Shares in each Sub-fund will be offered at an Initial Price as specified in section 8.1 of this Prospectus. The Initial Price will be subject to the commissions detailed under sections 8.1 and 9.1 of this Prospectus.

The launch of a Sub-fund takes place on the Initial Subscription Day or the last day of the Initial Subscription Period as specified for each Sub-fund in Appendix A (the "**Launch Date**"). If no subscriptions are accepted on this date, the Launch Date will be the Valuation Day immediately following the date on which the first subscriptions for the relevant Sub-fund will have been accepted at the Initial Subscription Price.

#### 8.4.2 Subscription Procedure

Subscription of the Shares may be performed either by means of a single payment as described below under the heading "Single Payment" or, if available in the country of subscription, through a Pluri-annual Investment Plan as described in section 8.4.4 of this Prospectus. Moreover, the Fund may issue Shares as consideration for a contribution in kind of securities in compliance with the conditions set forth by Luxembourg law, in particular the obligation to obtain a valuation report from an auditor.

The Fund may restrict or prevent the ownership of Shares in the Fund by any person, firm, partnership or corporate body, if in the sole opinion of the Fund such holding may be detrimental to the interests of the existing shareholders or of the Fund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the Fund may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred. Such persons, firms, partnerships or corporate bodies shall be determined by the Board of Directors ("**Prohibited Persons**").

As the Fund is not registered under the US Securities Act of 1933 nor has the Fund been registered under the United States Investment Company Act of 1940, as amended, its Shares may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to US Persons. Accordingly, the Fund may require any subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be, a Prohibited Person or a US Person.

The Fund retains the right to offer only one or several Share Classes for subscription in any particular jurisdiction in order to conform to local law, custom, business practice or the Fund's commercial objectives.

As soon as subscriptions are accepted, subscribers will be given a personal identification number (the "**Identification Number**") on acceptance of their initial subscription, and this, together with the shareholder's personal details, is proof of their identity to the Fund. The Identification Number should be used by the shareholder for all future dealings with the Fund, correspondent bank or paying agent, the Central Administration and any Global Distributor or Distributor appointed from time to time.

Any changes to the shareholder's personal details and any loss of Identification Number must be notified immediately either to the Central Administration or to the relevant Global Distributor or Distributor, who will if necessary, inform the Central Administration in writing. Failure to do so may result in the delay of an application for redemption. The Fund reserves the right to require an indemnity or other verification of title or claim to title countersigned by a bank, stockbroker or other party acceptable to it before accepting such changes.

Subscription instructions accompany this Prospectus and may also be obtained from the Central Administration or a Global Distributor or a Distributor.

#### **8.4.3 Single Payment**

An investor's first subscription for Shares must be made in writing or by fax to the Central Administration in Luxembourg or to a Global Distributor or a Distributor as indicated on the Subscription Form. For initial subscription transmissions, trades should be received either by post, fax or swift. No trading via e-mail is authorized. Subsequent subscriptions for Shares may be made in writing or by fax to the Central Administration. The Fund reserves the right to reject, in whole or in part, any subscription without giving any reason therefor.

Joint subscribers must each sign the Subscription Form unless a power of attorney is provided which is acceptable to the Fund.

The minimum initial investment for each Share Class of each Sub-fund is specified in section 8.1 of this Prospectus. The Board of Directors may, at its discretion, waive or modify such minimum requirements.

Subscriptions for Shares in any Sub-fund received by the Central Administration on the Luxembourg Business Day preceding the Valuation Day before the relevant Sub-fund's subscription deadline, which is 1.00pm in Luxembourg (the "**Subscription Deadline**"), will be processed on that Valuation Day using the Net Asset Value per Share determined on such Valuation Day based on the latest available prices in Luxembourg (as described in section 10 of this Prospectus).

Any subscriptions received by the Central Administration after this deadline will be processed on the next Valuation Day on the basis of the Net Asset Value per Share determined on such Valuation Day.

Different time limits may apply if subscriptions for Shares are made through a Global Distributor or a Distributor. Neither a Global Distributor nor a Distributor is permitted to withhold subscription orders to personally benefit from a price change. Investors should note that they might be unable to purchase or redeem Shares through a Global Distributor or a Distributor on days that such Global Distributor or Distributor is not open for business. Certain Global Distributors and



Distributors may be authorized to offer Shares via Internet, also assisted by other sub-distributors, in accordance with applicable laws and regulations in the relevant countries of distribution. The Fund will however not accept any direct subscriptions via Internet.

#### **8.4.4 Pluriannual Investment Plan**

In addition to the single payment subscription procedure described above (hereinafter referred as "**Single Payment subscription**"), investors may also subscribe through pluri-annual investment plans (hereinafter referred to as "**Plan**").

Subscriptions performed by way of a Plan may be subject to other conditions (i.e. number, frequency and amounts of payments, details of commissions) than Single Payment subscriptions provided these conditions are not less favourable or more restrictive for the Fund.

The Board of Directors may notably decide that the amount of subscription may be inferior to the minimum amount of subscription applicable to Single Payment subscriptions.

Terms and conditions of a Plan offered to the subscribers are fully described in separate leaflets offered to subscribers in countries, if any, where a plan is available. The last version of the Prospectus, the Semi-annual Reports and Annual Reports are attached to such leaflets, or such leaflets describe how the Prospectus, the Semi-annual Reports and Annual Reports might be obtained.

Terms and conditions of a Plan do not interfere with the right of any subscribers to redeem their Shares in accordance with section 8.5 of this Prospectus.

The fees and commissions deducted in connection with the Plan may not constitute more than a third of the total amount paid by the investors during the first year of saving.

#### **8.4.5 Payment Procedure**

Unless otherwise indicated for a particular Sub-fund in Appendix A, payment for Shares must be received by the Depositary no later than two (2) Luxembourg Business Days following the applicable Valuation Day.

Payment for Shares shall be made in the relevant Share Class currency.

Subscription instructions accompany this Prospectus and may also be obtained from the Central Administration or a Global Distributor or a Distributor.

If timely payment for Shares is not made (or a completed Subscription Form is not received for an initial subscription), the relevant issue of Shares may be cancelled, and a subscriber may be required to compensate the Fund and/or any relevant Global Distributor or Distributor for any loss incurred in relation to such cancellation.

#### **8.4.6 Notification of Transaction**

A confirmation statement will be sent to the subscriber (or his nominated agent if so requested by the subscriber) by ordinary post as soon as reasonably practicable after the relevant Valuation Day, providing full details of the transaction. Subscribers should always check this statement to ensure that the transaction has been accurately recorded. Confirmation statements will be generated via VDox as per State Street Bank International GmbH, Luxembourg Branch standard.

If any subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be returned without delay to the subscriber by post or bank transfer at the subscriber's risk without any interest in accordance with and subject to applicable laws and regulations.

#### **8.4.7 Rejection of Subscriptions**

The Fund may reject any subscription in whole or in part, in that case, the subscription monies or the balance outstanding will be returned without delay to the subscriber by post or bank transfer at the subscriber's risk without any interest in accordance with and subject to applicable laws and regulations and the Board of Directors may, at any time and from time to time and in its absolute discretion without liability and without notice, discontinue the issue and sale of Shares of any Class in any one or more Sub-funds.

#### **8.4.8 Money Laundering Prevention**

The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing, including in particular with the 2004 Law, and implementing regulations and CSSF circulars adopted from time to time.

In particular, anti-money laundering measures in force in the Grand Duchy of Luxembourg require the Fund, on a risk sensitive basis, to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the business relationship on an ongoing basis.

Subscribers for Shares will be required to provide to the Central Administration (or the relevant competent agent of the Central Administration) the information set out in the Subscription Form, depending on their legal form (individual, corporate or other category of subscriber).

The Central Administration is required to establish anti-money laundering controls and may require from subscribers for Shares all documentation deemed necessary to establish and verify this information. The Fund and the Central Administration, or a Distributor, has the right to request additional information until the Fund, the Central Administration and/or the Distributor is reasonably satisfied it understands the identity and economic purpose of the subscriber. Furthermore, any investor is required to notify the Central Administration prior to the occurrence of any change in the identity of any beneficial owner of Shares. The Fund and the Central Administration may require from existing shareholders, at any time, additional information together with all supporting documentation deemed necessary for the Fund to comply with anti-money laundering measures in force in the Grand Duchy of Luxembourg.

Any information provided to the Fund in this context is collected for anti-money laundering compliance purposes only.

Depending on the circumstances of each application, a simplified customer due diligence might be applicable, where a subscriber is a credit institution or financial institution governed by the 2004 Law or a credit or financial institution, within the meaning of Directive (EU)2015/849, of another EU/EEA member state or situated in a third country which imposes requirements equivalent to those laid down in the 2004 Law or in Directive (EU)2015/849 and is supervised for compliance with those requirements. These procedures will only apply if the credit or financial institution referred to above is located within a country recognised by the Fund as having equivalent anti-money laundering regulations to the 2004 Law.

Failure to provide information or documentation deemed necessary for the Fund to comply with anti-money laundering measures in force in the Grand Duchy of Luxembourg may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

The Fund shall not release any monies remitted to it by any applicant, pending the receipt of a duly completed Subscription Form and any documents required by the Central Administration for the purposes of compliance with applicable laws and regulations relating to the fight against money-laundering.

## **8.5 Redemption of Shares**

### **8.5.1 Procedure for Redemption**

Shareholders wishing to have all or some of their Shares redeemed by the Fund may apply to do so by fax or by letter to the Central Administration or to a Global Distributor or a Distributor.

The application for redemption of any Shares must include:

- either (i) the monetary amount the shareholder wishes to redeem after deduction of any applicable Redemption Commission (as defined in section 9.2 of this Prospectus); or (ii) the number of Shares the shareholder wishes to redeem, and
- the Class and Sub-funds from which such Shares are to be redeemed.

The application of redemption should be made in the relevant Share Class currency.

In addition, the application for redemption must include the shareholder's personal details together with his Identification Number. Failure to provide any of the aforementioned information may result in delay of such application for redemption whilst verification is being sought from the shareholder.

Applications for redemption must be duly signed by all registered shareholders, save in the case of joint registered shareholders where an acceptable power of attorney has been provided to the Fund.

Applications for redemption from any Sub-fund received by the Central Administration on the Luxembourg Business Day preceding the Valuation Day before the relevant Sub-fund redemption deadline, which is 1.00pm in Luxembourg (the "**Redemption Deadline**"), will be processed on that Valuation Day using the Net Asset Value per Share determined on such Valuation Day based on the latest available prices in Luxembourg (as described in section 10 of this Prospectus). Any applications for redemption received by the Central Administration after the Redemption Deadline will be processed on the next Valuation Day on the basis of the Net Asset Value per Share determined on such Valuation Day.

Different time limits may apply if applications for redemption are made to a Global Distributor or a Distributor. In such cases, the Global Distributor or the Distributor will inform the shareholder concerned of the redemption procedure relevant thereto, together with any time limit by which the application for redemption must be received. Neither a Global Distributor nor a Distributor is permitted to withhold redemption orders received to personally benefit from a price change. Shareholders should note that they might be unable to redeem Shares through a Global Distributor or a Distributor on days that such Global Distributor or Distributor is not open for business.

### **8.5.2 Redemption plan**

Each shareholder may give instructions to the Fund for the planned redemption of Shares, provided that he has not requested the issue of share certificates and subject to the terms and conditions described in the leaflets offered to subscribers in countries, if any, where a Plan is available. Instructions must contain the personal data of the shareholder and instructions for the payment of the redemption price, together with his Identification Number.

### **8.5.3 Payment procedures**

Unless otherwise indicated for a particular Sub-fund in Appendix A, payment for Shares redeemed will be effected no later than five (5) Luxembourg Business Days after the relevant Valuation Day for all Sub-funds, provided that all the documents necessary to the redemption, such as the physical share certificates, if any, have been received by the Fund and unless legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible or impracticable to transfer the redemption amount to the country from where the application for redemption was submitted.

Redemptions will be processed in the relevant Share Class currency. Shareholders may however choose, in writing, at the time of giving the redemption instructions to receive the redemption proceeds in any other freely convertible currency. In such case, the Central Administration will arrange the currency transaction required for conversion of the redemption monies from the relevant Share Class currency into the requested redemption currency. Such currency transaction will be effected with the Depositary or a Global Distributor or a Distributor at the relevant shareholder's cost.

On payment of the Redemption Price, the corresponding Shares will be cancelled immediately in the Fund's Share register. Any taxes, commissions and other fees incurred in the respective countries in which the Shares are sold will be charged to the shareholders.

In the context of determining unrealised capital gain/losses, the Board of Directors may authorize the shareholders to simultaneously redeem and subscribe the same number of Shares of a certain Share Class of a certain Sub-fund with respect to the same Valuation Day. Such transactions shall be recorded on behalf of the relevant Class of the relevant Sub-fund as transactions with no cash transfer to or from the shareholder but for which a compensation has occurred. However, the shareholders should consult their own tax advisers, as to the overall tax consequences in their own particular circumstances, of these simultaneously redemption and subscription orders of the same number of Shares with respect to the same Valuation Day.

### **8.5.4 Notification of transaction**

A confirmation statement will be sent by ordinary post to the shareholder detailing the redemption proceeds due thereto as soon as reasonably practicable after determination of the Redemption Price of the Shares being redeemed. Shareholders should check this statement to ensure that the transaction has been accurately recorded. The redemption proceeds will be net of any applicable Redemption Commission. In calculating the redemption proceeds, the Fund will round down to two decimal places, the Fund being entitled to receive the adjustment.

In the event of an excessively large volume of applications for redemption, the Fund may decide to delay execution of such applications until the corresponding assets of the Fund have been sold without unnecessary delay.

### **8.5.5 Compulsory Redemption**

If the Fund discovers at any time that Shares are owned by a Prohibited Person, either alone or in conjunction with any other person, whether directly or indirectly, the Board of Directors may at its discretion and without liability, compulsorily redeem the Shares at the Redemption Price as described above after giving notice of at least ten days, and upon redemption, the Prohibited Person will cease to be the owner of those Shares. The Fund may require any shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person.

For compulsory redemptions in the context of the dissolution/liquidation of a class or Sub-fund please refer to section 11.9 of this Prospectus.

### **8.5.6 Redemption in kind**

The Fund may, in order to facilitate the settlement of substantial redemption applications or in other exceptional circumstances, propose to a shareholder a "redemption in kind" whereby the investor receives a portfolio of assets of the Sub-fund of equivalent value to the redemption price (less any Redemption Commission). In such circumstances the shareholder must specifically consent to the redemption in kind and may always request a cash redemption payment instead. In proposing or accepting a request for redemption in kind at any given time, the Fund shall take into account the interest of other shareholders of the Sub-fund and the principle of fair treatment. Where the shareholder accepts a redemption in kind, he will receive a selection of assets of the Sub-fund. To the extent required by applicable laws and regulations, any redemption in kind will be valued independently in a special report issued by the Auditor or any other authorised statutory auditor (*réviseur d'entreprises agréé*) agreed by the Fund. The Fund and the redeeming investor will agree on specific settlement procedures. Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all investors of the Sub-fund, provided that under no circumstances shall such costs be borne by the Fund.

## **8.6 Conversion of Shares**

### **8.6.1 Conversion procedure**

Shareholders may convert all or part of their Shares of any Share Class (the "**Original Shares**") into Shares of the same Share Class of one or more other Sub-funds or into Shares of another Share Class within the same Sub-fund or of one or more other Sub-funds (the "**New Shares**") by application in writing or by fax to the Central Administration or to a Global Distributor or a Distributor, stating which Shares are to be converted into which Sub-funds. Shareholders must enclose to their request the physical share certificates, if any.

The application for conversion must include either the monetary amount the shareholder wishes to convert or the number of Shares the shareholder wishes to convert. In addition, the application for conversion must include the shareholder's personal details together with his Identification Number.

The application for conversion must be duly signed by the registered shareholder, save in the case of joint registered shareholders where an acceptable power of attorney has been provided to the Fund.

Failure to provide any of this information may result in delay of the application for conversion.

Applications for conversion received by the Central Administration on Luxembourg Business Day preceding the Valuation Day before the relevant Sub-fund conversion deadline, which is 1.00 pm in Luxembourg (the "**Conversion Deadline**"), will be processed on that Valuation Day using the Net Asset Value per Share determined on such Valuation Day based on the latest available prices in Luxembourg (as described in section 10 of this Prospectus).

Different time limits may apply if applications for conversion are made to a Global Distributor or a Distributor. In such cases, the Global Distributor or the Distributor will inform the shareholder of the conversion procedure relevant to that shareholder, together with any time limit by which the application must be received. Shareholders should note that they might be unable to convert Shares through a Global Distributor or a Distributor on days that such Global Distributor or Distributor is not open for business.

Any applications for conversion received by the Central Administration after the Conversion Deadline on Luxembourg Business Day preceding the Valuation Day, or on any day preceding the Valuation Day that is not a Business Day, will be processed on the next Valuation Day on the basis of the Net Asset Value per Share determined on such Valuation Day.

The rate at which all or part of the Original Shares is converted into New Shares is determined in accordance with the following formula:

$$A = \frac{(B \times C \times D) \times (1 - E)}{F}$$

where:

- A is the number of New Shares to be allocated;
- B is the number of Original Shares to be converted;
- C is the Net Asset Value per Share of the Original Shares determined on the relevant Valuation Day;
- D is the actual rate of foreign exchange on the day concerned in respect of the currency of the Original Shares and the currency of the Shares, and is equal to 1 in relation to conversions between Shares denominated in the same currency;
- E is the Conversion Commission percentage payable per Share; and
- F is the Net Asset Value per Share of the New Shares determined on the relevant Valuation Day, plus any taxes, commissions or other fees.

### **8.6.2 Notification of Transaction**

Following such conversion of Shares, the Fund will inform the shareholder in question of the number of New Shares obtained by conversion and the price thereof. Fractions of New Shares to three decimal places will be issued, the Fund being entitled to receive the adjustment.

### **8.6.3 Planned Conversion Service**

Each shareholder, who has not requested the issue of any share certificate, will be entitled to request the Fund to proceed periodically with the automatic conversion of Shares, subject to the provisions of section 8.6.1. Such service will also be subject to the terms and conditions described

in the application form delivered to the subscribers in the countries where such service will possibly be available. The shareholder's instructions must contain his personal data, his Identification Number and the number of Shares that the shareholder wishes to convert.

## **8.7 Late trading and market timing**

### **8.7.1 Late Trading**

The Fund determines the price of its Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any Subscription or Redemption Commission as defined hereafter). Subscription applications have to be received and will be accepted for each Sub-fund only in accordance with the relevant Subscription Deadlines.

### **8.7.2 Market Timing**

The Fund is not designed for investors with short-term investment horizons. Activities which may adversely affect the interests of the Fund's shareholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of the Fund as an excessive or short-term trading vehicle are not permitted.

While recognising that shareholders may have legitimate needs to adjust their investments from time to time, the Board of Directors in its discretion may, if it deems such activities adversely affect the interests of the Fund or its shareholders, take action as appropriate to deter such activities.

Accordingly if the Board of Directors determines or suspects that a shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that shareholder's subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Fund and its shareholders.

## **8.8 Temporary suspension of subscriptions, redemptions and conversions**

No Shares will be issued by the Fund and the right of any shareholder to require the redemption or conversion of its Shares will be suspended during any period in which the determination of the Net Asset Value of the relevant Sub-fund is suspended by the Fund pursuant to the powers contained in the Articles of Incorporation and as discussed in section 10.2 of this Prospectus.

Notice of suspension will be given to subscribers and to any shareholder tendering Shares for redemption or conversion. Withdrawal of a subscription or of an application for redemption or conversion will only be effective if written notification by letter or by fax is received by the Central Administration before termination of the period of suspension, failing which subscription, redemption and conversion applications not withdrawn will be processed on the first Valuation Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined on such Valuation Day.

## **8.9 Procedures for subscriptions, redemptions and conversions representing 10% or more of any Sub-fund**

If the Board of Directors determines that it would be detrimental to the existing shareholders of the Fund to accept a subscription for Shares in any Sub-fund that represents more than 10% of the net assets of such Sub-fund, then they may postpone the acceptance of such subscription

and, in consultation with the incoming shareholder, may require him to stagger his proposed subscription over an agreed period of time.

If any application for redemption or conversion is received in respect of any one Valuation Day, which either singly or when aggregated with other such applications so received, represents more than 10% of the net assets of any one Sub-fund, the Fund reserves the right, in its sole and absolute discretion and without liability (and in the reasonable opinion of the Board of Directors that to do so is in the best interests of the remaining shareholders), to scale down pro rata each application with respect to such Valuation Day so that not more than 10% of the net assets of the relevant Sub-fund be redeemed or converted on such Valuation Day.

To the extent that any application for redemption or conversion is not given full effect on such Valuation Day by virtue of the exercise by the Fund of its power to pro-rate applications, such application shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the shareholder in question in respect of the next Valuation Day and, if necessary, subsequent Valuation Days, until such application shall have been satisfied in full.

With respect to any application for redemption or conversion received in respect of such Valuation Day, to the extent that subsequent applications shall be received in respect of following Valuation Days, such later applications shall be postponed in priority to the satisfaction of applications relating to such first Valuation Day, but subject thereto shall be dealt with as set out above.

## **9. FEES AND CHARGES**

### **9.1 Subscription commission**

The subscription price (the "**Subscription Price**") of each Share Class of each Sub-fund on the Initial Subscription Day or during the Initial Subscription Period will be equal to the Initial Price set out in section 8.1 of this Prospectus, plus a subscription commission (the "**Subscription Commission**") of up to 3% maximum of the Initial Price in favour of any Global Distributor or Distributor. Thereafter, the Subscription Price of each Share Class of each Sub-fund will be equal to the Net Asset Value per Share (as described in section 8.4.2 of this Prospectus), plus any applicable Subscription Commission of up to 3% maximum of the Net Asset Value per Share in favour of any Global Distributor or Distributor. The balance of the subscription payment, after deduction of the applicable Subscription Commission, will be applied to the purchase of Shares.

Any taxes, commissions and other fees incurred in the respective countries in which Fund Shares are sold will also be charged, if any, to the shareholders.

### **9.2 Redemption commission**

Subject to the provisions of section 8.5 of this Prospectus, redemptions will be processed at the Net Asset Value per Share (the "**Redemption Price**") determined on the relevant Valuation Day.

Where specifically provided in Appendix A for a specific Sub-fund, a redemption commission (the "**Redemption Commission**") may be charged in favour of the relevant Sub-fund and/or in favour of any Global Distributor or Distributor. Such Redemption Commission may, under certain circumstances and subject to the principle of equal treatment of investors, be waived by the Board of Directors for all shareholders redeeming their Shares with respect to the same Valuation Day.

### **9.3 Conversion commission**



For the conversion, a conversion commission of up to 5% maximum of the Net Asset Value per Share of the Original Shares may be charged in favour of any Global Distributor or Distributor. This charge shall be automatically deducted when the number of New Shares is calculated.

## 9.4 Fund Charges

### 9.4.1 Variable Management Fee

The Fund pays for the various Sub-funds and by Variable Share Class a variable management fee (the "**Variable Management Fee**" or "**VMF**") (also known as a fulcrum fee) by available Share Classes based on the performance of the Variable Share Class relative to that of a certain benchmark, as further described in Appendix A for a specific Sub-fund. This VMF may be used to pay the Management Company for the portfolio management, the Investment Managers, investment advisors and/or any Global Distributor.

For all Share Classes that are expressed in a currency other than that expressed by the relevant benchmark, the relevant benchmark will be adjusted so that the VMF payable to the Investment Manager with respect to such Share Class is not impacted by (a) in the case of non-hedged Share Classes, currency fluctuations, or (b) in the case of hedged Share Classes, the cost of hedging such Share Classes (including but not limited to interest rate differentials between the two relevant currencies, but, for the avoidance of doubt, excluding the Share Class hedging service fees).

Unless otherwise provided in Appendix A for a specific Sub-fund the VMF is payable in arrears as at the end of each performance period (the "**Performance Period**") as defined in Appendix A for each relevant Sub-fund. In the event there is a VMF minimum amount in Appendix A for a specific Sub-fund (the "**VMF Minimum**"), the VMF Minimum is payable quarterly through the Performance Period and the rest of the VMF amount is payable in arrears as at the end of the Performance Period.

### 9.4.2 Effect of certain events before the end of any Performance Period

In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid VMF (other than the VMF Minimum) relating to those redeemed Shares shall be paid to the relevant Investment Manager according to the following formula:

*Crystallised VMF (other than the VMF Minimum) on a Valuation Day = (number of Shares redeemed on the Valuation Day / total number of Shares on the previous Valuation Day) \* VMF (other than the VMF Minimum) accrued on the previous Valuation Day*

If a Share Class is closed before the end of any Performance Period, the VMF (other than the VMF Minimum) in respect of such Performance Period will be calculated and, where applicable, paid as if the date of closing were the end of the relevant Performance Period.

If an Investment Management Agreement with an Investment Manager entitled to a VMF (other than the VMF Minimum) is terminated before the end of any Performance Period, the VMF (other than the VMF Minimum) in respect of such Performance Period will be calculated and, where applicable, paid as if the date of termination were the end of the relevant Performance Period.

***The VMF may be payable to the Investment Manager even where the relevant Share Class experiences a negative absolute performance. Where the performance of such Share Class exceeds the performance of the relevant Benchmark, the VMF will be higher than the VMF minimum. Please refer to the relevant Sub-fund under Appendix A for more details.***

#### 9.4.3 Additional considerations in relation to the remuneration of members of the investment management team within an Investment Manager

In order to mitigate excessive risk taking by the individuals who are part of the investment management team within an Investment Manager (the "**Individual(s)**") and to align the interests between the Individuals and the respective Sub-funds managed, Aperture US and Aperture UK may apply internal policies in relation to the remuneration of such Individuals, the details of which are further described below.

A team of Individuals may collectively be eligible to earn up to one hundred percent (100%) of the crystallized VMF (other than the VMF Minimum) attributable to the Investment Managers. Any such portion of the VMF (other than the VMF Minimum) attributable to the Investment Managers that is attributable to an Individual (the "**Amount**") may be divided into a portion paid to such Individual at the end of the relevant Performance Period and a portion that is deferred and contingent (such latter portion, the "**Contingent Fee**"). In respect of the lead portfolio manager(s) for a Sub-fund, at least fifty percent (50%) of the Amount will be deferred and invested as explained in the following paragraphs.

At least fifty percent (50%) of the total Contingent Fee will be invested into the Sub-fund to which it relates, and the remaining percentage of the total Contingent Fee (if any) will be invested in other Sub-funds managed by Aperture US or Aperture UK, in each case through subscription of Shares of such Sub-fund, at the direction of the relevant Investment Manager, for the two Performance Periods following the Performance Period to which the Contingent Fee relates.

At the end of the second Performance Period following the end of the Performance Period with respect to which the VMF (other than the VMF Minimum) was earned (the "**End of the Contingent Fee Period**"), the relevant Shares will be redeemed from the relevant Sub-fund(s) and the corresponding cash (the "**Final Contingent Fee Amount**") may be fully or partially retained by the Sub-fund based on a **clawback factor**. The clawback factor calculates the overall over/under performance of a Sub-fund relative to that of a certain benchmark, as further described in Appendix A for such Sub-fund (the "**Relative Performance**"), at the End of the Contingent Fee Period relative to its Relative Performance during the Performance Period with respect to which the VMF (other than the VMF Minimum) was earned, provided that, for purposes of the clawback factor calculation only, any positive Relative Performance shall be limited to the Relative Performance that would result in such Sub-fund receiving the maximum positive Performance Adjustment set forth in Appendix A for such Sub-fund (the "**Performance Limit**").

In principle, if the Sub-fund's cumulative Relative Performance over the three-year period equals or exceeds the Sub-fund's Relative Performance (or, if lower, the Performance Limit) during the Performance Period with respect to which the VMF was earned, the entire Final Contingent Fee Amount will be distributed to the Individual. If the Sub-fund's cumulative Relative Performance over the three-year period is lower than the Sub-fund's Relative Performance (or, if lower, the Performance Limit) during the Performance Period with respect to which the VMF was earned, a percentage of the Final Contingent Fee Amount corresponding to the percentage of underperformance may be retained by the corresponding Sub-fund (the "**Clawback**"), while the difference will be distributed to Investment Manager to be paid to the Individual. Notwithstanding anything to the contrary contained herein, if the Clawback is deemed by the Board of Directors to be detrimental to the Shareholders of the relevant Sub-fund, the Board of Directors can decide to postpone or reject part or all of the Clawback.

When an Investment Manager relies upon an affiliated investment advisor for investment advice, such Investment Manager may determine to allocate a portion of its VMF to such affiliated investment advisor for providing investment advisory services to such Investment Manager. Such

allocation, if any, will be done by the relevant Investment Manager in order to recognize the quality of the investment advisory services provided to such Investment Manager and the contribution of such investment advisory services to the Relative Performance of a Net Asset Value per Share.

**Investors' attention is drawn to the fact that, starting from its third Performance Period, as applicable, a Sub-fund may or may not, at the end of each Performance Period, retain a portion of the Final Contingent Fee Amount, if any, as determined by each Investment Manager and validated by the Board of Directors, which may result in an increase of the Net Asset Value of the Sub-fund. Any Shareholder redeeming their Shares before the end of a Performance Period will no longer be able to benefit from the potential benefit of the Contingent Fee arrangement of such Sub-fund in case of underperformance of an Individual. This also means that in certain circumstances, some Shareholders could disproportionately benefit over others with respect to the Contingent Fee arrangement. For example, if, following a Performance Period with over-performance, subscriptions were to increase significantly in a Sub-fund, but then during the next two years there is a period of underperformance, Shareholders who invested in the Sub-fund later could benefit from the Contingent Fee arrangement for which they did not contribute since they were not shareholders during the period of over-performance.**

#### **9.4.4 Soft Commissions**

In addition, subject to applicable laws and regulations, the Management Company and/or the Investment Managers may be entitled to receive soft commissions in the form of supplemental goods and services such as consultancy and research, information-technology material associated with specialist software, performance methods and instruments for setting prices, subscriptions to financial information or pricing providers. Brokers who provide supplemental goods and services to the Management Company and/or the Investment Managers may receive orders for transactions by the Fund. The following goods and services are expressly excluded from such soft commissions: travel, accommodation costs, entertainment, current goods and services connected with the management, the offices, the office equipment, staff costs, clerical salaries and all financial charges. Soft commission services so received by the Management Company and/or the Investment Managers will be in addition to and not in lieu of the services required to be performed by the Management Company and/or the Investment Managers and the fees of the Management Company and/or the Investment Managers will not be reduced as a result of the receipt of such soft commissions.

The Management Company and/or the Investment Managers, in using a broker who provides soft commission services, will do so only on the basis that the broker is not a physical person and will execute the relevant transactions on a best execution basis and that there will be no comparative price disadvantage in using that broker. The Management Company and/or the Investment Managers or anyone connected to them shall not personally benefit from any financial return on the commissions collected by brokers or dealers. The Investment Managers will provide the Fund with the details of the soft commissions effectively received on an annual basis. This information will be inserted in the Annual Reports of the Fund.

#### **9.4.5 Co-operation Agreements**

Subject to applicable laws and regulations, the Global Distributors/Distributors may reallocate a portion of their fees to sub-distributors, dealers, other intermediaries or entities, with whom they have a distribution agreement, or to or for the benefit of a holder or prospective holder of Shares.

The Global Distributors/Distributors may also on a negotiated basis enter into private arrangements (so-called "**Co-operation Agreements**") with each Investment Manager being a

party to such agreements) with a sub-distributor, dealer, other intermediary, entity, holder or prospective holder of Shares (or an agent thereof) under which the Global Distributors/Distributors are authorized to make payments to or for the benefit of such sub-distributor, dealer, other intermediary, entity, holder or prospective holder of Shares which represent a retrocession of or a rebate on all or part of the fees paid by the Fund to each Investment Manager, provided that such co-operation agreements comply with the applicable laws and regulations.

Additionally, subject to applicable laws and regulations, each Investment Manager may reallocate a portion of its Variable Management Fees to Global Distributors, Distributors, dealers, other intermediaries or entities that assist such Investment Manager in the performance of its duties or provide services, directly or indirectly, to the Sub-funds or their shareholders.

Each Investment Manager may also on a negotiated basis enter into private arrangements (so-called "**Co-operation Agreements**") with a Global Distributor, Distributor, dealer, other intermediary, entity, holder or prospective holder of Shares (or an agent thereof), under which each Investment Manager is authorized to make payments to or for the benefit of such Global Distributor, Distributor, dealer, other intermediary, entity, holder or prospective holder of Shares which represent a retrocession of or a rebate on all or part of the fees paid by the Fund to each Investment Manager, provided that such co-operation agreements comply with the applicable laws and regulations.

It follows from the above that the effective net fees deemed payable by a holder of Shares who is entitled to receive a rebate under the arrangements described above may be lower than the fees deemed payable by a holder of Shares who does not participate in such arrangements. Such arrangements reflect terms privately agreed between parties other than the Fund, and for the avoidance of doubt, the Fund cannot, and is under no duty to, enforce equality of treatment between shareholders by other entities, including those service providers of the Fund that it has appointed.

#### **9.4.6 Distribution Fee**

Where one or several distributor(s) has/have been appointed by the Global Distributor for the purpose of assisting in the distribution of a Sub-fund or the Shares thereof according to the procedure described in section 7.6 of this Prospectus, such distributor(s) will be entitled to a distribution fee paid out of the assets of the Fund and expressed as a percentage of the Net Asset Value of each Sub-fund or Share Class on an annual basis (p.a.) or a fixed annual amount (the "**Distribution Fee**") in consideration of their distribution/marketing services, as described for each Sub-fund in Appendix A.

Unless otherwise provided in Appendix A for a specific Sub-fund, the Distribution Fee is calculated and accrued on each Valuation Day and is payable quarterly in arrears.

#### **9.4.7 Depositary and Central Administration Fees**

Unless otherwise provided in Appendix A for a specific Sub-fund, the Depositary and the Central Administration are entitled to receive fees out of the assets of the Fund in accordance with usual market practice. The fees payable to the Depositary and the Central Administration will not exceed 0.05% p.a. of the respective Sub-fund's average net assets. The fees include the fees to be paid to the correspondents of the Depositary.

Unless otherwise provided in Appendix A for a specific Sub-fund, such fees are calculated and accrued on each Valuation Day and are payable quarterly in arrears.

#### 9.4.8 Administration Fee

Unless otherwise provided in Appendix A for a specific Sub-fund, the Management Company is entitled to receive administrative fees of up to 0.08% p.a. out of the assets of the Fund.

Unless otherwise provided in Appendix A for a specific Sub-fund, such fees are calculated and accrued on each Valuation Day and are payable monthly in arrears.

#### 9.4.9 Operating and Administrative Expenses

The Fund bears all ordinary operating costs and expenses incurred in the operation of the Fund or any Sub-fund or Share Class ("**Operating and Administrative Expenses**") including but not limited to costs and expenses incurred in connection with:

- taxes, charges and duties payable to governments and local authorities (including, but not limited to, the Luxembourg annual subscription tax (*taxe d'abonnement*) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Fund;
- professional advisory services (such as legal, tax, accounting, compliance, auditing and other advisory services) taken by the Fund or the Management Company on behalf of the Fund;
- initial and ongoing obligations relating to the registration and/or listing of the Fund, a Sub-fund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, correspondent banks, representatives, listing agent, paying agent and other agents and/or service providers appointed in this context, as well as advisory, legal and translation costs);
- preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Fund, a Sub-fund or Share Class that are required by applicable laws and regulations (such as the Articles of Incorporation, this Prospectus, KIIDs, KIDs, addenda, Annual Reports and Semi-annual Reports and notices to Shareholders) or any other documents and materials made available to investors (such as explanatory memoranda, registration statements, reports, global note if any, factsheets and similar documents);
- organising and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders;
- the authorisation of the Fund, the Sub-funds and Share Classes, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Fund and/or the members of the Board of Directors;
- all reasonable out-of-pocket expenses of the directors, costs of extraordinary measures carried out in the interests of shareholders (in particular, but not limited to, arranging expert opinions and dealing with legal proceedings) and all other operating expenses, including fees payable to trustees, fiduciaries, and any other agents employed by the Fund;

- buying and selling assets, customary transaction fees, commissions and compliance fees charged by custodian banks or their agents (including free payments and receipts and any reasonable out-of-pocket expenses, i.e. stamp taxes, registration costs, scrip fees, special transportation costs, etc.), customary brokerage fees and commissions charged by banks and brokers for securities transactions and similar transactions, Share Class hedging fees, index or benchmark fees, middle office fees, index fees, in case of guaranteed or structured Sub-funds, fees charged by a guarantor or derivative counterparty, interest and postage, telephone, facsimile, telex charges and all the costs related to securities lending transactions (agency fees and transactions costs), investment and controls activities of the Fund (such as, but not limited to, legal due diligence, external credit due diligence, external pricing tools/providers, research expenses, ESG providers, rating agencies subscriptions, external modelling or surveillance/bookkeeping platforms etc.); and
- the reorganisation or liquidation of the Fund, a Sub-fund or Share Class.

The allocation of costs and expenses to be borne by the Fund will be made pro rata to the net assets of each Sub-fund in accordance with the Articles of Incorporation.

#### **9.4.10 Formation Expenses**

The fees and expenses incurred in connection with the formation of the Fund will be borne by the Fund and may be amortised over a period of up to five years. The formation expenses of each new Sub-fund will be borne by such Sub-fund and may be amortised over a period of up to five years. New Sub-funds created after the incorporation and launch of the Fund will participate in the non-amortised costs of establishment of the Fund.

## **10. NET ASSET VALUE**

### **10.1 Definition**

The Net Asset Value per Share of each Share Class in each Sub-fund shall be determined each Valuation Day.

The Net Asset Value per Share of each Share Class in each Sub-fund will be expressed in the relevant Share Class currency.

The Net Asset Value per Share of each Share Class in each Sub-fund with respect to any Valuation Day is determined by dividing the value of the total assets of that Sub-fund properly allocable to such Class less the liabilities of such Sub-fund properly allocable to such Class by the total number of Shares of such Class outstanding on such Valuation Day.

The Subscription Price and the Redemption Price of the different Share Classes will differ within each Sub-fund as a result of the differing fee structure and/or distribution policy for each Class.

The valuation of the Net Asset Value per Share of each Share Class in each Sub-fund shall be made in the following manner:

The assets of the Fund shall be deemed to include:

- (a) all cash on hand or on deposit, including any interest accrued thereon;
- (b) all bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- (c) all bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or contracted for by the Fund (provided that the Fund may make adjustments in a manner not inconsistent with paragraph 10.1(a) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- (d) all stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- (e) all interest accrued on any interest bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- (f) the preliminary expenses of the Fund, including the cost of issuing and distributing Shares of the Fund, insofar as the same have not been written off;
- (g) the liquidating value of all forward contracts, swaps and all call or put options the Fund has an open position in; and
- (h) all other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be determined as follows:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received, is 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 is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- (b) the value of financial assets listed or dealt in on a Regulated Market or on any other regulated market will be valued at their latest available prices, or, in the event that there should be several such markets, on the basis of their latest available prices on the main market for the relevant asset;
- (c) in the event that the assets are not listed or dealt in on a Regulated Market or on any other regulated market or if, in the opinion of the Board of Directors, the latest available price does not truly reflect the fair market value of the relevant asset, the value of such asset will be defined by the Board of Directors based on the reasonably foreseeable sales proceeds determined prudently and in good faith by the Board of Directors;
- (d) the liquidating value of futures, forward or options contracts not dealt in on Regulated Markets or on other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts dealt in on Regulated Markets or on other regulated markets shall be

based upon the last available settlement prices of these contracts on Regulated Markets and other regulated markets on which the particular futures, forward or options contracts are dealt in by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;

- (e) the Net Asset Value per Share of any Sub-fund of the Fund may be determined by using an amortised cost method for all investments with a known short term maturity date. This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortisation cost, is higher or lower than the price such Sub-fund would receive if it sold the investment. The Board of Directors will continually assess this method of valuation and recommend changes, where necessary, to ensure that the relevant Sub-fund's investments will be valued at their fair value as determined in good faith by the Board of Directors. If the Board of Directors believe that a deviation from the amortised cost per share may result in material dilution or other unfair results to shareholders, the Board of Directors shall take such corrective action, if any, as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;
- (f) the relevant Sub-fund shall, in principle, keep in its portfolio the investments determined by the amortisation cost method until their respective maturity date;
- (g) interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the Board of Directors;
- (h) all other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors; and
- (i) the Board of Directors, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

The liabilities of the Fund shall be deemed to include:

- (a) all loans, bills and accounts payable;
- (b) all accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- (c) all accrued or payable administrative expenses (including the Variable Management Fee and any other third party fees);
- (d) all known liabilities, present and future, including all matured contractual obligations for payment of money or property;



- (e) an appropriate provision for future taxes based on capital and income to the relevant Valuation Day, as determined from time to time by the Fund, and other reserves, if any, authorized and approved by the Board of Directors; and
- (f) all other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Shares of the Fund. In determining the amount of such liabilities, the Fund shall take into account all expenses payable and all costs incurred by the Fund, which shall comprise the Variable Management Fee, fees payable to its directors (including all reasonable out-of-pocket expenses), the Management Company, investment advisors (if any), Investment Managers or sub-Investment Managers (if any), accountants, the Depository, the Central Administration, corporate agents, domiciliary agents, paying agents, registrars, transfer agents, permanent representatives in places of registration, Global Distributors, Distributors, trustees, fiduciaries, correspondent banks and any other agent employed by the Fund, fees for legal and auditing services, costs of any proposed listings and of maintaining such listings, promotion, printing, reporting and publishing expenses (including reasonable marketing and advertising expenses and costs of preparing, translating and printing in different languages) of prospectuses, KIIDs, KIDs, addenda, explanatory memoranda, registration statements, annual reports and semi-annual reports, all taxes levied on the assets and the income of the Fund (in particular, the "*taxe d'abonnement*" and any stamp duties payable), registration fees and other expenses payable to governmental and supervisory authorities in any relevant jurisdictions, insurance costs, costs of extraordinary measures carried out in the interests of shareholders (in particular, but not limited to, arranging expert opinions and dealing with legal proceedings) and all other operating expenses, including the cost of buying and selling assets, customary transaction fees and commissions charged by custodian banks or their agents (including free payments and receipts and any reasonable out-of-pocket expenses, i.e. stamp taxes, registration costs, scrip fees, special transportation costs, etc.), customary brokerage fees and commissions charged by banks and brokers for securities transactions and similar transactions, interest and postage, telephone, facsimile, telex charges, all the costs related to securities lending transactions (agency fees and transactions costs) and all the costs related to ESG services, ratings or score and legal advice. The Fund may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.
- (g) The net assets of the Fund are at any time equal to the total of the net assets of the various Sub-funds.
- (h) In determining the Net Asset Value per Share, income and expenditure are treated as accruing daily.
- (i) In case of Net Asset Value calculation error, the Fund has decided to apply for all Sub-funds the materiality thresholds of the Circular CSSF 02/77.

## **10.2 Temporary Suspension of Determination of Net Asset Value per Share**

The Fund may suspend the determination of the Net Asset Value per Share of one or more Sub-funds and the issue, redemption and conversion of any Share Classes in the following circumstances:

- (i) during any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Fund attributable to such Sub-fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which

dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Fund attributable to such Sub-fund quoted thereon;

- (ii) during the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Fund attributable to such Sub-fund would be impracticable;
- (iii) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such Sub-fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-fund;
- (iv) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- (v) when for any other reason the prices of any investments owned by the Fund attributable to such Sub-fund cannot promptly or accurately be ascertained; or
- (vi) upon the publication of a notice convening a general meeting of shareholders for the purpose of winding-up the Fund.

The suspension of a Sub-fund shall have no effect on the determination of the Net Asset Value per Share or on the issue, redemption and conversion of Shares of any other Sub-fund that is not suspended.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the determination of the Net Asset Value per Share.

Notice of the beginning and of the end of any period of suspension will be published in a Luxembourg daily newspaper and in any other newspaper(s) selected by the Board of Directors, as well as in the official publications specified for the respective countries in which Fund Shares are sold. The CSSF, and the relevant authorities of any member states of the European Union in which Shares of the Fund are marketed, will be informed of any such suspension. Notice will likewise be given to any subscriber or shareholder as the case may be applying for subscription, conversion or redemption of Shares in the Sub-fund(s) concerned.

### **10.3 Net Asset Value adjustment ("Swing Pricing")**

In certain circumstances, subscriptions, redemptions, and conversions in a Sub-fund may have a negative impact on the Net Asset Value per Share. Where subscriptions, redemptions, and/or conversions in a Sub-fund cause the Sub-fund to buy and/or sell underlying investments, the value of these investments may be affected by bid/offer spreads, trading costs and related expenses including transaction charges, brokerage fees, and taxes.

This investment activity may have a negative impact on the Net Asset Value per Share called "dilution". In order to protect existing or remaining investors from the potential effect of dilution, the Fund may apply a "swing pricing" methodology as further explained below.

The Fund may apply a so-called "swing pricing" methodology which adjusts the Net Asset Value per Share to account for the aggregate costs of buying and/or selling underlying investments.

The Net Asset Value per Share will be adjusted by a certain percentage set by the Board of Directors from time to time for each Sub-fund called the "**Swing Factor**". The Swing Factor represents the estimated bid-offer spread of the assets in which the Sub-fund invests and estimated tax, trading costs, and related expenses that may be incurred by the Sub-fund as a result of buying and/or selling underlying investments. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the Swing Factor may be different for net subscriptions and net redemptions in a Sub-fund. Generally, the Swing Factor will not exceed two percent (2%) of the Net Asset Value per Share unless otherwise set out for each Sub-fund in its Supplement. A periodical review will be undertaken in order to verify the appropriateness of the Swing Factor in view of market conditions.

The Board of Directors will determine if a partial swing or full swing is adopted. If a partial swing is adopted, the Net Asset Value per Share will be adjusted upwards or downwards if net subscriptions or redemptions in a Sub-fund exceed a certain threshold set by the Board of Directors from time to time for each Sub-fund (the "**Swing Threshold**"). If a full swing is adopted, no Swing Threshold will apply.

The Swing Factor will have the following effect on subscriptions or redemptions:

- (1) on a Sub-fund experiencing levels of net subscriptions with respect to a Valuation Day (i.e. subscriptions are greater in value than redemptions) (in excess of the Swing Threshold, where applicable) the Net Asset Value per Share will be adjusted upwards by the Swing Factor; and
- (2) on a Sub-fund experiencing levels of net redemptions with respect to a Valuation Day (i.e. redemptions are greater in value than subscriptions) (in excess of the Swing Threshold, where applicable) the Net Asset Value per Share will be adjusted downwards by the Swing Factor.

The volatility of the Net Asset Value of the Sub-fund might not reflect the true portfolio performance (and therefore might deviate from the Sub-fund's benchmark, where applicable) as a consequence of the application of swing pricing. The VMF, where applicable, will be charged on the basis of the unswung Net Asset Value of the Sub-fund.

The Sub-funds for which the swing pricing mechanism may be applied are the following:

- Aperture Investors SICAV - Credit Opportunities Fund;
- Aperture Investors SICAV - European Innovation Fund;
- Aperture Investors SICAV - Small Cap Innovation Fund; and
- Aperture Investors SICAV - Discover Equity Fund.

#### **10.4 Publication of Net Asset Value per Share**

The Net Asset Value per Share of each Share Class in each Sub-fund is made public at the registered office of the Fund and is available at the offices of the Depositary. The Fund will arrange

for information about the Net Asset Value per Share of each Class within each Sub-fund to be published as required and in addition as it may decide in leading financial newspapers. The Fund cannot accept any liability for any error or delay in publication or for non-publication.

## **11. GENERAL INFORMATION**

### **11.1 Annual and Semi-annual Reports**

Audited Annual Reports and unaudited Semi-annual Reports will be sent to the shareholders upon request and will be made available for public inspection on the Website of the Management Company and at each of the registered offices of the Fund, the Central Administration and any Global Distributor, Distributor respectively, and the latest Annual Report shall be available at least fifteen days before the annual general meeting.

The Fund's financial year ends on 31 December of each year. The first financial year will end on 31 December 2019 and the first Annual Report will be issued as of 31 December 2019.

The consolidation currency of the Fund is the United States Dollars ("**USD**").

### **11.2 General Meetings**

The annual general meeting of Shareholders shall be held, within four (4) months of the end of each financial year in the Grand Duchy of Luxembourg at the registered office of the Fund or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice of such meeting. Other meetings of shareholders may be held at such time and place as may be specified in the respective convening notices.

Notices of all general meetings are sent by mail to all registered shareholders at their registered address at least eight days prior to such meeting. Such notice will indicate the time and place of such meeting and the conditions of admission thereto, will contain the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at such meeting. To the extent required by Luxembourg law, further notices will be published in the *Recueil Electronique des Sociétés et Associations* of the Grand Duchy of Luxembourg (the "**RESA**") – which replaced the *Mémorial C, Recueil des Sociétés et Associations* of the Grand Duchy of Luxembourg as of 1 June 2016 – and in one or more Luxembourg newspapers.

All shareholders may attend general meetings in person or by appointing another person as his proxy in writing or by facsimile, or other similar means of communication accepted by the Fund. A single person may represent several or even all shareholders of the Fund, a Sub-fund or Share Class. Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund, and at all meetings of the Sub-fund or Share Class concerned to the extent that such Share is a Share of such Sub-fund or Share Class.

### **11.3 Investors' rights**

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

#### 11.4 Changes to this Prospectus

The Board of Directors, in close cooperation with the Management Company, may from time to time amend this Prospectus to reflect various changes it deems necessary and in the best interest of the Fund, such as implementing changes to laws and regulations, changes to a Sub-fund's objective and policy, changes of Investment Manager or changes to fees and costs charged to a Sub-fund or Share Class. Any amendment of this Prospectus will require approval by the CSSF prior to taking effect. In accordance with applicable laws and regulations, investors in the Sub-fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree.

#### 11.5 Benchmarks Regulation

Each Investment Manager for certain Sub-funds is using benchmarks within the meaning of the Benchmarks Regulation. As a result, the Fund has adopted written plans setting out actions, which it will take with respect to the Sub-funds listed in the table below in the event that any of the benchmarks listed in the table below materially changes or ceases to be provided (the "**Contingency Plan**"), as required by article 28(2) of the Benchmarks Regulation. Investors may access the Contingency Plan free of charge upon request at the registered office of the Fund, as indicated in section 11.7 (Documents Available for Inspection).

The benchmarks listed in the table below are being provided by the entity specified next to the name of each benchmark, in its capacity as administrator, as defined in the Benchmarks Regulation. The status of each benchmark's administrator in relation to the register referred to in article 36 of the Benchmarks Regulation as of the date of this visa-stamped Prospectus is set out next to the name of the relevant benchmark administrator in the table below.

<b>Sub-fund</b>	<b>Benchmark</b>	<b>Administrator</b>	<b>Status of the administrator</b>
Credit Opportunities Fund	Secured Overnight Financing Rate (SOFR)	Federal Reserve Bank of New York	Benefits from the exemption under article 2 2 (a) of the Benchmarks Regulation
European Innovation Fund	MSCI Europe Net Total Return EUR Index	MSCI Limited	Listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator authorised pursuant to article 34 of the
			Benchmarks Regulation.

Small Cap Innovation Fund	MSCI Europe Small Cap Net TR EUR Index	MSCI Limited	Listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator authorised pursuant to article 34 of the Benchmarks Regulation.
Discover Equity Fund	Russell 2000 Total Return Index	FTSE Russell	Third country administrator benefitting from the transitional period referred to in article 51(5) of the Benchmarks Regulation and extended until 31 December 2025.

## 11.6 SFDR related disclosures

Pursuant to the SFDR, the Management Company is required to disclose the manner in which Sustainability Risks are integrated into the investment decision process and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Fund.

The Fund does not maximize portfolio alignment with Sustainability Factors, however it remains exposed to Sustainability Risks. Such Sustainability Risks may be integrated into the investment decision making process to the extent that they represent potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns, in each case as determined by each Investment Manager.

In addition, the Fund is adopting the below ESG measures which apply to all Sub-funds (unless otherwise specified in the Appendix for a particular Sub-fund): (1) a negative screening policy in the form of an exclusionary list and (2) when exercising its proxy voting rights doing so in a manner that generally promotes good governance and advances sustainability issues. A copy of the Investment Managers' policy on the ESG measures may be obtained without cost at the registered office of the Fund (the "**ESG Measures**"). It should be noted that this policy may be updated from time to time as regulatory expectations and industry best practices evolve.

The impacts following the occurrence of a Sustainability Risk may be numerous, difficult to assess and vary depending on the specific risk, region and asset class. In general, where an unexpected Sustainability Risk materialises in respect of an asset, there could be a negative impact on, or entire loss of, its value.

Such assessment of the likely impact must therefore be conducted at portfolio level. Further detail and specific information is given in Appendix A for each relevant Sub-fund.

### ESG policies/procedures and article 8 SFDR

The Fund has the ESG Measures in place which are binding in relation to all Sub-funds, unless otherwise specified in the Appendix for a particular Sub-fund. As a result of these measures (plus any other ESG matters set out in the Appendix for a particular Sub-fund), the Management Company and the Investment Managers take the view that (unless otherwise specified in the Appendix for a particular Sub-fund) each Sub-fund falls within the scope of article 8 of SFDR:

- a) First, each Investment Manager must have in place at all times, and comply with, negative screening policies and procedures. These shall be prepared to provide reasonable comfort that a Sub-fund does not make or hold direct investments in industries, market segments and companies considered to have harmful or controversial practices from an environmental or social perspective. The specific list of exclusion criteria may be updated from time to time, but will include some or all of the following items:
- Controversial weapons, including cluster ammunitions, landmines, biological and chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and non-detectable fragments and nuclear weapons outside of the Non-proliferation Treaty (NPT);
  - Fossil fuels, including thermal coal, oil sands;
  - Nuclear power generation;
  - Tobacco production;
  - Palm oil;
  - Any businesses in violation of the UN Global Compact; and or
  - Country exclusions based on international sanctions.
- b) Secondly, each Investment Manager must have in place at all times, and comply with, initial and ongoing due diligence requirements to provide comfort that companies in which investments are made are likely to follow good governance practices.
- As regards new investments, this matter is considered in the investment due diligence process, in some cases, using a rating produced by a third party ESG data provider. Data providers will often consider a range of criteria to assess whether investee companies follow good governance practices, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance. In other cases, the Investment Managers' internal team will consider information it is able to obtain from public sources or the company itself, to make an evaluation.
  - It should be acknowledged that such due diligence cannot rule out all risk from a governance perspective. However, a focus on good governance aligns with the Investment Managers' overall view that financial performance and value creation are enhanced by sound governance practices, including a robust approach to risk management, board accountability, and legal and regulatory compliance.
- c) Thirdly, each Investment Manager must have in place and apply at all times policies and procedures in respect of proxy voting that, in general terms, prioritise sustainability concerns and seek to advance sustainability goals. This is done with a view to sustainable value creation, reflecting the core belief that sustainability factors are a key investment input. The

Investment Managers will generally engage a third-party provider in respect of proxy voting services, although they may deviate from the third-party provider's recommendations in accordance with their proxy voting policies and procedures if they determine that doing so would be in the best interest of investors. They will conduct appropriate initial and ongoing due diligence in respect of any such third-party service provider. They will also ensure they engage a third-party that provides services that take into account sustainability concerns and promote sustainable business practices, such as advocating for stewardship of environment, fair labor practices, non-discrimination, the protection of human rights and advancing principles of good corporate governance. It is recognised that the industry approach to proxy voting in the context of ESG risks and issues is evolving rapidly. With this in mind, the Investment Managers' ESG Committee is looking to implement an ongoing review process, by which their approach to proxy voting shall be considered on a regular basis, taking into account industry best practice, as well as investor best interests, regulatory requirements and stewardship.

If existing holdings, compliant at the time of investment, subsequently become ineligible, they will be divested within a reasonable period of time, to the extent commercially practicable given the circumstances.

Although care has been taken to categorise each relevant Sub-Fund for the purposes of SFDR, no guarantee can be made that this categorisation will remain in place over time, in particular, given the uncertainty in the industry as to how such a categorisation should be conducted and the absence of regulatory guidance.

## **SFDR and the Taxonomy Regulation**

No specific disclosure is required to be included in this Prospectus under articles 5, 6 or 7 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the "**Taxonomy Regulation**"), and/or amendments made by the Taxonomy Regulation to SFDR. For the avoidance of doubt, however, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **11.7 Documents Available for Inspection**

The following documents may be inspected free of charge during usual business hours on any Luxembourg Business Day at the registered office of the Fund:

- the Articles of Incorporation;
- the Management Company Agreement;
- the Depositary Agreement;
- the Investment Management Agreement and the Administration Agreement;
- the performance scenarios of the Sub-funds as published in the latest KIDs;
- the historical performance of the Sub-funds as published in the latest KIIDs; and



- the Contingency Plan.

Copies of the Prospectus, the KIIDs, the KIDs, the Articles of Incorporation and of the latest Annual Report and Semi-annual Report may be obtained without cost at the same address as well as on the Website of the Management Company.

### 11.8 Data protection

In accordance with the applicable Luxembourg data protection law and, as of 25 May 2018, the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**Data Protection Law**"), the Fund, acting as data controller ("**Data Controller**"), collects stores and processes, by electronic or other means, the data supplied by the investor at the time of his/her/its subscription for the purpose of fulfilling the services required by the investor and complying with its legal obligations.

The data processed may include the name, contact details (including postal and/or e-mail address), banking details and the invested amount of the investor (or, when the investor is a legal person, of its contact person(s) and/or beneficial owner(s)) ("**Personal Data**").

The investor may, at his/her/its discretion, refuse to communicate the Personal Data to the Fund. In this event however the investor's subscription in the Fund may be impaired.

Personal Data supplied by the investor is processed in order to enter into and execute the agreement with the Fund, for the legitimate interests of the Fund and to comply with the legal obligations imposed on the Fund. In particular, the Personal Data supplied by the investor is processed for the purposes of (i) subscribing and redeeming in the Fund, (ii) maintaining the shares register; (iii) processing subscriptions and withdrawals of and payments of dividends to the investor; (iv) account administration (v) sending legal information or notices to the investors, (vi) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of CRS/FATCA obligations and (vii) complying with legal or regulatory requirements, including foreign laws. Personal Data is not used for marketing purposes.

The "legitimate interests" referred to above are (i) the processing purposes described in point (v) of the above paragraph of this data protection section, and (ii) exercising the business of the Fund in accordance with reasonable market standards.

The Personal Data may also be processed by the Fund's data recipients (the "**Recipients**") which, in the context of the above mentioned purposes, refer to the Management Company, the Investment Managers, the Depositary, the Central Administration, Registrar and Transfer Agent, the Auditors, the Distributor, the Legal Advisers and their respective affiliated entity or any other third party supporting the activity of the Fund.

The Recipients may, under their own responsibility, disclose the Personal Data to their agents, delegates and/or service providers employed to provide administrative, computer or other services or facilities (the "**Sub-Recipients**"), which shall process the Personal Data for purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations. The Recipients and the Sub-Recipients may be located either inside or outside the European Union (the "**EU**").

Where the Recipients are located outside the EU in a country which does not ensure an adequate level of protection for Personal Data, the Data Controller has entered into legally binding transfer

agreements with the relevant Recipients in the form of the EU Commission approved model clauses. In this respect, the data subjects have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Data Controller), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations).

The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may act as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions laid down by the Data Protection Law, the investor acknowledges his/her/its right to:

- access his/her/its Personal Data,
- correct his/her/its Personal Data where it is inaccurate or incomplete,
- object to the processing of his/her/its Personal Data,
- restrict the use of his/her/its Personal Data,
- ask for erasure of his/her/its Personal Data,
- ask for Personal Data portability.

The investor also acknowledges the existence of his/her/its right to lodge a complaint with the National Commission for Data Protection ("**CNPD**").

The investor may exercise the above rights by writing to the Fund at the following address:

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

Personal Data shall not be retained for periods longer than those required for the purpose of their processing subject to any limitation periods imposed by law.

## **11.9 Liquidation – Termination and amalgamation of Sub-fund**

### **11.9.1 Dissolution and Liquidation of the Fund**

The Fund may at any time be dissolved by a resolution taken by the general meeting of shareholders subject to the quorum and majority requirements as defined in the Articles of Incorporation.

Whenever the capital falls below two thirds of the minimum capital as provided by the UCI Law, the Board of Directors must submit the question of the dissolution of the Fund to the general meeting of shareholders. The general meeting, for which no quorum shall be required, shall decide on simple majority of the votes of the Shares present and represented at the meeting.

The question of the dissolution of the Fund shall also be referred to the general meeting of shareholders whenever the capital falls below one quarter of the minimum capital. In such event, the general meeting shall be held without quorum requirements, and the dissolution may be decided by the shareholders holding one quarter of the votes present and represented at that meeting.

The meeting must be convened so that it is held within a period of 40 days from when it is ascertained that the net assets of the Fund have fallen below two thirds or one quarter of the legal minimum as the case may be.

The issue of new Shares by the Fund shall cease on the date of publication of the notice of the general meeting of shareholders, to which the dissolution and liquidation of the Fund shall be proposed.

One or more liquidators shall be appointed by the general meeting of shareholders to realize the assets of the Fund, subject to the supervision of the relevant supervisory authority in the best interests of the shareholders. The proceeds of the liquidation of each Sub-fund, net of all liquidation expenses, shall be distributed by the liquidators among the holders of Shares in each Class in accordance with their respective rights. The amounts not claimed by shareholders at the end of the liquidation process shall be deposited, in accordance with Luxembourg law, with the *Caisse de Consignations* in Luxembourg until the statutory limitation period has lapsed.

#### **11.9.2 Termination of a Sub-fund**

In the event that for any reason the value of the assets in any Sub-fund has decreased to an amount determined by the Board of Directors from time to time to be the minimum level for such Sub-fund to be operated in an economically efficient manner, or if a change in the economic or political situation relating to the Sub-fund concerned would have material adverse consequences on the investments of that Sub-fund, the Board of Directors may decide to offer to the shareholders of such Sub-fund the conversion of their Shares into Shares of another Sub-fund, under terms fixed by the Board of Directors or to compulsorily redeem all the Shares of the relevant Classes issued in such Sub-fund at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses), determined on the Valuation Day on which such decision shall take effect.

The Fund shall serve a notice to the holders of the relevant Sub-fund prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations: registered holders shall be notified in writing.

Unless it is otherwise decided in the interests of, or to keep equal treatment between, the shareholders, the shareholders of the Sub-fund concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Any request for subscription shall be suspended as from the moment of the announcement of the termination, the merger or the transfer of the relevant Sub-fund.

In addition, the general meeting of shareholders of Shares issued in a Sub-fund may, upon proposal from the Board of Directors, redeem all the Shares issued in such Sub-fund and refund to the shareholders the Net Asset Value per Share of their Shares (taking into account actual realization prices of investments and realization expenses) determined on the Valuation Day on which such decision shall take effect. There shall be no quorum requirements for such general

meeting of shareholders that shall decide by resolution taken by simple majority of those present and represented.

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

All redeemed Shares shall be cancelled by the Fund.

### **11.9.3 Amalgamation, division or transfer of Sub-funds**

As provided in the Articles of Incorporation, the Board of Directors have the right from time to time to amalgamate or divide any Sub-fund or to transfer one or more Sub-funds to another Luxembourg based or foreign UCITS. In the case of the amalgamation or division of Sub-funds, the existing shareholders of the respective Sub-funds have the right to require, within one month of notification of such event, the redemption by the Fund of their Shares free of charge. Any merger, as defined in article 1 (20) of the UCI Law, will be realized in accordance with Chapter 8 of the UCI Law.

The Board of Directors will decide on the effective date of any merger of the Fund with another UCITS pursuant to article 66 (4) of the UCI Law.

### **11.10 Applicable law**

The Luxembourg District Court is the place of performance for all legal disputes between the shareholders and the Fund. Luxembourg law applies. The English version of this Prospectus is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in the Grand Duchy of Luxembourg, and are subject to changes in those laws and practice.

## **12. TAXATION**

The following is a summary of certain material Luxembourg tax consequences of purchasing, owning and disposing of Shares. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell Shares. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. This summary does not allow any conclusion to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based on the Luxembourg law and regulations in effect and as interpreted by the Luxembourg tax authorities on the date of the Prospectus. These laws and interpretations are subject to change that may occur after such date, even with retroactive or retrospective effect.

Prospective purchasers of the Shares should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing of the Shares, including the application and effect of any federal, state or local taxes under the tax laws of the Grand Duchy of Luxembourg and each country of which they are residents or citizens.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally

encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), as well as a solidarity surcharge (*contribution au fonds pour l'emploi*), personal income tax (*impôt sur le revenu des personnes physiques*). Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*), as well as other duties, levies and taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and solidarity surcharge. Under certain circumstances, where individual taxpayers act in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

## **12.1 The Fund**

Under current law and practice, the Fund is not liable for any Luxembourg income or net wealth tax nor are distributions, redemptions or payments made by the Fund to its shareholders under the Shares and distribution of liquidation proceeds subject to any Luxembourg withholding tax.

At the date of this Prospectus, the Fund is liable to a registration duty of EUR 75 upon incorporation, or if the Articles of Incorporation are amended and a subscription tax (*taxe d'abonnement*) of 0.05% per annum, such tax being payable quarterly and calculated on the aggregate net assets of the Fund valued at the end of the relevant calendar quarter, unless a reduced tax rate of 0.01% per annum is applicable. Furthermore, some exemptions from subscription tax are available.

The Fund may be subject to withholding tax on dividends and interest as well as to tax on capital gains in the country of origin of its investments. As the Fund itself is exempt from income tax, withholding tax levied at source, if any, may not be creditable/refundable in Luxembourg. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be analyzed on a case-by-case basis. Indeed, as the Fund is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly be applicable to Fund.

In Luxembourg, regulated investment funds such as SICAVs, have the status of taxable persons for value added tax ("**VAT**") purposes. Accordingly, the Fund is considered in Luxembourg as a taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Shareholders, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

## **12.2 Shareholders**

Shareholders may not be subject to any capital gains, income or withholding tax in Luxembourg, unless the shareholders are Luxembourg residents, or non-resident shareholders who or which have a permanent establishment or a permanent representative in Luxembourg.

## **12.3 Common Reporting Standard**

Capitalized terms used in this section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

The Fund may be subject to the CRS as set out in the CRS Law.

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund is required to annually report to the Luxembourg tax authority personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain shareholders qualifying as Reportable Persons and (ii) Controlling Persons of certain non-financial entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "**Information**"), will include personal data related to the Reportable Persons.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each shareholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law. The shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Law.

The shareholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction.

In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, shareholders undertake to inform the Fund within thirty (30) days of receipt of these statements, should any included personal data be not accurate. The shareholders further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as a result of the CRS Law, the value of the Shares held by the shareholders may suffer material losses.

Any shareholder that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such shareholder's failure to provide the Information or subject to disclosure of the Information by the Fund to the Luxembourg tax authorities, and the Fund may, in its sole discretion redeem the Shares of such shareholders.

## **12.4 FATCA**

Capitalized terms used in this section should have the meaning as set forth in the FATCA Law, unless provided otherwise herein.

The Fund may be subject to the so-called FATCA legislation which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities.

As part of the process of implementing FATCA, the US government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model 1 Intergovernmental Agreement implemented by the FATCA Law which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified US Persons, if any, to the Luxembourg tax authorities (*Administration des Contributions Directes*).

Under the terms of the FATCA Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

This status imposes on the Fund the obligation to regularly obtain and verify information on all of its shareholders. On the request of the Fund, each shareholder shall agree to provide certain information, including, in the case of a passive Non-Financial Foreign Entity ("**NFFE**"), information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each shareholder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

FATCA may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of its shareholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purpose set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the US Internal Revenue Service.

Shareholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Shares held by the shareholders may suffer material losses. The failure for the Fund to obtain such information from each shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of US source income and on proceeds from the sale of property or other assets that could give rise to US source interest and dividends as well as penalties.

Any shareholder that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund as a result of such shareholder's failure to

provide the information and the Fund may, in its sole discretion, redeem the Shares of such shareholder.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this US withholding tax and reporting regime.

Shareholders should consult a US tax advisor or otherwise seek professional advice regarding the above requirements.

## **12.5 UK reporting fund status**

The Fund intends to obtain reporting fund status for certain Share Classes. The list of Share Classes and their UK reporting fund status is available at the registered office of the Fund. The Share Classes with reporting fund status will be listed at <https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

### **12.5.1 UK-resident investors in Share Classes with reporting fund status**

UK-resident investors are liable to income tax on all the dividends they receive (as well as on their share of any undistributed income), and it is taxable as dividends or as interest, depending on the investments of the Sub-fund. They will also be liable to tax on capital gains realised on the disposal of their Shares.

### **12.5.2 UK-resident investors in Share Classes which do not have reporting fund status**

UK-resident investors are liable to income tax on any dividends they receive, and it would be taxable as dividends or as interest, depending on the investments of the Sub-fund. They will also be liable to income tax on capital gains on disposal.

**Prospective investors should inform themselves of, and where appropriate take advice on the laws and regulations in particular those relating to taxation (but also those relating to foreign exchange controls and being Prohibited Persons) applicable to the subscription, purchase, holding, conversion and redemption of Shares in the country of their citizenship, residence or domicile and their current tax situation and the current tax status of the Fund in Luxembourg.**



# APPENDIX A

## DETAILS OF EACH SUB-FUND

- I. **Credit Strategies Sub-funds**
  - Credit Opportunities Fund
- II. **Equity Strategies Sub-funds**
  - European Innovation Fund
  - Small Cap Innovation Fund
  - Discover Equity Fund

## APERTURE INVESTORS SICAV

### Credit Opportunities Fund

#### **Objective**

The objective of the Sub-fund is to implement an absolute return strategy to achieve income and capital growth by investing, either directly or indirectly, through the use of exchange-traded and OTC financial derivative instruments, in a portfolio in different asset classes with a focus on debt securities.

#### **Investment policy**

##### ***Investment strategy***

The Sub-fund aims to achieve its investment objective by investing, directly or indirectly through the use of financial derivative instruments, in a basket of debt securities as well as in Cash Equivalents. Under normal market conditions, the core portfolio of the Sub-fund is expected to be constructed by the Investment Manager of corporate debt securities (including CoCos) and financial derivatives on corporate credit single names and indices.

The Investment Manager will take direct and indirect long positions in debt securities it believes will increase in value. Where the Investment Manager believes that such debt securities will either decline in value or underperform the Sub-Fund's long positions, it will take indirect short positions.

The Investment Manager intends to actively manage the Sub-fund. Though the core portfolio is expected to be constructed as indicated in the second sentence of the first paragraph, the Investment Manager may decide, depending on market conditions, to substantially change the Sub-fund's portfolio by investing in securities other than corporate bonds or derivatives on corporate credit single names and indices. Through a flexible allocation, the Investment Manager may indeed seek opportunities to invest in other debt securities which it believes will contribute to achieving the Sub-fund's objective.

While constructing its portfolio, the Sub-fund shall Mainly invest in a diversified basket of debt securities of issuers mostly domiciled, or have substantial business interests in Europe or North America, though it can, on an Ancillary basis, invest more globally, including in Emerging Markets. There shall be no restriction in term of maturity of these debt securities or their reference currency. Under normal market conditions, investment in such debt securities with a Sub-Investment Grade Credit Rating may vary from 0% to 100% of the Sub-fund's net assets. Such limit may vary depending on market conditions.

On an Ancillary basis, the Investment Manager may invest in a diversified basket of equities, equity derivatives and equity-linked securities (including convertible bonds), with no restriction on the geographical localisation of the issuer (and which may include Emerging Markets), including equity securities of closed-ended real estate investment trusts qualifying as Transferable Securities within the meaning of article 41 (1) of the UCI Law. Whenever it deems such investment means more appropriate, the Sub-fund may also take an indirect exposure to the instruments listed above by investing through UCITS, UCIs, REITs or ETFs in compliance with the UCI Law, provided that the Sub-fund shall not invest more than 10% of its net assets into units of other UCITS or UCIs.

The Sub-fund will not hold any investments in securitized debt.

The Sub-fund may also, during the ordinary course of its investment policy, in order to achieve its investment objective, for treasury purposes and/or in case of unfavourable market conditions, invest in Cash Equivalents pursuant to the investment restrictions set out in this supplement and/or in the general part of the Prospectus, as applicable.

The Sub-fund may also hold Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

The Sub-Fund will generally invest in listed entities. Securities that are subject to initial public offerings (IPOs) in regulated markets will comply with the requirements of articles 41 (1) (d) and 48-1 of the UCI Law and the control limits set out in section 4.4.1 of the Prospectus will apply. If no listing occurs within a year of the investment, the securities will be included in the trash ratio, i.e. the Sub-Fund will not invest more than 10% of its net assets into such securities in accordance with section 4.1.2(a) of the Prospectus.

In addition, the Fund is adopting ESG Measures which apply to all Sub-funds. As a result, the Sub-fund is categorised as one that, in the Management Company's and the Investment Manager's view, promotes environmental or social characteristics pursuant to article 8 of SFDR. To be clear, it does not have a "sustainable investment" objective as defined by SFDR. **Information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).**

For more information on these matters, see section 11.6 of the Prospectus titled "SFDR and the Taxonomy Regulation".

#### ***Additional investment powers and restrictions***

When investing in debt securities, the following thresholds will be complied with:

- investments in CoCos are allowed up to 20% of the Sub-fund's net assets;
- investments in debt securities of issuers located in Emerging Market countries or which do not have substantial business interests in non-Emerging Markets countries are allowed up to 20% of the Sub-fund's net assets;
- investments in debt securities having a rating from CCC to C (or equivalent), or, that are in the opinion of the Investment Manager, of comparable quality, are allowed up to 20% of the Sub-fund's net assets;
- investments in distressed/defaulted securities (having a rating below C, or equivalent) shall not exceed more than 10% of the Sub-fund's net assets; and
- investments in unrated debt securities are allowed up to 10% of the Sub-fund's net assets.

When investing in equities, the following threshold will be complied with:

- investments in SPACs are allowed up to 10% of the Sub-fund's net assets.

Finally, the following restrictions will be complied with:

- investments in securities issued pursuant to Rule 144A and/or Regulation S is allowed provided such securities meet the conditions provided for by the Grand Ducal Regulation of February 8, 2008 relating to certain definitions of the UCI Law and by CESR Guidelines 06-005 of January 2006 Box 1 and section 4.1.1(a), 4.1.1(b), 4.1.1(c) or 4.1.1(d), as applicable, of this Prospectus. In particular:
  - such securities must not expose the Sub-fund to loss beyond the amount paid for them or where they are partly paid securities, to be paid for them;
  - their liquidity must not compromise the Sub-fund's ability to comply with the obligation of redemption of the Fund's Shares upon request from the shareholders;
  - there must be accurate, reliable and regular prices, either being market prices or prices made available by valuation systems independent from issuers;
  - there must be regular, accurate and comprehensive information available to the market on such securities or, where relevant, on the portfolio of such securities;
  - they must be negotiable; and
  - their risk must be adequately captured in the risk management process of the Fund.

Whenever the Investment Manager considers that such means of investing is more appropriate and without prejudice to the section "**Use of derivatives and EMT**" below, the Sub-fund can invest through financial derivative instruments, and these may be used to obtain both long and short positions, with the net market exposure varying depending on market conditions. These instruments may include, but are not limited to, futures, options, funded and/or unfunded TRS (on equities, bonds, ETFs) and swaps (including but not limited to interest rate swaps, CDS, index swaps, index-tranche swaps and FX swaps).

Where the Sub-fund enters into financial derivative positions, it will hold sufficient liquid assets (including, if applicable, sufficient liquid long positions) to cover at all times the Sub-fund's obligations arising from its financial derivative positions (including short positions).

Finally, under extreme market circumstances (such as "flight to quality" events where credit spreads widen dramatically and FX depreciate) if the Investment Manager considers it to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Sub-fund may also hold, up to 100% of its net assets in liquidities (i.e., bank deposits, money market UCIs (within the above mentioned 10% limit in UCITS and/or other UCIs), Ancillary Liquid Assets and Money Market Instruments).

#### **Use of derivatives and EMT**

The Sub-fund may in accordance with the investment powers and restrictions set out in section 4 of the Prospectus, use exchange traded and OTC financial instruments and derivatives – such as, but not limited to, futures, swaps, forwards, without any limitation in terms of underlying geographic area or currency – for hedging purposes, for efficient portfolio management purposes and for investment purposes. Derivatives may provide a more efficient

exposure to desired sources of return than direct investments as determined by the Investment Manager. Any use of derivatives will be kept consistent with the investment objective and policy and will not lead the Sub-fund to diverge from its risk profile. The Sub-fund will engage in TRS or EMT (including other FDI with similar characteristics) opportunistically based on the perceived attractiveness of market conditions. TRS and EMT (or other FDI with similar characteristics) to be entered into exclusively aim to generate additional capital or income. As such, there is no restriction on the frequency under which the Sub-fund may engage into such type of transactions and it is expected to use them on a continuous basis.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment. Typically, investments in such instruments are made to adjust the portfolio's market exposure in a more cost-efficient way.

The Sub-fund's use of, or investment in, EMT and TRS will be as follows:

Type of transactions	Under normal circumstances, it is generally expected that such transactions will not exceed a proportion of the Sub-fund's assets under management indicated below. In certain circumstances this proportion may be higher.	Such transactions may represent up to a maximum of the proportion of the Sub-fund's assets under management indicated below.
TRS and other FDI with the same characteristics	60%	400%
Repo/Reverse Repo	5%	50%
Securities Lending	5%	30%

The Sub-fund will not make use of sell-buy back transactions or buy-sell back transactions.

The Sub-fund will invest in, or use, such instruments separately or cumulatively, and within the range of expected level of leverage indicated in the Global Exposure section below.

Where it invests in, or use, such instruments, the Sub-fund may incur fixed or variable brokerage fees and transaction costs upon entering in such instruments and/or upon increasing or decreasing its notional amount as well as upon rebalancing cost for an index that is the underlying asset of such instruments where the rebalancing frequency is determined by the provider of the relevant index. The counterparties to such instruments shall not have discretionary power over the composition or management of the investment portfolio of the Sub-fund or over the underlying assets of such instruments.

The Sub-fund may use standardized CDS (including CDS indices) in order to hedge the specific credit risk of some of the issuers in its portfolio buying protection. The Sub-fund may also use CDS either buying protection without holding the underlying assets or selling protection in order to acquire a specific credit exposure (in case of default of the reference entity the settlement under the CDS transaction will be made in cash). Investors benefit from this type of transaction as the Sub-fund can thereby achieve better diversification of country risk and can make very short-term investments under attractive terms. All revenues arising from TRS or EMT, net of direct and indirect operational costs and fees, will be returned to the Sub-fund and will be included in the valuation of the TRS. There will neither be any costs nor

fees specific to TRS charged to the Sub-fund that would constitute revenue for the Management Company or the Investment Manager.

The Sub-fund may pay up to 25% of the gross revenues generated from securities lending/Repo/Reverse Repo transactions as cost/fees to the SFT Agent and retains a minimum of 75% of the gross revenues generated from securities lending/Repo/Reverse Repo transactions. This includes all direct and indirect costs/fees generated by the securities lending/Repo/Reverse Repo transactions.

Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid will be available in the annual report of the Fund.

**Benchmark**

As further detailed in section 11.5 of the general part of the Prospectus, the SOFR Index (and the SOFR + 200 bps Index for the Share Classes available to certain investors as further detailed below) (the "**Benchmark**") is used for the purpose of calculating the VMF payable to the Investment Manager. Depending on market conditions, the portfolio composition may deviate from the Benchmark.

**Global Exposure**

The method used to calculate the global exposure is the VaR. With this type of approach, the maximum potential loss that the Sub-fund could suffer within a certain time horizon and a certain degree of confidence is estimated. VaR is a statistical approach and under no circumstances does its use guarantee a minimum performance. Given the risk profile and investment strategy of the Sub-fund, the Management Company has selected the absolute VaR approach to set VaR limits. The approach adopted to calculate the leverage is the sum of the notionals of the financial derivatives instruments used by the Sub-fund. Considering the investment strategies characterizing the Sub-fund, the expected level of leverage of this Sub-fund may vary from 50% to 400% excluding the portfolio's total net value.

The attention of investors is drawn to the fact that such level might be exceeded or might be subject to change in the future.

<p><b>Profile of the typical investor</b></p>	<p>The Fund expects that a typical investor in the Sub-fund will be a long-term investor who knows and accepts the risks associated with this type of investment, as set in section 6 of this Prospectus.</p> <p>The typical investor will be seeking to invest a portion of his/her overall portfolio in an actively managed diversified portfolio exposed to long and short positions on debt securities from issuers mostly located in North America and Europe and also to a certain extent to equities and Cash Equivalents.</p>
<p><b>Risk factors</b></p>	<p>Investors should note the specific risk warnings contained in section 6 of this Prospectus and more particularly those regarding:</p> <ul style="list-style-type: none"> <li>• Interest rate risk;</li> </ul>

	<ul style="list-style-type: none"> <li>• The Sub-fund may invest in securities rated Sub-Investment Grade, which present greater risk of loss to principal and interest than higher-quality securities;</li> <li>• Credit risk;</li> <li>• Credit default swaps;</li> <li>• Emerging Markets;</li> <li>• Derivatives;</li> <li>• Foreign exchange;</li> <li>• Liquidity risk;</li> <li>• Short exposure risk;</li> <li>• Equity;</li> <li>• Rule 144A and/or Regulation S securities;</li> <li>• Investment in CoCos;</li> <li>• Distressed securities;</li> <li>• Investment in SPACs; and</li> <li>• It is expected that this Sub-fund will be exposed to a broad range of Sustainability Risks. However, it is not currently anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-fund.</li> </ul>
<b>Investment Manager</b>	Aperture Investors UK, Ltd
<b>Sub-Investment Manager</b>	Aperture Investors, LLC
<b>Distribution</b>	The distribution of Shares in the EU and the EEA will only be done to retail clients who benefit from a discretionary portfolio management and/or investment advisory services subject to suitability tests within the meaning of MiFID II. Without prejudice to the above the Shares may be distributed without restrictions to professional clients within the meaning of MiFID II.
<b>Reference Currency</b>	USD
<b>Valuation Day</b>	Any day (not being a Saturday or Sunday or a public holiday) on which banks generally are open for non-automated business in Luxembourg and the United States of America.

<b>Launch Date of the Sub-fund</b>	5 August 2019
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**Variable Management Fee of the Share Classes potentially available in the Sub-fund**

For the Share Classes currently available in the Sub-fund, please refer to the Website of the Management Company. Please also refer to section 9 of this Prospectus for further information on fees and charges which are the same for all Funds and/or for each class of Shares

Applicable Class of Shares	VMF Midpoint Hurdle	VMF Minimum	VMF Midpoint	VMF Maximum	Variable Element in relation to the VMF Midpoint
A*	SOFR + 200 bps +6.5%	0.39%	2.34%	4.29%	Adjustment (positive or negative) will not exceed +/- 1.95%
AA	SOFR +6.5%	0.80%	2.10%	3.40%	Adjustment (positive or negative) will not exceed +/- 1.30%
D*	SOFR + 200 bps +6.5%	0.39%	2.34%	4.29%	Adjustment (positive or negative) will not exceed +/- 1.95%
DD	SOFR +6.5%	0.80%	2.10%	3.40%	Adjustment (positive or negative) will not exceed +/- 1.30%
E*	SOFR + 200 bps +6.5%	0.39%	2.34%	4.29%	Adjustment (positive or negative) will not exceed +/- 1.95%
EE	SOFR +6.5%	0.80%	2.10%	3.40%	Adjustment (positive or negative) will not exceed +/- 1.30%
I*	SOFR + 200 bps +6.5%	0.39%	2.34%	4.29%	Adjustment (positive or negative) will not exceed +/- 1.95%
II	SOFR +6.5%	0.80%	2.10%	3.40%	Adjustment (positive or negative) will not exceed +/- 1.30%
R*	SOFR + 200 bps +6.5%	0.39%	2.34%	4.29%	Adjustment (positive or negative) will not exceed +/- 1.95%

RR	SOFR +6.5%	0.80%	2.10%	3.40%	Adjustment (positive or negative) will not exceed +/- 1.30%
X	N/A	N/A	N/A	N/A	N/A
Z	N/A	N/A	N/A	N/A	N/A

\*Share class only available to shareholders that are shareholders of the Sub-fund as of 31 March 2024 wishing to increase their investments.

For its services to the Sub-fund, the Investment Manager is entitled to a variable management fee ("**VMF**"), which is calculated and accrued daily, at a rate of 2.34% for share classes denoted with an (\*) and 2.10% for all other share classes (the "**VMF Midpoint**"). The VMF Minimum portion of the VMF will be calculated and accrued daily based on the Sub-fund's NAV. The rest of the VMF amount, if any, will be calculated and accrued daily based on the Sub-fund's daily Modified Net Assets, adjusted upward or downward by a performance adjustment (the "**Performance Adjustment**") that depends on whether, and to what extent, the performance of the Sub-fund exceeds, or is exceeded by, the performance of the Benchmark plus 6.5% (650 basis points) (the "**VMF Midpoint Hurdle**") over the Performance Period.

The "**Performance Period**" (i.e., the period over which performance is measured) is from the day the Sub-fund commences investment operations through 31 December of the commencement year and thereafter each 12-month period beginning on 1 January through 31 December of the same year. The VMF (other than the VMF Minimum) will be payable to the Investment Manager after the end of the Performance Period to which it relates. The VMF Minimum will be payable to the Investment Manager quarterly throughout the Performance Period.

"**Modified Net Assets**" are gross assets net of all fund expenses but not net of the VMF other than the VMF Minimum. The difference between the value (inclusive of income distributions previously paid out) at the beginning of Performance Period compared to the value (inclusive of income distributions previously paid out) at the end of the Performance Period for each of the relevant Variable Share Classes and the VMF Midpoint Hurdle form the basis of the calculation of the variable element of the VMF.

The VMF Midpoint Hurdle has been selected by the Investment Manager as appropriate to calculate the VMF Midpoint of the Variable Share Class and already includes an outperformance of 6.5% above the Benchmark. This means that the variable element assumes an outperformance of the Benchmark by more than 6.5%

to result in an increase of the VMF from the VMF Midpoint and the use of the hurdle rate of 6.5% above the Benchmark seeks to ensure that investors will not be charged a positive variable element until the Investment Manager has delivered an outperformance of 6.5% above the Benchmark. However, and for the avoidance of doubt, the selection of the underlying Benchmark for this purpose should not necessarily be considered as indicative of a specific investment style.

Where the performance of the relevant Variable Share Class is equal to that of the VMF Midpoint Hurdle, the variable element will be zero and the VMF will equal the VMF Midpoint, as indicated in the above table, i.e., the VMF Midpoint represents the management fee in the event that the performance of the Sub-fund equals the performance of the Benchmark plus 6.5% (i.e., the VMF Midpoint Hurdle).

The Performance Adjustment is calculated and accrued daily, according to a schedule that adds or subtracts 0.0030% (0.30 basis points) of the Sub-fund's daily Modified Net Assets for share classes denoted with (\*) and 0.0020% (0.20 basis points) for all other share classes for each 0.01% (1 basis point) of absolute performance by which the performance of the Sub-fund exceeds or lags the performance of the VMF Midpoint Hurdle from the beginning of the Performance Period. The maximum Performance Adjustment (positive or negative) will not exceed a rate of +/- 1.95% (195 basis points) of the Sub-fund's daily Modified Net Assets for share classes denoted with an (\*) and +/- 1.30% (130 basis points) of the Sub-fund's daily Modified Net Assets for all other share classes, which would occur when the Sub-fund's performance exceeds, or is exceeded by, the performance of the VMF Midpoint Hurdle by 6.5% percentage points (650 basis points) for the Performance Period. This ensures that the Investment Manager is not entitled to a positive Performance Adjustment until any underperformance against the VMF Midpoint Hurdle has been recovered.

Depending on the performance of the Sub-fund, the Sub-fund's VMF will range from a minimum of 0.39% for share classes denoted with (\*) and 0.80% for all other share classes (which will apply in the event that the performance of the Sub-fund is equal to or lower than the performance of the Benchmark) to a maximum of 4.29% for share classes denoted with (\*) and 3.40% for all other share classes (which will apply in the event that the performance of the Sub-fund exceeds the performance of the Benchmark by 13% (i.e., VMF Midpoint Hurdle + 6.5%) or more). Investors should note that the minimum VMF of 0.39% for share classes denoted with (\*) and 0.80% for all other share classes will apply in the event that the performance of the Sub-fund is equal to or lower than the performance of the Benchmark and that where the Sub-fund underperforms the Benchmark, there will be no further reduction of the VMF by the variable element.

A Performance Adjustment will not be based on whether the absolute performance of the Sub-fund is positive or negative, but rather based on whether such performance exceeds or is exceeded by the VMF Midpoint Hurdle. Therefore, the Sub-fund could pay a Performance Adjustment for positive relative performance even if the Sub-fund decreases in value, so long as the performance of the Sub-fund exceeds that of the VMF Midpoint Hurdle. Stated otherwise, the Sub-fund can experience negative absolute performance but still be subject to a positive Performance Adjustment resulting in additional fees being paid to the Investment Manager where the Sub-fund has outperformed the VMF Midpoint Hurdle (i.e., the Benchmark + 6.5%).

In the event that a Shareholder makes a subscription for Shares at a time other than at the beginning of a Performance Period, the VMF with respect to the relevant Variable Share Class will be adjusted if necessary to avoid an artificial increase in the VMF payable on account of such subscription, so that the VMF payable by the Variable Share Class (and such Shareholder) remains proportional to the actual investment performance of the Sub-fund.

Please see hereafter a few illustrative examples of VMF under different theoretical scenarios for share classes denoted with an (\*) and for all other share classes:

Share classes denoted with an (\*):

Variable Share Class Return	Benchmark Return	Outperformance/Underperformance of the VMF Midpoint Hurdle	Outperformance/Underperformance of the Benchmark	VMF Midpoint	Variable Element	VMF
15.00 %	0.00%	8.5%	15.00%	2.34%	+1.95 %	4.29 % <sup>2</sup>
15.00 %	1.50%	7.0%	13.50%	2.34%	+1.95 %	4.29 %
16.00 %	2.50%	7.0% <sup>3</sup>	13.5%	2.34%	+1.95 %	4.29 % <sup>4</sup>
10.00 %	3.5%	0% <sup>5</sup>	6.50%	2.34%	+0%	2.34 %

<sup>2</sup> The VMF maximum is paid, even though outperformance of the VMF Midpoint Hurdle + 8.5% (i.e., Benchmark + 15%) was achieved, due to the outperformance cap of the VMF Midpoint Hurdle + 6.5%.

<sup>3</sup> The outperformance cap level is the VMF Midpoint Hurdle + 6.5% (i.e., Benchmark + 13%).

<sup>4</sup> VMF maximum (where Variable Share Class outperformance of the VMF Midpoint Hurdle is 6.5% or greater).

<sup>5</sup> VMF Midpoint Hurdle (i.e., Benchmark + 6.5%).

<b>5.00 %</b>	5.00%	<b>-6.5%</b>	0.00%	2.34%	- 1.95 %	<b>0.39 %<sup>6</sup></b>
<b>9.00 %</b>	10.00%	<b>-7.5%</b>	-1.00%	2.34%	- 1.95 %	<b>0.39 %<sup>7</sup></b>
<b>- 0.50 %</b>	2.00%	<b>-9.0%</b>	-2.50%	2.34%	- 1.95 %	<b>0.39 %</b>
All other share classes:						
<b>Variable Share Class Return</b>	<b>Benchmark Return</b>	<b>Outperformance/ Underperformance of the VMF Midpoint Hurdle</b>	<b>Outperformance/ Underperformance of the Benchmark</b>	<b>VMF Midpoint</b>	<b>Variable Element</b>	<b>VMF</b>
<b>15.00 %</b>	0.00%	<b>8.5%</b>	15.00%	2.10%	+1.3 %	<b>3.40 %<sup>8</sup></b>
<b>15.00 %</b>	1.50%	<b>7.0%</b>	13.50%	2.10%	+1.3 %	<b>3.40 %</b>
<b>16.00 %</b>	2.50%	<b>7.0%<sup>9</sup></b>	13.5%	2.10%	+1.3 %	<b>3.40 %<sup>10</sup></b>
<b>10.00 %</b>	<b>3.5%</b>	<b>0%<sup>11</sup></b>	<b>6.50%</b>	2.10%	<b>+0%</b>	<b>2.10 %</b>
<b>5.00 %</b>	5.00%	<b>-6.5%</b>	0.00%	2.10%	- 1.30 %	<b>0.80 %<sup>12</sup></b>
<b>9.00 %</b>	10.00%	<b>-7.5%</b>	-1.00%	2.10%	- 1.30 %	<b>0.80 %<sup>13</sup></b>
<b>- 0.50 %</b>	2.00%	<b>-9.0%</b>	-2.50%	2.10%	- 1.30 %	<b>0.80 %</b>

<sup>6</sup> VMF Minimum (where the Variable Share Class performance is equal to the Benchmark (i.e., VMF Midpoint Hurdle - 6.5%) or the Variable Share Class underperforms the Benchmark (i.e., VMF Midpoint Hurdle minus >6.5%).

<sup>7</sup> VMF Minimum is paid even though the Variable Share Class has positive returns because the Variable Share Class has underperformed the Benchmark by -1.00% (i.e., VMF Midpoint Hurdle - 7.5%).

<sup>8</sup> The VMF maximum is paid, even though outperformance of the VMF Midpoint Hurdle + 8.5% (i.e., Benchmark + 15%) was achieved, due to the outperformance cap of the VMF Midpoint Hurdle + 6.5%.

<sup>9</sup> The outperformance cap level is the VMF Midpoint Hurdle + 6.5% (i.e., Benchmark + 13%).

<sup>10</sup> VMF maximum (where Variable Share Class outperformance of the VMF Midpoint Hurdle is 6.5% or greater).

<sup>11</sup> VMF Midpoint Hurdle (i.e., Benchmark + 6.5%).

<sup>12</sup> VMF Minimum (where the Variable Share Class performance is equal to the Benchmark (i.e., VMF Midpoint Hurdle - 6.5%) or the Variable Share Class underperforms the Benchmark (i.e., VMF Midpoint Hurdle minus >6.5%).

<sup>13</sup> VMF Minimum is paid even though the Variable Share Class has positive returns because the Variable Share Class has underperformed the Benchmark by -1.00% (i.e., VMF Midpoint Hurdle - 7.5%).

<p><b>Distribution Fee (expressed as maximum rates)</b></p> <p>For further information on the functioning of the Distribution Fee, please refer to section 9.4.6 of this Prospectus</p>	<p>Class D, DD Up to 0.50%</p> <p>Class E, EE: Up to 1%</p> <p>Class Z: 0%</p>
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## APERTURE INVESTORS SICAV

### European Innovation Fund

#### **Objective**

The objective of the Sub-fund is to generate superior long-term risk adjusted returns in excess of the MSCI Europe Net Total Return EUR Index by investing in a portfolio exposed essentially to European equities and equity-related instruments.

#### **Investment policy**

##### ***Investment strategy***

The Sub-fund aims to achieve its investment objective by investing in a portfolio consisting of long and synthetic short positions in equity and equity-related securities (including convertible bonds) using an active extension approach to enhance potential returns without increasing the overall net exposure to the market.

Other than with respect to Cash Equivalents, on an Ancillary basis, the Investment Manager may invest in a diversified basket of debt securities with no restriction on the geographical localisation of the issuer (and which may include Emerging Markets), their maturity, their duration, their average credit rating or their reference currency.

The Investment Manager will actively manage the Sub-fund through a bottom-up selection to generate returns on both long and short leg investments.

The Sub-fund will take long exposure in equity and equity-related securities of companies where innovation is driving under-appreciated growth, competitive advantage and re-rating opportunities.

By targeting innovative companies, the Sub-fund holdings are companies with a positive ESG impact as they are typically involved in addressing humanity's biggest challenges and improving well-being: e.g. life longevity, greener environment and better education and productivity.

In addition to this positive ESG impact, and part of the bottom-up analysis referenced above, the Sub-fund aims to integrate the analysis of potential risks derived from certain environmental, social and governance considerations (ESG).

The ESG risk rating criteria used include: a) Environment: GHG (Green House Gas Emissions), Energy, Water, Waste as a percentage of Revenue b) Social: Percentage Employee Turnover, Employee Unionised, Women Employee c) Governance: Percentage Independent Directors, Director age and attendance and Board size d) Controversies such as Toxic Emissions, Privacy & Data Security, Discrimination, Impact on local communities, Health & Safety, Bribery etc.

The Investment Manager will rely on third-party independent scoring to guide and monitor the evolution of these ESG impact and risk rating considerations. The scoring is only a guide and not a substitute to further bottom-up analysis, which ultimately assesses the relevance and materiality of the scores.

The ESG risk rating is integrated to the active bottom-up stock selection approach. This means that these risks and opportunities are explicitly identified and taken into consideration as part of

the Investment Manager's bottom-up approach but will not translate on their own into an inclusion or exclusion decision from the Sub-fund. For example, the Sub-fund may still own and retain equity and equity-related securities of companies where such ESG risks are present at the sole discretion of the Investment Manager.

The average ESG score of the portfolio will be better than the average ESG score of the MSCI Europe Net Total Return EUR Index (see the benchmark section below). ESG analysis will be applied to at least 90% of the portfolio. The ESG data (especially when provided by third-party providers) may be incomplete, inaccurate or unavailable and as a result, there is a risk to incorrectly assess the ESG score of a security or issuer, which constitutes a methodological limit. If the ESG data (as provided by third-party providers) is incomplete, inaccurate or unavailable, the Investment Manager may make internal changes to an ESG score or develop its own ESG score, each based on an internal review and assessment of the ESG data.

The Sub-fund will generally invest in listed entities. Securities that are subject to initial public offerings (IPOs) in regulated markets will comply with the requirements of articles 41 (1) (d) and 48-1 of the UCI Law and the control limits set out in section 4.4.1 of the Prospectus will apply. If no listing occurs within a year of the investment, the securities will be included in the trash ratio, i.e. the Sub-Fund will not invest more than 10% of its net assets into such securities in accordance with section 4.1.2(a) of the Prospectus.

In addition, the Fund is adopting ESG Measures which apply to all Sub-funds. As a result, the Sub-fund is categorised as one that, in the Management Company's and the Investment Manager's view, promotes environmental or social characteristics pursuant to article 8 of SFDR. To be clear, it does not have a "sustainable investment" objective as defined by SFDR. **Information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).**

For more information on these matters, see section 11.6 of the Prospectus titled "SFDR and the Taxonomy Regulation".

Long exposure is generated via direct investments in such equity and equity-related securities, through the use of derivatives or, to a limited extent, via investments in UCITS-ETFs, subject to the conditions set-out below.

In line with the active extension approach, the Sub-fund will take indirect short exposure to equity and equity-related securities of companies where innovation challenges are negatively impacting their growth, competitiveness and market valuation and typically facing an ESG impact headwind and/or having a negative ESG risk rating. This will result into synthetically increasing underweight positions to negatively exposed ESG companies vs. the Benchmark.

Indirect short exposure to individual stocks or eligible equity baskets/indices will be generated through the use of derivatives and are deemed to increase the performance of the Sub-fund. In such context equity baskets/indices are total return swaps that provide synthetic long or short exposure to two or more different equity and equity-related underlying securities. The Investment Manager may use equity baskets/indices to effect exposure to certain industries, sectors or themes. Furthermore, equity baskets can be customized to include or exclude a certain security (or securities) and set different weightings to express the exposure the Investment Manager is aiming to achieve. As examples, equity baskets/indices may be used by the Investment Manager to express long or short exposure to the automobile industry, the media sector, or other specific innovation theme.



At least 70% of the Sub-fund's portfolio will be exposed to equities of companies listed or domiciled in a European country or companies conducting most of their economic activity in Europe.

Under normal market conditions, the Sub-fund is expected to hold long positions of approximately 90-130% and indirect short positions of approximately 0-30% of its net assets but may vary from these targets depending on market conditions.

The Sub-fund is expected to be constructed of equity securities, equity-related securities, exchange-traded and OTC equity options, exchange-traded equity futures and other financial derivative instruments such as CFD and funded and/or unfunded TRS.

Whenever it deems such investment as appropriate, the Sub-fund may also take an indirect exposure to the instruments listed above by investing through UCITS, UCIs, REITs or UCITS-ETFs in compliance with the UCI Law, provided that the Sub-fund shall not invest more than 10% of its net assets into units of UCITS and/or other UCIs.

The Sub-fund may also, during the ordinary course of its investment policy, in order to achieve its investment objective, for treasury purposes and/or in case of unfavourable market conditions, invest in Cash Equivalents pursuant to the investment restrictions set out in this supplement and/or in the general part of the Prospectus, as applicable.

The Sub-fund may also hold Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

#### ***Additional investment powers and restrictions***

The following restrictions will be complied with:

- investments in securities issued pursuant to Rule 144A and/or Regulation S are allowed provided such securities meet the conditions provided for by the Grand Ducal Regulation of February 8, 2008 relating to certain definitions of the UCI Law and by CESR Guidelines 06-005 of January 2006 Box 1 and section 4.1.1(a), 4.1.1(b), 4.1.1(c) or 4.1.1(d), as applicable, of this Prospectus. In particular:
  - such securities must not expose the Sub-fund to loss beyond the amount paid for them or where they are partly paid securities, to be paid for them;
  - their liquidity must not compromise the Sub-fund's ability to comply with the obligation of redemption of the Fund's Shares upon request from the shareholders;
  - there must be accurate, reliable and regular prices, either being market prices or prices made available by valuation systems independent from issuers;
  - there must be regular, accurate and comprehensive information available to the market on such securities or, where relevant, on the portfolio of such securities;
  - they must be negotiable; and

- their risk must be adequately captured in the risk management process of the Sub-fund.
- this Sub-fund intends to qualify as an "Equity Fund" in accordance with the partial exemption regime and therefore will invest at least 51% of its net asset value on a continuous basis in equities (*Kapitalbeteiligungen*) as defined in the German Investment Tax Act (GITA).
- investments in SPACs are allowed up to 10% of the Sub-fund's net assets.

Finally, under extreme market circumstances (such as "flight to quality" events where credit spreads widen dramatically and FX depreciate), if the Investment Manager considers it to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Sub-fund may hold up to 100% of its net assets in liquidities (i.e., bank deposits, money market UCIs (within the above-mentioned 10% limit in UCITS and/or other UCIs), Money Market Instruments, Ancillary Liquid Assets and U.S. treasury securities).

### Use of derivatives and EMT

The Sub-fund may in accordance with the investment powers and restrictions set out in section 4 of the Prospectus, use exchange traded and OTC financial instruments and derivatives – such as, but not limited to, futures, swaps, forwards, without any limitation in terms of underlying geographic European area or currency – for hedging purposes, for efficient portfolio management purposes and for investment purposes. Derivatives may provide a more efficient exposure to desired sources of return than direct investments as determined by the Investment Manager. Any use of derivatives will be kept consistent with the investment objective and policy and will not lead the Sub-fund to diverge from its risk profile. The Sub-fund will engage in TRS or EMT (including other FDI with similar characteristics) opportunistically based on the perceived attractiveness of market conditions. TRS and EMT (or other FDI with similar characteristics) to be entered into exclusively aim to generate additional capital or income. As such, there is no restriction on the frequency under which the Sub-fund may engage into such type of transactions and it is expected to use them on a continuous basis.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment. Typically, investments in such instruments are made to adjust the portfolio's market exposure in a more cost-efficient way.

The Sub-fund's use of, or investment in, EMT and TRS will be as follows:

Type of transactions	Under normal circumstances, it is generally expected that such transactions will not exceed a proportion of the Sub-fund's assets under management indicated below. In certain circumstances this proportion may be higher.	Such transactions may represent up to a maximum of the proportion of the Sub-fund's assets under management indicated below.
TRS and other FDI with the same characteristics	40%	180%
Repo/Reverse Repo	5%	15%
Securities Lending	5%	30%

The Sub-fund will not make use of sell-buy back transactions or buy-sell back transactions.

Where it invests in, or use, such instruments, the Sub-fund may incur fixed or variable brokerage fees and transaction costs upon entering in such instruments and/or upon increasing or decreasing its notional amount as well as upon rebalancing cost for an index that is the underlying asset of such instruments where the rebalancing frequency is determined by the provider of the relevant index. The counterparties to such instruments shall not have discretionary power over the composition or management of the investment portfolio of the Sub-fund or over the underlying assets of such instruments.

All revenues arising from TRS or EMT, net of direct and indirect operational costs and fees, will be returned to the Sub-fund and will be included in the valuation of the TRS. There will neither be any costs nor fees specific to TRS charged to the Sub-fund that would constitute revenue for the Management Company or the Investment Manager.

The Sub-fund may pay up to 25% of the gross revenues generated from securities lending/Repo/Reverse Repo transactions as cost/fees to the SFT Agent and retains a minimum of 75% of the gross revenues generated from securities lending/Repo/Reverse Repo transactions. This includes all direct and indirect costs/fees generated by the securities lending/Repo/Reverse Repo transactions.

Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid will be available in the annual report of the Fund.

### **Benchmark**

As further detailed in section 11.5 of the general part of the Prospectus, the benchmark of the Sub-fund is the MSCI Europe Net Total Return EUR Index (the "**Benchmark**") and is used for the purpose of calculating the VMF payable to the Investment Manager. The Investment Manager has full discretion over the composition of the Sub-fund's portfolio and there are no restrictions on the extent to which the Sub-fund's portfolio and performance may deviate from the ones of the Benchmark. Depending on market conditions, and on the full discretion used by the Investment Manager to select securities, the portfolio composition may deviate substantially from its Benchmark so as to take advantage of specific investment opportunities.

### **Global Exposure**

The method used to calculate the global exposure is the VaR. With this type of approach, the maximum potential loss that the Sub-fund could suffer within a certain time horizon and a certain degree of confidence is estimated. VaR is a statistical approach and under no circumstances does its use guarantee a minimum performance. Given the risk profile and investment strategy of the Sub-fund, the Management Company has selected the relative VaR approach to set VaR limits. The approach adopted to calculate the leverage is the sum of the notionals of the financial derivatives instruments used by the Sub-fund. Considering the investment strategies characterizing the Sub-fund, the expected level of leverage of this Sub-fund may vary from 0% to 200%, excluding the portfolio's total net value.

The attention of investors is drawn to the fact that such level might be exceeded under exceptional market circumstances or might be subject to change in the future.

<b>Profile of the typical investor</b>	<p>The Fund expects that a typical investor in the Sub-fund will be an investor who knows and accepts the risks associated with this type of investment, as set in section 6 of this Prospectus.</p> <p>The typical investor will be seeking to invest a portion of his/her overall portfolio in an actively managed portfolio targeting capital growth over at least a 5 year investment period and who wish to gain exposure to the type of investment described in the investment policy above.</p>
<b>Risk factors</b>	<p>Investors should note the specific risk warnings contained in section 6 of this Prospectus and more particularly those regarding:</p> <ul style="list-style-type: none"> <li>• Sustainable finance risk;</li> <li>• Market risk;</li> <li>• Volatility risk. Due to the exposure of the Sub-fund to financial derivative instruments the volatility can at times be magnified;</li> <li>• Equity;</li> <li>• Investment in smaller companies;</li> <li>• Foreign exchange;</li> <li>• Short exposure risk;</li> <li>• Derivatives;</li> <li>• OTC financial derivative instruments;</li> <li>• Investment in SPACs;</li> <li>• Interest rate risk;</li> <li>• Credit risk;</li> <li>• Emerging Markets;</li> <li>• Rule 144A and/or Regulation S securities; and</li> <li>• It is expected that this Sub-fund will be exposed to a broad range of Sustainability Risks. However, it is not currently anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-fund.</li> </ul>
<b>Investment Manager</b>	Aperture Investors UK, Ltd
<b>Reference Currency</b>	EUR

<b>Launch Date of the Sub-fund</b>	17 December 2019					
<b>Variable Management Fee of the Share Classes potentially available in the Sub-fund</b>  For the Share Classes currently available in the Sub-fund, please refer to the Website of the Management Company. Please also refer to section 9 of this Prospectus for further information on fees and charges which are the same for all Funds and/or for each class of Shares.	<b>Applicable Class of Shares</b>	<b>VMF Midpoint Hurdle</b>	<b>VMF Minimum</b>	<b>VMF Midpoint</b>	<b>VMF Maximum</b>	<b>Variable Element in relation to the VMF Midpoint</b>
A	MSCI Europe Net Total Return EUR Index +8.5%	0.30%	2.85%	5.4%	Adjustment (positive or negative) will not exceed +/- 2.55%	
D	MSCI Europe Net Total Return EUR Index +8.5%	0.30%	2.85%	5.4%	Adjustment (positive or negative) will not exceed +/- 2.55%	
E	MSCI Europe Net Total Return EUR Index +8.5%	0.30%	2.85%	5.4%	Adjustment (positive or negative) will not exceed +/- 2.55%	
I	MSCI Europe Net Total Return EUR Index +8.5%	0.30%	2.85%	5.4%	Adjustment (positive or negative) will not exceed +/- 2.55%	
R	MSCI Europe Net Total Return EUR Index +8.5%)	0.30%	2.85%	5.4%	Adjustment (positive or negative) will not exceed +/- 2.55%	
X	N/A	N/A	N/A	N/A	N/A	
Z	N/A	N/A	N/A	N/A	N/A	
For its services to the Sub-fund, the Investment Manager is entitled to a variable management fee ("VMF"), which is calculated and accrued daily, at a rate of 2.85% (the " <b>VMF Midpoint</b> "). The VMF Minimum portion of the VMF will be calculated and accrued daily based on the Sub-fund's NAV. The rest of the VMF amount, if any, will be calculated and accrued daily based on the Sub-fund's daily Modified Net Assets, adjusted upward or downward by a performance adjustment (the " <b>Performance Adjustment</b> ") that depends on whether, and to what extent, the performance of the Sub-fund exceeds, or is exceeded by, the performance of the Benchmark plus 8.5% (850 basis points) (the " <b>VMF Midpoint Hurdle</b> ") over the Performance Period.						

The "**Performance Period**" (i.e., the period over which performance is measured) is from the day the Sub-fund commences investment operations through 31 December of the commencement year and thereafter each 12-month period beginning on 1 January through 31 December of the same year. The VMF (other than the VMF Minimum) will be payable to the Investment Manager after the end of the Performance Period to which it relates. The VMF Minimum will be payable to the Investment Manager quarterly throughout the Performance Period.

"**Modified Net Assets**" are gross assets net of all fund expenses but not net of the VMF other than the VMF Minimum. The difference between the value (inclusive of income distributions previously paid out) at the beginning of Performance Period compared to the value (inclusive of income distributions previously paid out) at the end of the Performance Period for each of the relevant Variable Share Classes and the VMF Midpoint Hurdle form the basis of the calculation of the variable element of the VMF.

The VMF Midpoint Hurdle has been selected by the Investment Manager as appropriate to calculate the VMF Midpoint of the Variable Share Class and already includes an outperformance of 8.5% above the Benchmark. This means that the variable element assumes an outperformance of the Benchmark by more than 8.5% to result in an increase of the VMF from the VMF Midpoint and the use of the hurdle rate of 8.5% above the Benchmark seeks to ensure that investors will not be charged a positive variable element until the Investment Manager has delivered an outperformance of 8.5% above the Benchmark. However, and for the avoidance of doubt, the selection of the underlying Benchmark for this purpose should not necessarily be considered as indicative of a specific investment style.

Where the performance of the relevant Variable Share Class is equal to that of the VMF Midpoint Hurdle, the variable element will be zero and the VMF will equal the VMF Midpoint, as indicated in the above table, i.e., the VMF Midpoint represents the management fee in the event that the performance of the Sub-fund equals the performance of the Benchmark plus 8.5% (i.e., the VMF Midpoint Hurdle).

The Performance Adjustment is calculated and accrued daily, according to a schedule that adds or subtracts 0.0030% (0.30 basis points) of the Sub-fund's daily Modified Net Assets for each 0.01% (1 basis point) of absolute performance by which the performance of the Sub-fund exceeds or lags the performance of the VMF Midpoint Hurdle from the beginning of the Performance Period. The maximum Performance Adjustment (positive or negative) will not exceed a rate of +/- 2.55% (255 basis points) of the Sub-fund's daily Modified Net Assets, which would occur when the Sub-fund's performance exceeds, or is exceeded by, the performance of the VMF Midpoint Hurdle by 2.55% percentage points (255 basis points) for the Performance Period. This ensures that the Investment Manager is not entitled to a positive Performance Adjustment until any

underperformance against the VMF Midpoint Hurdle has been recovered.

Depending on the performance of the Sub-fund, the Sub-fund's VMF will range from a minimum of 0.30% (which will apply in the event that the performance of the Sub-fund is equal to or lower than the performance of the Benchmark) to a maximum of 5.4% (which will apply in the event that the performance of the Sub-fund exceeds the performance of the Benchmark by 17% (i.e., VMF Midpoint Hurdle + 8.5%) or more). Investors should note that the minimum VMF of 0.30% will apply in the event that the performance of the Sub-fund is equal to or lower than the performance of the Benchmark and that where the Sub-fund underperforms the Benchmark, there will be no further reduction of the VMF by the variable element.

A Performance Adjustment will not be based on whether the absolute performance of the Sub-fund is positive or negative, but rather based on whether such performance exceeds or is exceeded by the VMF Midpoint Hurdle. Therefore, the Sub-fund could pay a Performance Adjustment for positive relative performance even if the Sub-fund decreases in value, so long as the performance of the Sub-fund exceeds that of the VMF Midpoint Hurdle. Stated otherwise, the Sub-fund can experience negative absolute performance but still be subject to a positive Performance Adjustment resulting in additional fees being paid to the Investment Manager where the Sub-fund has outperformed the VMF Midpoint Hurdle (i.e., the Benchmark + 8.5%).

In the event that a Shareholder makes a subscription for Shares at a time other than at the beginning of a Performance Period, the VMF with respect to the relevant Variable Share Class will be adjusted if necessary to avoid an artificial increase in the VMF payable on account of such subscription, so that the VMF payable by the Variable Share Class (and such Shareholder) remains proportional to the actual investment performance of the Sub-fund.

Please see hereafter a few illustrative examples of VMF under different theoretical scenarios:

Variable Share Class Return	Index Return	Outperformance/Underperformance of the VMF Midpoint Hurdle	Outperformance/Underperformance of the Index	VMF Midpoint	Variable Element	VMF
20.0%	0.0%	+11.5%	+20.0%	2.85%	+2.55%	5.4% <sup>21</sup>
20.0%	1.5%	+10.0%	+18.5%	2.85%	+2.55%	5.4%

<sup>21</sup> The VMF maximum is paid, even though outperformance of the VMF Midpoint Hurdle + 11.5% (i.e., Index + 20%) was achieved, due to the outperformance cap of the VMF Midpoint Hurdle + 8.5%.

	<b>1.0%</b>	- 16.5 %	<b>+9.0%</b>	+17.5%	2.85%	+2.55 %	<b>5.4%</b>
	<b>20.0%</b>	3.0%	<b>+8.5%</b> <sup>22</sup>	+17.0%	2.85%	+2.55 %	<b>5.4%</b> <sup>23</sup>
	<b>-1.0%</b>	- 10.0 %	<b>+0.5%</b>	+9.0%	2.85%	+0.15 %	<b>3.0%</b>
	<b>0.0%</b>	-9.5%	<b>+1.0%</b>	+9.5%	2.85%	+0.30 %	<b>3.15%</b>
	<b>10.0%</b>	<b>1.5%</b>	<b>0%</b> <sup>24</sup>	<b>+8.5%</b>	2.85%	<b>+0%</b>	<b>2.85%</b>
	<b>-5.0%</b>	-7.5%	<b>-6.0%</b>	+2.5%	2.85%	-1.8%	<b>1.05%</b> <sup>25</sup>
	<b>1.25%</b>	-1.0%	<b>-6.25%</b>	+2.25%	2.85%	- 1.875 %	<b>0.975%</b>
	<b>5.0%</b>	5.0%	<b>-8.5%</b>	0.0%	2.85%	-2.55%	<b>0.30%</b> <sup>26</sup>
	- <b>0.50%</b>	- 0.25 %	<b>-8.75%</b>	-0.25%	2.85%	-2.55%	<b>0.30%</b>
	<b>9.0%</b>	10.0 %	<b>-9.5%</b>	-1.0%	2.85%	-2.55%	<b>0.30%</b> <sup>27</sup>
	- <b>0.50%</b>	2.00 %	<b>-11.0%</b>	-2.5%	2.85%	-2.55%	<b>0.30%</b>
<b>Distribution Fee (expressed as maximum rates)</b>	Class D: Up to 0.50%						
	Class E: Up to 1%						
	Class Z: 0%						
For further information on the functioning of the Distribution Fee, please refer to section 9.4.6 of this Prospectus							

<sup>22</sup> The outperformance cap level is the VMF Midpoint Hurdle + 8.5% (i.e., Index + 17%).

<sup>23</sup> VMF maximum (where Variable Share Class outperformance of the VMF Midpoint Hurdle is 8.5% or greater).

<sup>24</sup> VMF Midpoint Hurdle (i.e., Index + 8.5%).

<sup>25</sup> The VMF is greater than the VMF Minimum even though the Variable Share Class achieved negative returns because the Variable Share Class still outperformed the Index by 2.5% (i.e., VMF Midpoint Hurdle - 6%).

<sup>26</sup> VMF Minimum (where the Variable Share Class performance is equal to the Index (i.e., VMF Midpoint Hurdle - 8.5%) or the Variable Share Class underperforms the Index (i.e., VMF Midpoint Hurdle minus >8.5%).

<sup>27</sup> VMF Minimum is paid even though the Variable Share Class has positive returns because the Variable Share Class has underperformed the Index by -1% (i.e., VMF Midpoint Hurdle - 9.5%).



## APERTURE INVESTORS SICAV

### Small Cap Innovation Fund

#### **Objective**

The objective of the Sub-fund is to generate superior long-term risk adjusted returns in excess of the MSCI Europe Small Cap Net TR EUR Index by investing in a portfolio exposed essentially to European small cap equities and equity-related instruments.

#### **Investment policy**

##### ***Investment strategy***

The Sub-fund aims to achieve its investment objective by investing in a portfolio consisting of long and synthetic short positions in global, essentially European, small cap equity and equity-related securities (including convertible bonds) using an active extension approach to enhance potential returns without increasing the overall net exposure to the market.

Other than with respect to Cash Equivalents, on an Ancillary basis, the Investment Manager may invest in a diversified basket of debt securities with no restriction on the geographical localisation of the issuer (and which may include Emerging Markets), their maturity, their duration, their average credit rating or their reference currency.

Under normal circumstances, at least 70% of the Sub-fund's portfolio will be exposed to small cap securities of companies which at the time of initial investment have a market capitalization of less than or equal to €1.5 billion or are within the range of companies represented in the range of the Benchmark, whichever is greater for the maximum market capitalization, at the time of purchase. Under normal market conditions, at least 70% of the Sub-fund's portfolio will be exposed to equity and equity-related securities of companies listed or domiciled in a European country or companies conducting most of their economic activity in Europe. Under normal market conditions, the other 30% could be composed of equity and equity-related securities of companies that have a market capitalisation in excess of €1.5 billion (or, if companies are included in the Benchmark index and have a market capitalisation greater than €1.5 billion, such greater amount).

The Investment Manager will attempt to identify fast-growing categories of activity "verticals" experiencing an acceleration in their innovation adoption, for example, Industry 4.0, Clean Environment, Next-Generation Internet and 5G, Life Science and Longevity, Fintech etc. These verticals are identified dynamically and may change at the sole discretion of the Investment Manager.

The Investment Manager will actively manage the Sub-fund through a bottom-up selection to generate returns on both long and short leg investments.

The bottom-up analysis process aims to take long exposure in small cap equity and equity-related securities of companies where the Investment Manager believes (a) innovation is driving or will drive under-appreciated growth, (b) such companies possess competitive advantages and/or (c) there is a potential for re-rating of such securities.

By targeting companies experiencing an acceleration in their innovation adoption, the Sub-fund holdings may often be companies involved in industries that effect e.g., life longevity, greener environment, better education, and greater productivity. While it is possible these companies

carry a strong ESG risk rating, often times companies that have positive impacts may not carry such a rating.

As part of the bottom-up analysis referenced above, the Sub-fund aims to integrate the analysis of potential risks derived from ESG considerations in its research process in evaluating the attractiveness of the company as an investment.

The ESG risk rating criteria will always be determined by the Investment Manager and may include one or more of the following factors by way of example: a) Environment: Carbon Emissions, Resource Use, Pollution and Waste, b) Social: Human Capital, Product Liabilities, Supply Chain, c) Governance: Ownership and Control, Board, Business Ethics and Remuneration, d) Controversies such as Toxic Emissions, Privacy & Data Security, Discrimination, Impact on Local Communities, Health & Safety, Bribery, etc. We expect that over time the criteria used to assess ESG risks will change and the aforementioned examples may change in practice.

The Investment Manager will rely on third-party independent scoring to guide and monitor the evolution of these ESG criteria and risk rating considerations. The scoring is only a guide and a portion of the bottom-up analysis the Investment Manager undertakes in its research process, which ultimately assesses the attractiveness of the company as an investment. For example, the Sub-fund may still own and retain equity and equity-related securities of companies where such ESG risks are present at the sole discretion of the Investment Manager.

The average ESG score of the portfolio will be better than the average ESG score of the MSCI Europe Small Cap Net TR EUR Index (see the benchmark section below). ESG analysis will be applied to at least 90% of the portfolio. The ESG data (especially when provided by third-party providers) may be incomplete, inaccurate or unavailable and as a result, there is a risk to incorrectly assess the ESG score of a security or issuer, which constitutes a methodological limit. If the ESG data (as provided by third-party providers) is incomplete, inaccurate or unavailable, the Investment Manager may make internal changes to an ESG score or develop its own ESG score, each based on an internal review and assessment of the ESG data.

In addition, the Fund is adopting ESG Measures which apply to all Sub-funds. As a result, the Sub-fund is categorised as one that, in the Management Company's and the Investment Manager's view, promotes environmental or social characteristics pursuant to article 8 of SFDR. To be clear, it does not have a "sustainable investment" objective as defined by SFDR. **Information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).** Long exposure is generated via direct investments in such equity and equity-related securities, through the use of derivatives or, to a limited extent, via investments in UCITS-ETFs, subject to the conditions set-out below.

In line with the active extension approach, the Sub-fund will take indirect short exposure to equity and equity-related securities of companies where the Investment Manager believes (a) innovation-related developments may cause disruption to their business operations and/or (b) structural challenges with their business model are negatively impacting or will negatively impact their growth, competitiveness, and market valuation. These companies may face customer concerns regarding the impact of the business on society and/or have negative ESG risk ratings.

Indirect short exposure to individual stocks or eligible equity baskets/indices will be generated through the use of derivatives and are deemed to increase the performance of the Sub-fund. In such context equity baskets/indices are total return swaps that provide synthetic long or short exposure to two or more different equity and equity-related underlying securities. The

Investment Manager may use equity baskets/indices to effect exposure to certain industries, sectors or themes. Furthermore, equity baskets can be customized to include or exclude a certain security (or securities) and set different weightings to express the exposure the Investment Manager is aiming to achieve. As examples, equity baskets/indices may be used by the Investment Manager to express long or short exposure to the automobile industry, the media sector, or other specific innovation theme.

Under normal market conditions, the Sub-fund is expected to hold long positions of approximately 90-130% and indirect short positions of approximately 0-30% of its net assets but may vary from these targets depending on market conditions.

The Sub-fund is expected to be constructed of equity securities, equity-related securities, exchange-traded and OTC equity options, exchange-traded equity futures and other financial derivative instruments such as CFD and funded and/or unfunded TRS.

Whenever it deems such investment as appropriate, the Sub-fund may also take an indirect exposure to the instruments listed above by investing through UCITS, UCIs, REITs or UCITS-ETFs in compliance with the UCI Law, provided that the Sub-fund shall not invest more than 10% of its net assets into units of UCITS and/or other UCIs.

The Sub-fund may also, during the ordinary course of its investment policy, in order to achieve its investment objective, for treasury purposes and/or in case of unfavourable market conditions, invest in Cash Equivalents pursuant to the investment restrictions set out in this supplement and/or to the general part of the Prospectus, as applicable.

The Sub-fund may also hold Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

The Sub-Fund will generally invest in listed entities, but if appropriate opportunities arise it may invest in private companies that are expected to grow. Securities that are subject to initial public offerings (IPOs) in regulated markets will comply with the requirements of articles 41 (1) (d) and 48-1 of the UCI Law and the control limits set out in section 4.4.1 of the Prospectus will apply. If no listing occurs within a year of the investment, the securities will be included in the trash ratio, i.e. the Sub-Fund will not invest more than 10% of its net assets into such securities in accordance with section 4.1.2(a) of the Prospectus.

#### ***Additional investment powers and restrictions***

The following restrictions will be complied with:

- investments in securities issued pursuant to Rule 144A and/or Regulation S are allowed provided such securities meet the conditions provided for by the Grand Ducal Regulation of February 8, 2008 relating to certain definitions of the UCI Law and by CESR Guidelines 06-005 of January 2006 Box 1 and section 4.1.1(a), 4.1.1(b), 4.1.1(c) or 4.1.1(d), as applicable, of this Prospectus. In particular:
  - such securities must not expose the Sub-fund to loss beyond the amount paid for them or where they are partly paid securities, to be paid for them;

- their liquidity must not compromise the Sub-fund's ability to comply with the obligation of redemption of the Sub-fund's Shares upon request from the shareholders;
  - there must be accurate, reliable and regular prices, either being market prices or prices made available by valuation systems independent from issuers;
  - there must be regular, accurate and comprehensive information available to the market on such securities or, where relevant, on the portfolio of such securities;
  - they must be negotiable; and
  - their risk must be adequately captured in the risk management process of the Sub-fund.
- this Sub-fund intends to qualify as an "Equity Fund" in accordance with the partial exemption regime and therefore will invest at least 51% of its net asset value on a continuous basis in equities (*Kapitalbeteiligungen*) as defined in the German Investment Tax Act (GITA).
  - investments in SPACs are allowed up to 10% of the Sub-fund's net assets.

Finally, under extreme market circumstances (such as "flight to quality" events where credit spreads widen dramatically and FX depreciate), if the Investment Manager considers it to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Sub-fund may hold up to 100% of its net assets in liquidities (i.e., bank deposits, money market UCIs (within the above-mentioned 10% limit in UCITS and/or other UCIs), Money Market Instruments, Ancillary Liquid Assets and U.S. treasury securities).

### **Use of derivatives and EMT**

The Sub-fund may in accordance with the investment powers and restrictions set out in section 4 of the Prospectus, use exchange traded and OTC financial instruments and derivatives – such as, but not limited to, futures, swaps, forwards, without any limitation in terms of underlying geographic European area or currency – for hedging purposes, for efficient portfolio management purposes and for investment purposes. Derivatives may provide a more efficient exposure to desired sources of return than direct investments as determined by the Investment Manager. Any use of derivatives will be kept consistent with the investment objective and policy and will not lead the Sub-fund to diverge from its risk profile. The Sub-fund will engage in TRS or EMT (including other FDI with similar characteristics) opportunistically based on the perceived attractiveness of market conditions. TRS and EMT (or other FDI with similar characteristics) to be entered into exclusively aim to generate additional capital or income. As such, there is no restriction on the frequency under which the Sub-fund may engage into such type of transactions and it is expected to use them on a continuous basis.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.

Typically, investments in such instruments are made to adjust the portfolio's market exposure in a more cost-efficient way.

The Sub-fund's use of, or investment in, EMT and TRS will be as follows:

Type of transactions	Under normal circumstances, it is generally expected that such transactions will not exceed a proportion of the Sub-fund's assets under management indicated below. In certain circumstances this proportion may be higher.	Such transactions may represent up to a maximum of the proportion of the Sub-fund's assets under management indicated below.
TRS and other FDI with the same characteristics	40%	180%
Repo/Reverse Repo	5%	15%
Securities Lending	5%	30%

The Sub-fund will not make use of sell-buy back transactions or buy-sell back transactions.

Where it invests in, or use, such instruments, the Sub-fund may incur fixed or variable brokerage fees and transaction costs upon entering in such instruments and/or upon increasing or decreasing its notional amount as well as upon rebalancing cost for an index that is the underlying asset of such instruments where the rebalancing frequency is determined by the provider of the relevant index.

The counterparties to such instruments shall not have discretionary power over the composition or management of the investment portfolio of the Sub-fund or over the underlying assets of such instruments.

All revenues arising from TRS or EMT, net of direct and indirect operational costs and fees, will be returned to the Sub-fund and will be included in the valuation of the TRS. There will neither be any costs nor fees specific to TRS charged to the Sub-fund that would constitute revenue for the Management Company or the Investment Manager.

The Sub-fund may pay up to 25% of the gross revenues generated from securities lending/Repo/Reverse Repo transactions as cost/fees to the SFT Agent and retains a minimum of 75% of the gross revenues generated from securities lending/Repo/Reverse Repo transactions. This includes all direct and indirect costs/fees generated by the securities lending/Repo/Reverse Repo transactions.

Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid will be available in the annual report of the Fund.

### **Benchmark**

As further detailed in section 11.5 of the general part of the Prospectus, the benchmark of the Sub-fund is the MSCI Europe Small Cap Net TR EUR Index (the "**Benchmark**") and is used for the purpose of calculating the VMF payable to the Investment Manager. The Investment Manager has full discretion over the composition of the Sub-fund's portfolio and there are no restrictions on the extent to which the Sub-fund's portfolio and performance may deviate from the ones of the Benchmark. Depending on market conditions, and on the full discretion used by the Investment Manager to select securities, the portfolio composition may deviate substantially from its Benchmark so as to take advantage of specific investment opportunities.

**Global Exposure**

The method used to calculate the global exposure is VaR. With this type of approach, the maximum potential loss that the Sub-fund could suffer within a certain time horizon and a certain degree of confidence is estimated. VaR is a statistical approach and under no circumstances does its use guarantee a minimum performance. Given the risk profile and investment strategy of the Sub-fund, the Management Company has selected the relative VaR approach to set VaR limits. The approach adopted to calculate the leverage is the sum of the notionals of the financial derivatives instruments used by the Sub-fund. Considering the investment strategies characterizing the Sub-fund, the expected level of leverage of this Sub-fund may vary from 0% to 200%, excluding the portfolio's total net value.

The attention of investors is drawn to the fact that such level might be exceeded under exceptional market circumstances or might be subject to change in the future.

**Profile of the typical investor**

The Fund expects that a typical investor in the Sub-fund will be an investor who knows and accepts the risks associated with this type of investment, as set in section 6 of this Prospectus.

The typical investor will be seeking to invest a portion of their overall portfolio in an actively managed portfolio targeting capital growth over at least an investment cycle and who wish to gain exposure to the type of investment described in the investment policy above.

**Risk factors**

Investors should note the specific risk warnings contained in section 6 of this Prospectus and more particularly those regarding:

- Sustainable finance risk;
- Market risk;
- Volatility risk. Due to the exposure of the Sub-fund to financial derivative instruments the volatility can at times be magnified;
- Equity;
- Investment in smaller companies;
- Foreign exchange;
- Short exposure risk;
- Derivatives;
- Investment in SPACs;
- Interest rate risk;
- Credit risk;
- Emerging Markets;

	<ul style="list-style-type: none"> <li>• OTC financial derivative instruments; and</li> <li>• Rule 144A and/or Regulation S securities.</li> </ul> <p>It is expected that this Sub-fund will be exposed to a broad range of Sustainability Risks. However, it is not currently anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-fund.</p>																																										
<b>Investment Manager</b>	Aperture Investors UK, Ltd																																										
<b>Reference Currency</b>	EUR																																										
<b>Launch Date of the Sub-fund</b>	21 December 2021																																										
<p><b>Variable Management Fee of the Share Classes potentially available in the Sub-fund</b></p> <p>For the Share Classes currently available in the Sub-fund, please refer to the Website of the Management Company. Please also refer to section 9 of this Prospectus for further information on fees and charges which are the same for all Sub-funds and/or for each class of Shares.</p>	<table border="1"> <thead> <tr> <th>Applicable Class of Shares</th> <th>VMF Midpoint Hurdle</th> <th>VMF Minimum</th> <th>VMF Midpoint</th> <th>VMF Maximum</th> <th>Variable Element in relation to the VMF Midpoint</th> </tr> </thead> <tbody> <tr> <td>D</td> <td>Benchmark +7.5%</td> <td>1%</td> <td>3.25%</td> <td>5.5%</td> <td>Adjustment (positive or negative) will not exceed +/- 2.25%</td> </tr> <tr> <td>E</td> <td>Benchmark +7.5%</td> <td>1%</td> <td>3.25%</td> <td>5.5%</td> <td>Adjustment (positive or negative) will not exceed +/- 2.25%</td> </tr> <tr> <td>I</td> <td>Benchmark +7.5%</td> <td>1%</td> <td>3.25%</td> <td>5.5%</td> <td>Adjustment (positive or negative) will not exceed +/- 2.25%</td> </tr> <tr> <td>R</td> <td>Benchmark +7.5%</td> <td>1%</td> <td>3.25%</td> <td>5.5%</td> <td>Adjustment (positive or negative) will not exceed +/- 2.25%</td> </tr> <tr> <td>X</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Z</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table> <p>For its services to the Sub-fund, the Investment Manager is entitled to a variable management fee (the "<b>VMF</b>"), which is calculated and accrued daily, at a rate of 3.25% (the "<b>VMF Midpoint</b>"). The VMF Minimum portion of the VMF will be calculated and accrued daily based on the Sub-fund's NAV. The rest of the VMF amount, if any, will be calculated and accrued daily based on the Sub-fund's daily Modified Net Assets, adjusted upward or downward by a performance adjustment (the "<b>Performance Adjustment</b>") that depends on whether, and to what extent, the performance of the Sub-</p>	Applicable Class of Shares	VMF Midpoint Hurdle	VMF Minimum	VMF Midpoint	VMF Maximum	Variable Element in relation to the VMF Midpoint	D	Benchmark +7.5%	1%	3.25%	5.5%	Adjustment (positive or negative) will not exceed +/- 2.25%	E	Benchmark +7.5%	1%	3.25%	5.5%	Adjustment (positive or negative) will not exceed +/- 2.25%	I	Benchmark +7.5%	1%	3.25%	5.5%	Adjustment (positive or negative) will not exceed +/- 2.25%	R	Benchmark +7.5%	1%	3.25%	5.5%	Adjustment (positive or negative) will not exceed +/- 2.25%	X	N/A	N/A	N/A	N/A	N/A	Z	N/A	N/A	N/A	N/A	N/A
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fund exceeds, or is exceeded by, the performance of the Benchmark plus 7.5% (750 basis points) (the "**VMF Midpoint Hurdle**") over the Performance Period.

The "**Performance Period**" (i.e., the period over which performance is measured) is from the day the Sub-fund commences investment operations through 31 December of the commencement year and thereafter each 12-month period beginning on 1 January through 31 December of the same year. The VMF (other than the VMF Minimum) will be payable to the Investment Manager after the end of the Performance Period to which it relates. The VMF Minimum will be payable to the Investment Manager quarterly throughout the Performance Period.

"**Modified Net Assets**" are gross assets net of all fund expenses but not net of the VMF other than the VMF Minimum. The difference between the value (inclusive of income distributions previously paid out) at the beginning of Performance Period compared to the value (inclusive of income distributions previously paid out) at the end of the Performance Period for each of the relevant Variable Share Classes and the VMF Midpoint Hurdle form the basis of the calculation of the variable element of the VMF.

The VMF Midpoint Hurdle has been selected by the Investment Manager as appropriate to calculate the VMF Midpoint of the Variable Share Class and already includes an outperformance of 7.5% above the Benchmark. This means that the variable element assumes an outperformance of the Benchmark by more than 7.5% to result in an increase of the VMF from the VMF Midpoint and the use of the hurdle rate of 7.5% above the Benchmark seeks to ensure that investors will not be charged a positive variable element until the Investment Manager has delivered an outperformance of 7.5% above the Benchmark. However, and for the avoidance of doubt, the selection of the underlying Benchmark for this purpose should not necessarily be considered as indicative of a specific investment style.

Where the performance of the relevant Variable Share Class is equal to that of the VMF Midpoint Hurdle, the variable element will be zero and the VMF will equal the VMF Midpoint, as indicated in the above table, i.e., the VMF Midpoint represents the management fee in the event that the performance of the Sub-fund equals the performance of the Benchmark plus 7.5% (i.e., the VMF Midpoint Hurdle).

The Performance Adjustment is calculated and accrued daily, according to a schedule that adds or subtracts 0.0030% (0.30 basis points) of the Sub-fund's daily Modified Net Assets for each 0.01% (1 basis point) of absolute performance by which the performance of the Sub-fund exceeds or lags the performance of the VMF Midpoint Hurdle from the beginning of the Performance Period. The maximum Performance Adjustment (positive or negative) will not exceed a rate of +/- 2.25% (225 basis points) of the Sub-fund's daily Modified Net Assets, which would occur when the Sub-fund's performance exceeds, or is exceeded by, the performance of the VMF Midpoint



Hurdle by 7.5% percentage points (750 basis points) for the Performance Period. This ensures that the Investment Manager is not entitled to a positive Performance Adjustment until any underperformance against the VMF Midpoint Hurdle has been recovered.

Depending on the performance of the Sub-fund, the Sub-fund's VMF will range from a minimum of 1% (which will apply in the event that the performance of the Sub-fund is equal to or lower than the performance of the Benchmark) to a maximum of 5.5% (which will apply in the event that the performance of the Sub-fund exceeds the performance of the Benchmark by 15% (i.e., VMF Midpoint Hurdle + 7.5%) or more). Investors should note that the minimum VMF of 1% will apply in the event that the performance of the Sub-fund is equal to or lower than the performance of the Benchmark and that where the Sub-fund underperforms the Benchmark, there will be no further reduction of the VMF by the variable element.

A Performance Adjustment will not be based on whether the absolute performance of the Sub-fund is positive or negative, but rather based on whether such performance exceeds or is exceeded by the VMF Midpoint Hurdle. Therefore, the Sub-fund could pay a Performance Adjustment for positive relative performance even if the Sub-fund decreases in value, so long as the performance of the Sub-fund exceeds that of the VMF Midpoint Hurdle. Stated otherwise, the Sub-fund can experience negative absolute performance but still be subject to a positive Performance Adjustment resulting in additional fees being paid to the Investment Manager where the Sub-fund has outperformed the VMF Midpoint Hurdle (i.e., the Benchmark + 7.50%).

In the event that a Shareholder makes a subscription for Shares at a time other than at the beginning of a Performance Period, the VMF with respect to the relevant Variable Share Class will be adjusted if necessary to avoid an artificial increase in the VMF payable on account of such subscription, so that the VMF payable by the Variable Share Class (and such Shareholder) remains proportional to the actual investment performance of the Sub-fund.

Please see hereafter a few illustrative examples of VMF under different theoretical scenarios:

Variable Share Class Return	Index Return	Outperformance/Underperformance of the VMF Midpoint Hurdle	Outperformance/Underperformance of the Index	VMF Midpoint	Variable Element	VMF
25%	0%	+17.5%	25%	3.25%	+2.25%	5.5% <sup>28</sup>

<sup>28</sup> The VMF maximum is paid, even though outperformance of the VMF Midpoint Hurdle + 17.5% (i.e., Index + 25%) was achieved, due to the outperformance cap of the VMF Midpoint Hurdle + 7.5%.

	<b>20%</b>	10%	<b>+2.5%</b>	10%	3.25%	+0.75%	<b>4.0%</b>
	<b>2.5%</b>	-25%	<b>+20%</b>	27.5%	3.25%	+2.25%	<b>5.5%</b>
	<b>22.5%</b>	7.5%	<b>+7.5%</b> <sup>29</sup>	15%	3.25%	+2.25%	<b>5.5%</b> <sup>30</sup>
	<b>-1%</b>	-22%	<b>+13.5%</b>	21%	3.25%	+2.25%	<b>5.5%</b>
	<b>0%</b>	-22.5%	<b>+15%</b>	22.5%	3.25%	+2.25%	<b>5.5%</b>
	<b>12.5%</b>	<b>5%</b>	<b>0%</b> <sup>31</sup>	<b>7.5%</b>	3.25%	<b>+0%</b>	<b>3.25%</b>
	<b>-5%</b>	-10%	<b>-2.5%</b>	5%	3.25%	-0.75%	<b>2.5%</b> <sup>32</sup>
	<b>0%</b>	-1%	<b>-6.5%</b>	1%	3.25%	-1.95%	<b>1.3%</b>
	<b>5%</b>	5%	<b>-7.5%</b>	0%	3.25%	-2.25%	<b>1.0%</b> <sup>33</sup>
	<b>-6%</b>	-6.5%	<b>-7%</b>	0.5%	3.25%	-2.10%	<b>1.15%</b>
	<b>9%</b>	10%	<b>-8.5%</b>	-1%	3.25%	-2.25%	<b>1.0%</b> <sup>34</sup>
	<b>-0.5%</b>	2%	<b>-10%</b>	-2.50%	3.25%	-2.25%	<b>1.0%</b>
<b>Distribution Fee (expressed as maximum rates)</b>	Class D: Up to 0.50%						
	Class E: Up to 1%						
	Class Z: 0%						
For further information on the functioning of the Distribution Fee, please refer to section 9.4.6 of this Prospectus							

<sup>29</sup> The outperformance cap level is the VMF Midpoint Hurdle + 7.5% (i.e., Index + 15%).

<sup>30</sup> VMF maximum (where Variable Share Class outperformance of the VMF Midpoint Hurdle is 7.5% or greater).

<sup>31</sup> VMF Midpoint Hurdle (i.e., Index + 7.5%).

<sup>32</sup> The VMF is greater than the VMF Minimum even though the Variable Share Class achieved negative returns because the Variable Share Class still outperformed the Index by 5% (i.e., VMF Midpoint Hurdle -2.50%).

<sup>33</sup> VMF Minimum (where the Variable Share Class performance is equal to the Index (i.e., VMF Midpoint Hurdle - 7.5%) or the Variable Share Class underperforms the Index (i.e., VMF Midpoint Hurdle minus >7.5%)).

<sup>34</sup> VMF Minimum is paid even though the Variable Share Class has positive returns because the Variable Share Class has underperformed the Index by -1.00% (i.e., VMF Midpoint Hurdle - 8.5%).

## APERTURE INVESTORS SICAV

### Discover Equity Fund

#### **Objective**

The objective of the Sub-fund is to generate returns in excess of the Russell 2000 Total Return Index.

#### **Investment policy**

##### ***Investment strategy***

The Sub-fund aims to achieve its investment objective by Mainly investing in a portfolio consisting of long and synthetic short positions in liquid equity, equity-related instruments (including convertible bonds), and bonds using an active extension approach to enhance potential returns without increasing the overall net exposure to the market.

The Investment Manager intends to actively manage the Sub-fund through a bottom-up selection to generate returns through both long and short positions.

The core portfolio of the Sub-fund is expected to be constructed of North American equity securities, exchange-traded and OTC equity options, exchange-traded equity futures and other financial derivative instruments such as CFD and funded and/or unfunded TRS.

Other than with respect to Cash Equivalents, on an Ancillary basis, the Investment Manager may invest in a diversified basket of debt securities with no restriction on the geographical localisation of the issuer (and which may include Emerging Markets), their maturity, their duration, their average credit rating or their reference currency.

The Investment Manager will take long exposure to equities of issuers that it believes will increase in value over time due to positive, fundamental changes (which may include, without limitation, new management, technology initiatives, new product development, cost reduction, operational efficiencies and/or acquisitions and divestitures). Such long exposure is generated via direct investments in such equity securities, through the use of derivatives or, to a limited extent, via investments in ETFs, subject to the conditions set out below.

In line with the active extension approach, the Sub-fund will opportunistically take indirect short exposures to individual stocks or equity baskets that the Investment Manager believes, at the time of investment, will decrease in value. Such short exposures may be generated through the use of derivatives and are deemed to increase the performance of the Sub-fund. In this context, "equity baskets" are total return swaps that provide synthetic long or short exposure to two or more different equity underlying securities. The Investment Manager may use equity baskets to effect exposure to certain industries, sectors or themes. Furthermore, equity baskets can be customized to include or exclude a certain security (or securities) and set different weightings to express the exposure the Investment Manager is aiming to achieve. As examples, equity baskets may be used by the Investment Manager to express long or short exposure to the automobile industry, the media sector, or early cycle theme.

Under normal market conditions, the Sub-fund is expected to hold long positions up to 130% of its net assets and indirect short positions up to 30% of its net assets but may vary from these targets depending on market conditions.

Whenever it deems such investment as appropriate, the Sub-fund may also take an indirect exposure to the instruments listed above by investing through UCITS, UCIs, REITs or ETFs in compliance with the UCI Law, *provided* that the Sub-fund shall not invest more than 10% of its net assets into units of other UCITS or UCIs.

The Sub-fund may also, during the ordinary course of its investment policy, in order to achieve its investment objective, for treasury purposes and/or in case of unfavourable market conditions, invest in Cash Equivalents pursuant to the investment restrictions set out in this supplement and/or the general part of the Prospectus, as applicable.

The Sub-fund may also hold Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

The Sub-Fund will generally invest in listed entities. Securities that are subject to initial public offerings (IPOs) in regulated markets will comply with the requirements of articles 41 (1) (d) and 48-1 of the UCI Law and the control limits set out in section 4.4.1 of the Prospectus will apply. If no listing occurs within a year of the investment, the securities will be included in the trash ratio, i.e. the Sub-Fund will not invest more than 10% of its net assets into such securities in accordance with section 4.1.2(a) of the Prospectus.

In addition, the Fund is adopting ESG Measures which apply to all Sub-funds. As a result, the Sub-fund is categorised as one that, in the Management Company's and the Investment Manager's view, promotes environmental or social characteristics pursuant to article 8 of SFDR. To be clear, it does not have a "sustainable investment" objective as defined by SFDR. **Information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).**

For more information on these matters, see section 11.6 of the Prospectus titled "SFDR and the Taxonomy Regulation".

#### ***Additional investment powers and restrictions***

The following restrictions will be complied with:

- investments in securities issued pursuant to Rule 144A and/or Regulation S is allowed up to 10% of the Sub-fund's net assets provided such securities meet the conditions provided for by the Grand Ducal Regulation of February 8, 2008 relating to certain definitions of the UCI Law and by CESR Guidelines 06-005 of January 2006 Box 1 and section 4.1.1(a), 4.1.1(b), 4.1.1(c) or 4.1.1(d), as applicable, of this Prospectus. In particular:
  - such securities must not expose the Sub-fund to loss beyond the amount paid for them or where they are partly paid securities, to be paid for them;
  - their liquidity must not compromise the Sub-fund's ability to comply with the obligation of redemption of the Fund's Shares upon request from the shareholders;

- there must be accurate, reliable and regular prices, either being market prices or prices made available by valuation systems independent from issuers;
  - there must be regular, accurate and comprehensive information available to the market on such securities or, where relevant, on the portfolio of such securities;
  - they must be negotiable; and
  - their risk must be adequately captured in the risk management process of the Fund;
- investments in SPACs are allowed up to 10% of the Sub-fund's net assets.

Finally, under extreme market circumstances (such as "flight to quality" events where credit spreads widen dramatically and FX depreciate), if the Investment Manager considers it to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Sub-fund may hold up to 100% of its net assets in liquidities (i.e., bank deposits, money market UCIs (within the above-mentioned 10% limit in UCITS and/or other UCIs), Money Market Instruments, Ancillary Liquid Assets and U.S. treasury securities).

#### **Use of derivatives and EMT**

The Sub-fund may in accordance with the investment powers and restrictions set out in section 4 of the Prospectus, use exchange-traded and OTC financial instruments and derivatives – such as, but not limited to, futures, swaps, forwards, without any limitation in terms of underlying geographic area or currency – for hedging purposes, for efficient portfolio management purposes and for investment purposes. Derivatives may provide a more efficient exposure to desired sources of return than direct investments as determined by the Investment Manager. Any use of derivatives will be kept consistent with the investment objective and policy and will not lead the Sub-fund to diverge from its risk profile. The Sub-fund will engage in TRS or EMT (including other FDI with similar characteristics) opportunistically based on the perceived attractiveness of market conditions. TRS and EMT (or other FDI with similar characteristics) to be entered into exclusively aim to generate additional capital or income. As such, there is no restriction on the frequency under which the Sub-fund may engage into such type of transactions, and it is expected to use them on a continuous basis.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment. Typically, investments in such instruments are made to adjust the portfolio's market exposure in a more cost-efficient way.

The Sub-fund's use of, or investment in, EMT and TRS will be as follows:

Type of transactions	Under normal circumstances, it is generally expected that such transactions will not exceed a proportion of the Sub-fund's assets under management indicated below. In certain circumstances this proportion may be higher.	Such transactions may represent up to a maximum of the proportion of the Sub-fund's assets under management indicated below.
TRS and other FDI with the same characteristics	20%	60%
Repo/Reverse Repo	5%	15%
Securities Lending	5%	30%

The Sub-fund will not make use of sell-buy back transactions or buy-sell back transactions.

Where it invests in, or use, such instruments, the Sub-fund may incur fixed or variable brokerage fees and transaction costs upon entering in such instruments and/or upon increasing or decreasing its notional amount as well as upon rebalancing cost for an index that is the underlying asset of such instruments where the rebalancing frequency is determined by the provider of the relevant index. The counterparties to such instruments shall not have discretionary power over the composition or management of the investment portfolio of the Sub-fund or over the underlying assets of such instruments.

All revenues arising from TRS or EMT, net of direct and indirect operational costs and fees, will be returned to the Sub-fund and will be included in the valuation of the TRS. There will neither be any costs nor fees specific to TRS charged to the Sub-fund that would constitute revenue for the Management Company or the Investment Manager.

The Sub-fund may pay up to 25% of the gross revenues generated from securities lending/Repo/Reverse Repo transactions as cost/fees to the SFT Agent and retains a minimum of 75% of the gross revenues generated from securities lending/Repo/Reverse Repo transactions. This includes all direct and indirect costs/fees generated by the securities lending/Repo/Reverse Repo transactions.

Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid will be available in the annual report of the Fund.

### **Benchmark**

As further detailed in section 11.5 of the general part of the Prospectus, the Russell 2000 Total Return Index (the "**Benchmark**") is used for the purpose of calculating the VMF payable to the Investment Manager. Depending on market conditions, the portfolio composition may deviate from the Benchmark.

### **Global Exposure**

The method used to calculate the global exposure is the VaR. With this type of approach, the maximum potential loss that the Sub-fund could suffer within a certain time horizon and a certain degree of confidence is estimated. VaR is a statistical approach and under no circumstances does its use guarantee a minimum performance. Given the risk profile and investment strategy of the Sub-fund, the Management Company has selected the relative VaR approach to set VaR limits. The approach adopted to calculate the leverage is the sum of the notionals of the financial derivatives instruments used by the Sub-fund. Considering the investment strategies

characterizing the Sub-fund, the expected level of leverage of this Sub-fund may vary from 0% to 160%, excluding the portfolio's total net value.

The attention of investors is drawn to the fact that such level might be exceeded under exceptional market circumstances or might be subject to change in the future.

**Profile of the typical investor**

The Fund expects that a typical investor in the Sub-fund will be an investor who knows and accepts the risks associated with this type of investment, as set in section 6 of this Prospectus.

The typical investor will be seeking to invest a portion of his/her overall portfolio in an actively managed diversified portfolio exposed to long and short positions on equity securities from issuers mostly located in North America and also to a certain extent to Cash Equivalents.

**Risk factors**

Investors should note the specific risk warnings contained in section 6 of this Prospectus and more particularly those regarding:

- Market risk;
- Volatility risk;
- Equity;
- Interest rate risk;
- Credit risk;
- Emerging Markets;
- Foreign exchange;
- Short exposure risk;
- Directional risk;
- Derivatives;
- OTC financial derivative instruments;
- Rule 144A and/or Regulation S securities;
- Investment in smaller companies;
- Investment in SPACs; and
- It is expected that this Sub-fund will be exposed to a broad range of Sustainability Risks. However, it is not currently anticipated that any single Sustainability Risk will drive a

	material negative financial impact on the value of the Sub-fund.					
<b>Investment Manager</b>	Aperture Investors, LLC					
<b>Reference Currency</b>	USD					
<b>Valuation Day</b>	Any day (not being a Saturday or Sunday or a public holiday) on which banks generally are open for non-automated business in Luxembourg and the United States of America.					
<b>Launch Date of the Sub-fund</b>	13 July 2022					
<b>Variable Management Fee of the Share Classes potentially available in the Sub-fund</b>  For the Share Classes currently available in the Sub-fund, please refer to the Website of the Management Company. Please also refer to section 9 of this Prospectus for further information on fees and charges which are the same for all Funds and/or for each class of Shares.	<b>Applicable Class of Shares</b>	<b>VMF Midpoint Hurdle</b>	<b>VMF Minimum</b>	<b>VMF Midpoint</b>	<b>VMF Maximum</b>	<b>Variable Element in relation to the VMF Midpoint</b>
	D	Russell 2000 Total Return Index + 6.25%	0.30%	2.175%	4.05%	Adjustment (positive or negative) will not exceed +/- 1.875%
	E	Russell 2000 Total Return Index + 6.25%	0.30%	2.175%	4.05%	Adjustment (positive or negative) will not exceed +/- 1.875%
	I	Russell 2000 Total Return Index + 6.25%	0.30%	2.175%	4.05%	Adjustment (positive or negative) will not exceed +/- 1.875%
	R	Russell 2000 Total Return Index + 6.25%	0.30%	2.175%	4.05%	Adjustment (positive or negative) will not exceed +/- 1.875%
	X	N/A	N/A	N/A	N/A	N/A
For its services to the Sub-fund, the Investment Manager is entitled to a variable management fee ("VMF"), which is calculated and accrued daily, at a rate of 2.175% (the "VMF Midpoint"). The VMF Minimum portion of the VMF will be calculated and accrued daily based on the Sub-fund's NAV. The rest of the VMF amount, if any, will be calculated and accrued daily based on the Sub-fund's daily						



Modified Net Assets, adjusted upward or downward by a performance adjustment (the "**Performance Adjustment**") that depends on whether, and to what extent, the performance of the Sub-fund exceeds, or is exceeded by, the performance of the Benchmark plus 6.25% (the "**VMF Midpoint Hurdle**") over the Performance Period.

The "**Performance Period**" (i.e., the period over which performance is measured) is from the day the Sub-fund commences investment operations through 31 December of the commencement year and thereafter each 12-month period beginning on 1 January through 31 December of the same year. The VMF (other than the VMF Minimum) will be payable to the Investment Manager after the end of the Performance Period to which it relates. The VMF Minimum will be payable to the Investment Manager quarterly throughout the Performance Period.

"**Modified Net Assets**" are gross assets net of all fund expenses but not net of the VMF other than the VMF Minimum. The difference between the value (inclusive of income distributions previously paid out) at the beginning of Performance Period compared to the value (inclusive of income distributions previously paid out) at the end of the Performance Period for each of the relevant Variable Share Classes and the VMF Midpoint Hurdle form the basis of the calculation of the variable element of the VMF.

The VMF Midpoint Hurdle has been selected by the Investment Manager as appropriate to calculate the VMF Midpoint of the Variable Share Class and already includes an outperformance of 6.25% above the Benchmark. This means that the variable element assumes an outperformance of the Benchmark by more than 6.25% to result in an increase of the VMF from the VMF Midpoint and the use of the hurdle rate of 6.25% above the Benchmark seeks to ensure that investors will not be charged a positive variable element until the Investment Manager has delivered an outperformance of 6.25% above the Benchmark. However, and for the avoidance of doubt, the selection of the underlying Benchmark for this purpose should not necessarily be considered as indicative of a specific investment style.

Where the performance of the relevant Variable Share Class is equal to that of the VMF Midpoint Hurdle, the variable element will be zero and the VMF will equal the VMF Midpoint, as indicated in the above table, i.e., the VMF Midpoint represents the management fee in the event that the performance of the Sub-fund equals the performance of the Benchmark plus 6.25% (i.e., the VMF Midpoint Hurdle).

The Performance Adjustment is calculated and accrued daily, according to a schedule that adds or subtracts 0.0030% (0.30 basis points) of the Sub-fund's daily Modified Net Assets for each 0.01% (1 basis point) of absolute performance by which the performance of the Sub-fund exceeds or lags the performance of the VMF Midpoint

Hurdle from the beginning of the Performance Period. The maximum Performance Adjustment (positive or negative) will not exceed a rate of +/- 1.875% (187.5 basis points) of the Sub-fund's daily Modified Net Assets, which would occur when the Sub-fund's performance exceeds, or is exceeded by, the performance of the VMF Midpoint Hurdle by 6.25% for the Performance Period. This ensures that the Investment Manager is not entitled to a positive Performance Adjustment until any underperformance against the VMF Midpoint Hurdle has been recovered.

Depending on the performance of the Sub-fund, the Sub-fund's VMF will range from a minimum of 0.30% (which will apply in the event that the performance of the Sub-fund is equal to or lower than the performance of the Benchmark) to a maximum of 4.05% (which will apply in the event that the performance of the Sub-fund exceeds the performance of the Benchmark by 12.5% (i.e., the VMF Midpoint Hurdle + 6.25%) or more). Investors should note that the minimum VMF of 0.30% will apply in the event that the performance of the Sub-fund is equal to or lower than the performance of the Benchmark and that where the Sub-fund underperforms the Benchmark, there will be no further reduction of the VMF by the variable element.

A Performance Adjustment will not be based on whether the absolute performance of the Sub-fund is positive or negative, but rather based on whether such performance exceeds or is exceeded by the VMF Midpoint Hurdle. Therefore, the Sub-fund could pay a Performance Adjustment for positive relative performance even if the Sub-fund decreases in value, so long as the performance of the Sub-fund exceeds that of the VMF Midpoint Hurdle. Stated otherwise, the Sub-fund can experience negative absolute performance but still be subject to a positive Performance Adjustment resulting in additional fees being paid to the Investment Manager where the Sub-fund has outperformed the VMF Midpoint Hurdle (i.e., the Benchmark + 6.25%).

In the event that a Shareholder makes a subscription for Shares at a time other than at the beginning of a Performance Period, the VMF with respect to the relevant Variable Share Class will be adjusted if necessary to avoid an artificial increase in the VMF payable on account of such subscription, so that the VMF payable by the Variable Share Class (and such Shareholder) remains proportional to the actual investment performance of the Sub-fund.

Please see hereafter a few illustrative examples of VMF under different theoretical scenarios:

Variable Share Class Return	Index Return	Outperformance/Underperformance of the VMF Midpoint Hurdle	Outperformance/Underperformance of the Index	VMF Midpoint	Variable Element	VMF
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	<b>21.25%</b>	0.0%	<b>+15.0%</b>	+21.25%	2.175%	+1.875%	<b>4.05%</b> <sup>35</sup>
	<b>15%</b>	1%	<b>+7.75%</b>	+14%	2.175%	+1.875%	<b>4.05%</b>
	<b>1.0%</b>	-24.0%	<b>+18.75%</b>	+25.0%	2.175%	+1.875%	<b>4.05%</b>
	<b>15.5%</b>	3.0%	<b>+6.25%</b> <sup>36</sup>	+12.5%	2.175%	+1.875%	<b>4.05%</b> <sup>37</sup>
	<b>-1.0%</b>	-13.5%	<b>+6.25%</b>	+12.5%	2.175%	+1.875%	<b>4.05%</b>
	<b>0.0%</b>	-13.0%	<b>+6.75%</b>	+13.0%	2.175%	+1.875%	<b>4.05%</b>
	<b>12.5%</b>	<b>6.25%</b>	<b>0%</b> <sup>38</sup>	<b>+6.25%</b>	2.175%	<b>+0%</b>	<b>2.175%</b>
	<b>-8%</b>	-16.0%	<b>1.75%</b>	+8.0%	2.175%	+0.525%	<b>2.7%</b> <sup>39</sup>
	<b>4.75%</b>	-1.0%	<b>-0.5%</b>	+5.75%	2.175%	-0.15%	<b>2.025%</b>
	<b>5.0%</b>	5.0%	<b>-6.25%</b>	0.0%	2.175%	-1.875%	<b>0.30%</b> <sup>40</sup>
	<b>-0.5%</b>	-0.25%	<b>-6.5%</b>	-0.25%	2.175%	-1.875%	<b>0.30%</b>
	<b>9.0%</b>	10.0%	<b>-7.25%</b>	-1.0%	2.175%	-1.875%	<b>0.30%</b> <sup>41</sup>
	<b>-0.25%</b>	2.0%	<b>-8.5%</b>	-2.25%	2.175%	-1.875%	<b>0.30%</b>

<sup>35</sup> The VMF maximum is paid, even though outperformance of the VMF Midpoint Hurdle + 15% (i.e., Index + 21.25%) was achieved, due to the outperformance cap of the VMF Midpoint Hurdle + 6.25%.

<sup>36</sup> The outperformance cap level is the VMF Midpoint Hurdle + 6.25% (i.e., Index + 12.5%).

<sup>37</sup> VMF maximum (where Variable Share Class outperformance of the VMF Midpoint Hurdle is 6.25% or greater).

<sup>38</sup> VMF Midpoint Hurdle (i.e., Index + 6.25%).

<sup>39</sup> The VMF is greater than the VMF Minimum even though the Variable Share Class achieved negative returns because the Variable Share Class still outperformed the Index by 8% (i.e., VMF Midpoint Hurdle + 1.75%).

<sup>40</sup> VMF minimum is paid where the Variable Share Class performance is equal to the Index (i.e., VMF Midpoint Hurdle - 6.25%) or the Variable Share Class underperforms the Index (i.e., VMF Midpoint Hurdle minus > 6.25%).

<sup>41</sup> VMF minimum is paid even though the Variable Share Class has positive returns because the Variable Share Class has underperformed the Index by -1% (i.e., VMF Midpoint Hurdle - 7.25%).

**Distribution Fee  
(expressed as  
maximum rates)**

For further information on the functioning of the Distribution Fee, please refer to section 9.4.6 of this Prospectus

Class D: Up to 0.5%

Class E: Up to 1%

# ANNEX I – SFDR RELATED INFORMATION

Pre-contractual disclosure for the financial products referred to in article 8 of Regulation (EU) 2019/2088 and article 6, first paragraph, of Regulation (EU) 2020/852 for the following sub-funds:

Credit Opportunities Fund

European Innovation Fund

Small Cap Innovation Fund

Discover Equity Fund

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852



Product name: Credit Opportunities Fund

Legal entity identifier:  
549300YIY8FWTVCCIN24

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes



No

It will make a minimum of sustainable investments with an environmental objective: %

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: %



It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



## What environmental and/or social characteristics are promoted by this financial product?

1) Exclusionary screen: The Sub-fund incorporates an ESG exclusionary screen which looks to exclude businesses with any revenue exposure to the following activities: Production of controversial weapons, any businesses in violation of the UN Global Compact, and country exclusions based on international sanctions. In addition, the Sub-fund applies further revenue-based exclusions with various thresholds with regards to thermal coal, oil sands, and tobacco.

2) Proxy voting: The Investment Manager must have in place and apply at all times policies and procedures in respect of proxy voting that, in general terms, prioritise sustainability concerns and seek to advance sustainability goals, such as advocating for stewardship of environment, fair labour practices, non-discrimination, the protection of human rights and advancing principles of good corporate governance.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted are the following:

1) Exclusionary screen: The percentage of direct holdings in securities and indirect holdings, exposed to a single underlying issuer, that are on the exclusion list as result of the application of the ESG policy.

2) The relevant Investment Manager's proxy voting: The percentage of cast votes trailing 12 months in accordance with the ISS 'sustainability proxy voting guidelines'.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- Yes, this fund considers principal adverse impacts on sustainability factors. In terms of how this is done:
- No

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**What investment strategy does this financial product follow?**

The Sub-fund aims to achieve its investment objective by investing, directly or indirectly through the use of financial derivative instruments, in a basket of debt securities as well as in cash and Cash Equivalents. Under normal market conditions, the core portfolio of the Sub-fund is expected to be constructed by the Investment Manager of corporate debt securities (including CoCos) and financial derivatives on corporate credit single names and indices.

Each Investment Manager shall develop and maintain exclusionary screening policies and procedures to provide reasonable comfort that the Sub-fund does not make or hold direct investments and indirect investments exposed to a single underlying issuer, in industries, market segments and companies considered to

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



have harmful or controversial practices from an environmental or social perspective. Aperture uses a recognized third-party service provider to identify companies that are included in the exclusionary lists. Whenever a portfolio manager disagrees with a third-party assessment with regards to the negative screen, he or she may appeal such exclusion to the ESG Committee. The ESG Committee has the discretion to diverge from any criteria if it determines the third party data is incomplete or inaccurate. In the event that an issuer is added to an exclusion list, the relevant portfolio managers will initiate the sale of related positions held in an orderly manner over a reasonable period of time. Each portfolio manager will use reasonable efforts to exclude issuers that should be excluded based on the exclusion screen policy and procedures, even if such issuers do not appear on the list generated by the third-party service provider. The exclusionary screen is hardcoded into each Investment Manager's Order Management System (OMS) and gets updated on a semi-annual basis.

The sustainability proxy voting policies are not applied as part of the investment strategy of the Sub-fund per se. Rather, they are applied once an investment has been made in accordance with the Investment Managers' ESG policy.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

1) Exclusionary screen:

The Sub-fund incorporates an ESG exclusionary screen which looks to exclude businesses with any revenue exposure to the following activities: Production of controversial weapons, any businesses in violation of the UN Global Compact, and country exclusions based on international sanctions.

In addition, the Sub-fund also applies further revenue-based exclusions in adherence with the policy's class B criteria. This includes exclusions relating to the following activities: thermal coal (25% revenue threshold), oil sands (25% threshold), and tobacco production (5% threshold). In the event that a portfolio manager wishes to challenge any existing or potential investments with issuers that are included on the class B exclusionary screen, the investment team will investigate the reasoning and if an investment is still warranted, the rationale will be brought to the firm's ESG committee for assessment (for more information on this, please see above).

The ESG exclusionary screen applies exclusively to long direct positions, and indirect positions in single name issuers and investment products that contain underlying securities, over which each Investment Manager has full investment discretion (i.e., it does not apply to equity indices, ETFs, etc.). An Investment Manager is permitted to take short positions in issuers included on the exclusionary list.

2) Proxy voting: An Investment Manager must have in place and apply at all times policies and procedures in respect of proxy voting that, in general

terms, prioritise sustainability concerns and seek to advance sustainability goals. The Investment Managers will generally engage a third-party provider in respect of proxy voting services, although they may deviate from the third-party provider's recommendations in accordance with their proxy voting policies and procedures if they determine that doing so would be in the best interest of investors.

The Sub-fund adheres to the ISS 'sustainability proxy voting guidelines' to determine how to vote proxies. Any deviations require prior approval from the Chief Compliance Officer. Out of the number of items voted over a 12 month period, the Sub-fund will vote a minimum of 67% in accordance with the sustainability guidelines.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable for this fund.

- ***What is the policy to assess good governance practices of the investee companies?***

The relevant Investment Manager puts a particular emphasis on corporate governance and incorporates a good governance test to exclude any issuers that pose notable governance-based risks. The relevant Investment Manager principally utilizes MSCI data in the attempt to form a comprehensive view of the potential risks.

Generally, key issues analyzed include, but are not limited to, ownership & control, board, pay and accounting. An Investment Manager assigns a governance score to every long position on a scale from 0 to 10, with 10 being the strongest score. For issuers not scored by MSCI, the relevant Investment Manager assigns a proxy score. The first step in proxy scoring is using similar issuer data derived from Bloomberg. The average score of these issuer comparables are used as a proxy. Where proxy scores cannot be derived from similar issuers using Bloomberg data, the average MSCI or Bloomberg scores by sector and region may be used instead. If either the MSCI governance score or the proxy score for an issuer is below a predetermined threshold, the Sub-fund will not invest in the issuer.

In case of a material event, as determined at the sole discretion of the investment team, that may impact the governance score of an issuer, the relevant Investment Manager may re-evaluate the issuer and assign an updated score promptly. To monitor these significant changes, the relevant Investment Manager utilizes a time series of overall portfolio governance scores.

The Sub-fund's good governance policy is subject to a review by the ESG Committee.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



### **What is the asset allocation planned for this financial product?**

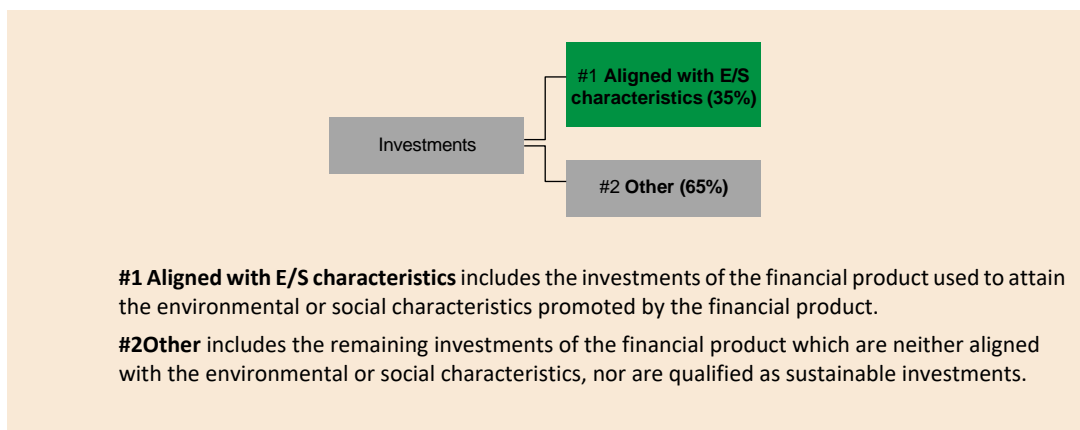
The percentage of the Sub-fund portfolio's net assets aligned with the environmental or social characteristics promoted by the Sub-fund will be 35%; it is a target only (taking into account the binding nature of the exclusionary screen), and is not guaranteed. Please also note that where an asset is not relevant to a particular asset of the Sub-fund, only the exclusionary screen is taken into account in determining this percentage.

**Asset allocation** describes the share of investments in specific assets.

The remaining assets will be used for (i) general investment purposes or hedging purposes, which will comprise indices, ETFs, short positions, baskets of equity securities, and foreign exchange swaps (note that (x) exposure to the foregoing may be obtained using derivative instruments and (y) each of these instruments could either be used for investment purposes or for hedging purposes), or (ii) collateral and liquidity management purposes, which will comprise liquidities (such as, among others, bank deposits, money market UCIs and Money Market Instruments). These investments will not be aligned with the E/S characteristics promoted by the Sub-fund (see #2 Other below).

The remaining proportion may also comprise Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

No minimum environmental or social safeguards will be applied.



### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Where derivatives are used to gain exposure to a single underlying issuer, then the E/S characteristics promoted will be attained by looking through to the underlying issuer, ensuring alignment with the exclusionary screen. More specifically, the exclusionary screen will apply to (a) long direct positions, (b) single-name issuers that constitute the entire reference of a derivative instrument, and (c) each issuer in the case of an investment product that uses a basket of issuers as references if the Investment Manager has full investment discretion over such basket. For the avoidance of doubt, the Investment Manager is permitted to take short positions in

issuers even if such issuers are included on the exclusionary list. Proxy voting will be unavailable for these instruments.

Derivatives other than derivatives used to gain exposure to a single underlying issuer (e.g., FX derivatives and index derivatives) will not be considered with respect to the E/S characteristics of the product.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable since the Sub-fund does not make sustainable investments.

In any event, it is confirmed that this strategy does not take into account the EU criteria for environmentally sustainable economic activities.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>42</sup>?

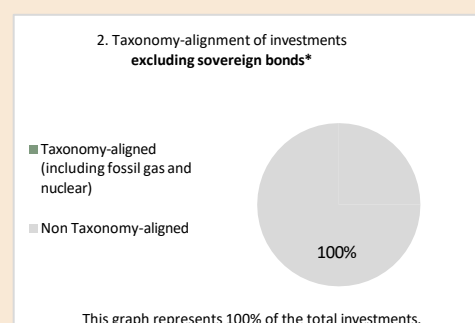
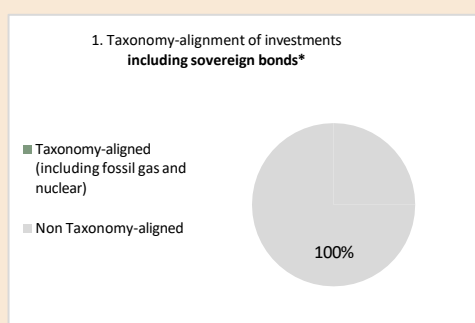
Yes:

In fossil gas

In nuclear energy

No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

<sup>42</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- **What is the minimum share of investments in transitional and enabling activities?**

None.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable since the Sub-fund does not make sustainable investments.



- **What is the minimum share of socially sustainable investments?**

Not applicable since the Sub-fund does not make socially sustainable investments.



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The remaining assets will be used for (i) general investment purposes or hedging purposes, which will comprise indices, ETFs, short positions, baskets of equity securities, and foreign exchange swaps (note that (x) exposure to the foregoing may be obtained using derivative instruments and (y) each of these instruments could either be used for investment purposes or for hedging purposes), or (ii) collateral and liquidity management purposes, which will comprise liquidities (such as, among others, bank deposits, money market UCIs and Money Market Instruments). These investments will not be aligned with the E/S characteristics promoted by the Sub-fund.

The remaining proportion may also comprise Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

No minimum environmental or social safeguards will be applied.



- **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

*How does the designated index differ from a relevant broad market index?*

● Not applicable.

● *Where can the methodology used for the calculation of the designated index be found?*

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

[https://gipcdp.generalicloud.net/static/documents/Aperture\\_Credit\\_Opportunities\\_Fund\\_Art10\\_Website\\_disclosures\\_EN.pdf](https://gipcdp.generalicloud.net/static/documents/Aperture_Credit_Opportunities_Fund_Art10_Website_disclosures_EN.pdf)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** European Innovation Fund

**Legal entity identifier:**  
549300TOZ9ZYCBXHJ07

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**



**No**

It will make a minimum of **sustainable investments with an environmental objective:** %



**It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** %



with a social objective  
**It promotes E/S characteristics, but will not make any sustainable investments**

**What environmental and/or social characteristics are promoted by this financial product?**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

1) Exclusionary screen: The Sub-fund incorporates an ESG exclusionary screen which looks to exclude businesses with any revenue exposure to the following activities: Production of controversial weapons, any businesses in violation of the UN Global Compact, and country exclusions based on international sanctions. In addition, the Sub-fund applies further revenue-based exclusions with various thresholds with regards to thermal coal, oil sands, nuclear power generation, tobacco, and palm oil.

2) Proxy voting: The Investment Manager must have in place and apply at all times policies and procedures in respect of proxy voting that, in general terms, prioritise sustainability concerns and seek to advance sustainability goals, such as advocating for stewardship of environment, fair labour practices, non-discrimination, the protection of human rights and advancing principles of good corporate governance.

3) ESG Score: The average ESG score of the portfolio will be better than the average ESG score of the MSCI Europe Net Total Return EUR Index. ESG analysis will be applied to at least 90% of the portfolio.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted are the following:

1) Exclusionary screen: The percentage of direct holdings in securities and indirect holdings exposed to a single underlying issuer, that are on the exclusion list as result of the application of the ESG policy.

2) The relevant Investment Manager's proxy voting: The percentage of cast votes trailing 12 months in accordance with the ISS 'sustainability proxy voting guidelines'.

3) ESG Score: The percentage by which the Sub-fund's average ESG score is better than the ESG score of the MSCI Europe Net Total Return EUR Index as referred to above.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

**Sustainability**

**indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, this fund considers principal adverse impacts on sustainability factors. In terms of how this is done:

No

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**What investment strategy does this financial product follow?**

The Sub-fund aims to achieve its investment objective by investing in a portfolio consisting of long and synthetic short positions in equity and equity-related securities (including convertible bonds) using an active extension approach to enhance potential returns without increasing the overall net exposure to the market. The Investment Manager shall develop and maintain exclusionary screening policies and procedures to provide reasonable comfort that the Sub-fund does not make or hold direct investments and indirect investments exposed to a single underlying issuer, in industries, market segments and companies considered

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

to have harmful or controversial practices from an environmental or social perspective. Aperture uses a recognized third-party service provider to identify companies that are included in the exclusionary lists. Whenever a portfolio manager disagrees with a third-party assessment with regards to the negative screen, he or she may appeal such exclusion to the ESG Committee. The ESG Committee has the discretion to diverge from any criteria if it determines the third party data is incomplete or inaccurate. In the event that an issuer is added to an exclusion list, the relevant portfolio managers will initiate the sale of related positions held in an orderly manner over a reasonable period of time. Each portfolio manager will use reasonable efforts to exclude issuers that should be excluded based on the exclusion screen policy and procedures, even if such issuers do not appear on the list generated by the third-party service provider. The exclusionary screen is hardcoded into each Investment Manager's Order Management System (OMS) and gets updated on a semi-annual basis.

The sustainability proxy voting policies are not applied as part of the investment strategy of the Sub-fund per se. Rather, they are applied once an investment has been made in accordance with the Investment Managers' ESG policy.

The average ESG score of the portfolio will be better than the average ESG score of the MSCI Europe Net Total Return EUR Index. ESG analysis will be applied to at least 90% of the portfolio. The Sub-fund is using Sustainalytics data for this analysis.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

1) Exclusionary screen:

The Sub-fund incorporates an ESG exclusionary screen which looks to exclude businesses with any revenue exposure to the following activities: Production of controversial weapons, any businesses in violation of the UN Global Compact, and country exclusions based on international sanctions.

In addition, the Sub-fund also applies further revenue-based exclusions in adherence with the policy's class C criteria. This includes exclusions relating to the following activities: thermal coal (20% revenue threshold), oil sands (20% revenue threshold), nuclear power generation (30% revenue threshold), tobacco production (0% revenue threshold), and palm oil (10% revenue threshold). In the event that a portfolio manager wishes to challenge any existing or potential investments with issuers that are included on the class C exclusionary screen, the investment team will investigate the reasoning and if an investment is still warranted, the rationale will be brought to the firm's ESG committee for assessment (for more information on this, please see above).

The ESG exclusionary screen applies exclusively to long direct positions, and indirect positions in single name issuers and investment products that contain underlying securities, over which each Investment Manager has full investment discretion (i.e., it does not apply to equity indices, ETFs, etc.).

An Investment Manager is permitted to take short positions in issuers included on the exclusionary list.

2) Proxy voting: An Investment Manager must have in place and apply at all times policies and procedures in respect of proxy voting that, in general terms, prioritise sustainability concerns and seek to advance sustainability goals. The Investment Managers will generally engage a third-party provider in respect of proxy voting services, although they may deviate from the third-party provider's recommendations in accordance with their proxy voting policies and procedures if they determine that doing so would be in the best interest of investors.

The Sub-fund adheres to the ISS 'sustainability proxy voting guidelines' to determine how to vote proxies. Any deviations require prior approval from the Chief Compliance Officer. Out of the number of items voted over a 12 month period, the Sub-fund will vote a minimum of 67% in accordance with the sustainability guidelines.

3) ESG Score: The average ESG score of the portfolio will be better than the average ESG score of the MSCI Europe Net Total Return EUR Index. ESG analysis will be applied to at least 90% of the portfolio. The ESG data (especially when provided by third-party providers) may be incomplete, inaccurate, or unavailable and as a result, there is a risk to incorrectly assess the ESG score of a security or issuer, which constitutes a methodological limit. If the ESG data (as provided by third-party providers) is incomplete, inaccurate or unavailable, the Investment Manager may make internal changes to an ESG score or develop its own ESG score, each based on an internal review and assessment of the ESG data. The ESG score of the Sub-fund's portfolio is monitored in a dashboard by the relevant Investment Manager on an ongoing basis and compared against the average ESG score of the MSCI Europe Net Total Return EUR Index.

The Sub-fund analyzes a company's ESG position by reviewing third-party data from MSCI and Sustainalytics as well as the team's fundamental research. The Sub-fund will use the ESG scores from MSCI and Sustainalytics to formulate an ESG score for the portfolio, but will adjust the ESG scores from MSCI and Sustainalytics for a company if evidence indicates any key issues are inappropriately reflected. The Investment Manager for the Sub-fund will also create a proprietary score if there is no coverage from MSCI or Sustainalytics, by identifying several key ESG issues for the relevant company sourced from public data. This reflects the team's view that a realistic picture of the ESG issues is best grasped by using multiple sources of information.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable for this fund.

● ***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The relevant Investment Manager assesses governance practices by reviewing a comprehensive set of issues for every company, including board structure, shareholder rights, compensation, diversity, controversies, and quality of financials (including Benford's law).

The relevant Investment Manager integrates a threshold test using governance scores and controversy assessments from MSCI and Sustainalytics to assess exposure to governance risk and to identify laggards within the universe. For companies not scored by MSCI or Sustainalytics, the team will review key governance topics, such as board composition, executive compensation, shareholder rights, and audit. Various information sources may be used for this analysis with the goal to spot potential red flags. The team will continuously monitor Sustainalytics and MSCI for an official score throughout the holding period. The Sub-fund also identifies companies that are at risk of failing the test (scores two standard deviations weaker than the average for the overall coverage universe). For companies that end up on this watch list, the relevant Investment Manager will provide additional evidence either through further analysis or engagement with the company to obtain reassurances that the governance-related concerns are being addressed prior to any potential investments. All scores related to the good governance test are monitored on an ongoing basis.

In addition, the relevant Investment Manager utilizes ISS research to analyze and express views on governance-related risks during each annual shareholder voting process for companies the Sub-fund is invested in.

The Sub-fund's good governance policy is subject to a review by the ESG Committee.



***What is the asset allocation planned for this financial product?***

**Asset allocation** describes the share of investments in specific assets.

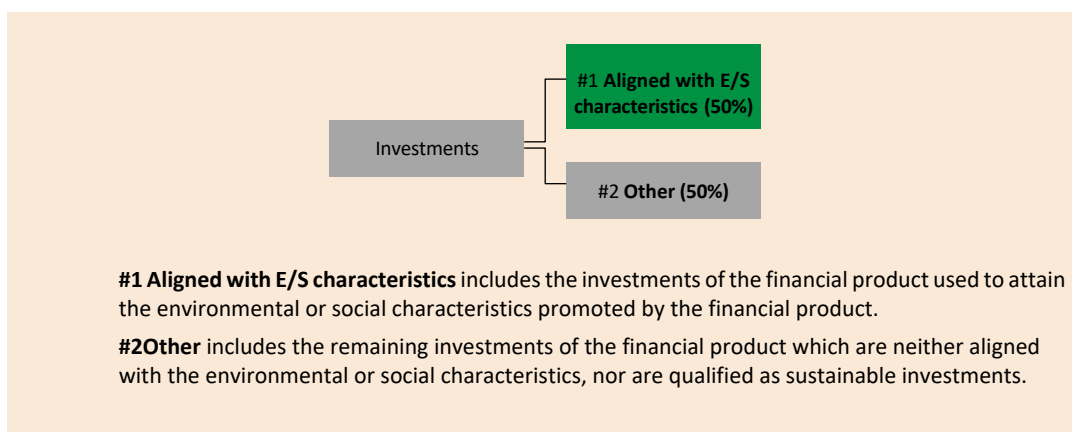
The percentage of the Sub-fund portfolio's net assets aligned with the environmental or social characteristics promoted by the Sub-fund will be 50%; it being understood, however, this is a target only (taking into account the binding elements referred to above), and is not guaranteed. Please also note that where proxy voting is not relevant to a particular asset of the Sub-fund, only the exclusionary screen and the ESG score are taken into account in determining this percentage.

The remaining assets will be used for (i) general investment purposes or hedging purposes, which will comprise indices, ETFs, short positions, baskets of equity securities, and foreign exchange swaps (note that (x) exposure to the foregoing may be obtained using derivative instruments and (y) each of these instruments could either be used for investment purposes or for hedging purposes), or (ii) collateral and liquidity management purposes, which will comprise liquidities (such as,

among others, bank deposits, money market UCIs and Money Market Instruments). These investments will not be aligned with the E/S characteristics promoted by the Sub-fund (see #2 Other below).

The remaining proportion may also comprise Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

No minimum environmental or social safeguards will be applied.



● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Where derivatives are used to gain exposure to a single underlying issuer, then the E/S characteristics promoted will be attained by looking through to the underlying issuer, ensuring alignment with the exclusionary screen. More specifically, the exclusionary screen will apply to (a) long direct positions, (b) single-name issuers that constitute the entire reference of a derivative instrument, and (c) each issuer in the case of an investment product that uses a basket of issuers as references if the Investment Manager has full investment discretion over such basket. For the avoidance of doubt, the Investment Manager is permitted to take short positions in issuers even if such issuers are included on the exclusionary list. Proxy voting will be unavailable for these instruments.

Derivatives other than derivatives used to gain exposure to a single underlying issuer (e.g., FX derivatives and index derivatives) will not be considered with respect to the E/S characteristics of the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable since the Sub-fund does not make sustainable investments.

In any event, it is confirmed that this strategy does not take into account the EU criteria for environmentally sustainable economic activities.

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>44</sup>?

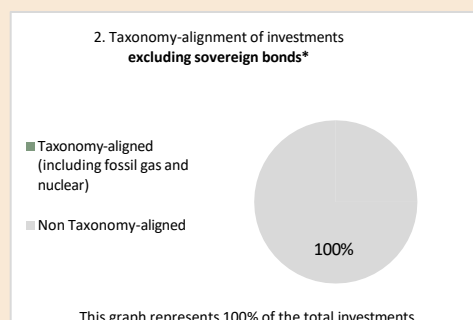
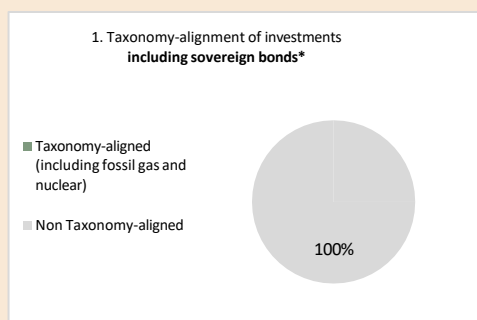
Yes:

In fossil gas

In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- What is the minimum share of investments in transitional and enabling activities?

None.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable since the Sub-fund does not make sustainable investments.



What is the minimum share of socially sustainable investments?

Not applicable since the Sub-fund does not make socially sustainable investments.

<sup>44</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The remaining assets will be used for (i) general investment purposes or hedging purposes, which will comprise indices, ETFs, short positions, baskets of equity securities, and foreign exchange swaps (note that (x) exposure to the foregoing may be obtained using derivative instruments and (y) each of these instruments could either be used for investment purposes or for hedging purposes), or (ii) collateral and liquidity management purposes, which will comprise liquidities (such as, among others, bank deposits, money market UCIs and Money Market Instruments). These investments will not be aligned with the E/S characteristics promoted by the Sub-fund.

The remaining proportion may also comprise Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

No minimum environmental or social safeguards will be applied.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.



***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

[https://gipcdp.generalicloud.net/static/documents/Apertura European Innovation Fund Art10 website disclosures EN.pdf](https://gipcdp.generalicloud.net/static/documents/Apertura_European_Innovation_Fund_Art10_website_disclosures_EN.pdf)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Small Cap Innovation Fund

**Legal entity identifier:**  
391200WHXE9VVLVSJY28

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**       **No**

<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> %</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> %</p>	<p><input type="checkbox"/> <b>It promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**What environmental and/or social characteristics are promoted by this financial product?**

1) Exclusionary screen: The Sub-fund incorporates an ESG exclusionary screen which looks to exclude businesses with any revenue exposure to the following activities: Production of controversial weapons, any businesses in violation of the UN Global Compact, and country exclusions based on international sanctions. In addition, the Sub-fund applies further revenue-based exclusions with various thresholds with regards to thermal coal, oil sands, nuclear power generation, tobacco, and palm oil.

2) Proxy voting: The Investment Manager must have in place and apply at all times policies and procedures in respect of proxy voting that, in general terms, prioritise sustainability concerns and seek to advance sustainability goals, such as advocating for stewardship of environment, fair labour practices, non-discrimination, the protection of human rights and advancing principles of good corporate governance.

3) ESG Score: The average ESG score of the portfolio will be better than the average ESG score of the MSCI Europe Small Cap Net TR EUR Index. ESG analysis will be applied to at least 90% of the portfolio.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted are the following:

1) Exclusionary screen: The percentage of direct holdings in securities and indirect holdings exposed to a single underlying issuer, that are on the exclusion list as result of the application of the ESG policy.

2) The relevant Investment Manager's proxy voting: The percentage of cast votes trailing 12 months in accordance with the ISS 'sustainability proxy voting guidelines'.

3) ESG Score: The percentage by which the Sub-fund's average ESG score is better than the ESG score of the MSCI Europe Small Cap Net TR EUR Index as referred to above.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

*Not applicable. How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, this fund considers principal adverse impacts on sustainability factors. In terms of how this is done:

No

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**What investment strategy does this financial product follow?**

The Sub-fund aims to achieve its investment objective by investing in a portfolio consisting of long and synthetic short positions in global, essentially European, small cap equity and equity-related securities (including convertible bonds) using an active extension approach to enhance potential returns without increasing the overall net exposure to the market.

The Investment Manager shall develop and maintain exclusionary screening policies and procedures to provide reasonable comfort that the Sub-fund does not

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

make or hold direct investments and indirect investments exposed to a single underlying issuer, in industries, market segments and companies considered to have harmful or controversial practices from an environmental or social perspective. Aperture uses a recognized third-party service provider to identify companies that are included in the exclusionary lists. Whenever a portfolio manager disagrees with a third-party assessment with regards to the negative screen, he or she may appeal such exclusion to the ESG Committee. The ESG Committee has the discretion to diverge from any criteria if it determines the third party data is incomplete or inaccurate. In the event that an issuer is added to an exclusion list, the relevant portfolio managers will initiate the sale of related positions held in an orderly manner over a reasonable period of time. Each portfolio manager will use reasonable efforts to exclude issuers that should be excluded based on the exclusion screen policy and procedures, even if such issuers do not appear on the list generated by the third-party service provider. The exclusionary screen is hardcoded into each Investment Manager's Order Management System (OMS) and gets updated on a semi-annual basis.

The sustainability proxy voting policies are not applied as part of the investment strategy of the Sub-fund per se. Rather, they are applied once an investment has been made in accordance with the Investment Managers' ESG policy.

The average ESG score of the portfolio will be better than the average ESG score of the MSCI Europe Small Cap Net TR EUR Index. ESG analysis will be applied to at least 90% of the portfolio. The Sub-fund is using Sustainalytics data for this analysis.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

1) Exclusionary screen:

The Sub-fund incorporates an ESG exclusionary screen which looks to exclude businesses with any revenue exposure to the following activities: Production of controversial weapons, any businesses in violation of the UN Global Compact, and country exclusions based on international sanctions.

In addition, the Sub-fund also applies further revenue-based exclusions in adherence with the policy's class C criteria. This includes exclusions relating to the following activities: thermal coal (20% revenue threshold), oil sands (20% revenue threshold), nuclear power generation (30% revenue threshold), tobacco production (0% revenue threshold), and palm oil (10% revenue threshold). In the event that a portfolio manager wishes to challenge any existing or potential investments with issuers that are included on the class C exclusionary screen, the investment team will investigate the reasoning and if an investment is still warranted, the rationale will be brought to the firm's ESG committee for assessment (for more information on this, please see above).

The ESG exclusionary screen applies exclusively to long direct positions, and indirect positions in single name issuers and investment products that

contain underlying securities, over which each Investment Manager has full investment discretion (i.e., it does not apply to equity indices, ETFs, etc.). An Investment Manager is permitted to take short positions in issuers included on the exclusionary list.

2) Proxy voting: An Investment Manager must have in place and apply at all times policies and procedures in respect of proxy voting that, in general terms, prioritise sustainability concerns and seek to advance sustainability goals. The Investment Managers will generally engage a third-party provider in respect of proxy voting services, although they may deviate from the third-party provider's recommendations in accordance with their proxy voting policies and procedures if they determine that doing so would be in the best interest of investors.

The Sub-fund adheres to the ISS 'sustainability proxy voting guidelines' to determine how to vote proxies. Any deviations require prior approval from the Chief Compliance Officer. Out of the number of items voted over a 12-month period, the Sub-fund will vote a minimum of 67% in accordance with the sustainability guidelines.

3) ESG Score: The average ESG score of the portfolio will be better than the average ESG score of the MSCI Europe Small Cap Net TR EUR Index. ESG analysis will be applied to at least 90% of the portfolio. The ESG data (especially when provided by third-party providers) may be incomplete, inaccurate, or unavailable and as a result, there is a risk to incorrectly assess the ESG score of a security or issuer, which constitutes a methodological limit. If the ESG data (as provided by third-party providers) is incomplete, inaccurate or unavailable, the Investment Manager may make internal changes to an ESG score or develop its own ESG score, each based on an internal review and assessment of the ESG data. The ESG score of the Sub-fund's portfolio is monitored in a dashboard by the relevant Investment Manager on an ongoing basis and compared against the average ESG score of the MSCI Europe Small Cap Net TR EUR Index.

The Sub-fund analyzes a company's ESG position by reviewing third-party data from MSCI and Sustainalytics as well as the team's fundamental research. The Sub-fund will use the ESG scores from MSCI and Sustainalytics to formulate an ESG score for the portfolio, but will adjust the ESG scores from MSCI and Sustainalytics for a company if evidence indicates any key issues are inappropriately reflected. The Investment Manager for the Sub-fund will also create a proprietary score if there is no coverage from MSCI or Sustainalytics, by identifying several key ESG issues for the relevant company sourced from public data. This reflects the team's view that a realistic picture of the ESG issues is best grasped by using multiple sources of information.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable for this fund.

***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The relevant Investment Manager assesses governance practices by reviewing a comprehensive set of issues for every company, including board structure, shareholder rights, compensation, diversity, controversies, and quality of financials (including Benford's law).

The relevant Investment Manager integrates a threshold test using governance scores and controversy assessments from MSCI and Sustainalytics to assess exposure to governance risk and to identify laggards within the universe. For companies not scored by MSCI or Sustainalytics, the team will review key governance topics, such as board composition, executive compensation, shareholder rights, and audit. Various information sources may be used for this analysis with the goal to spot potential red flags. The team will continuously monitor Sustainalytics and MSCI for an official score throughout the holding period. The Sub-fund also identifies companies that are at risk of failing the test (scores two standard deviations weaker than the average for the overall coverage universe). For companies that end up on this watch list, the relevant Investment Manager will provide additional evidence either through further analysis or engagement with the company to obtain reassurances that the governance-related concerns are being addressed prior to any potential investments. All scores related to the good governance test are monitored on an ongoing basis.

In addition, the relevant Investment Manager utilizes ISS research to analyse and express views on governance-related risks during each annual shareholder voting process for companies the Sub-fund is invested in.

The Sub-fund's good governance policy is subject to a review by the ESG Committee.



***What is the asset allocation planned for this financial product?***

**Asset allocation** describes the share of investments in specific assets.

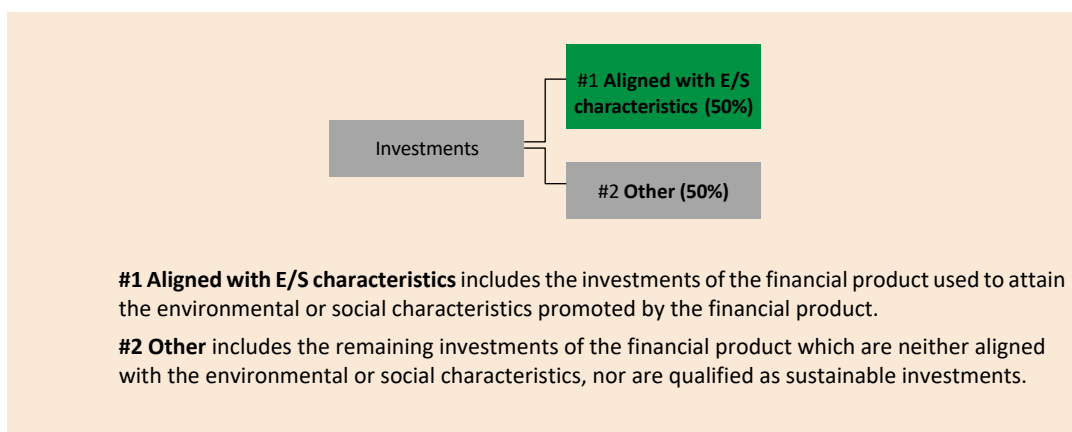
The percentage of the Sub-fund portfolio's net assets aligned with the environmental or social characteristics promoted by the Sub-fund will be 50%; it being understood, however, this is a target only (taking into account the binding elements referred to above), and is not guaranteed. Please also note that where proxy voting is not relevant to a particular asset of the Sub-fund, only the exclusionary screen and the ESG sScore are taken into account in determining this percentage.

The remaining assets will be used for (i) general investment purposes or hedging purposes, which will comprise indices, ETFs, short positions, baskets of equity securities, and foreign exchange swaps (note that (x) exposure to the foregoing may be obtained using derivative instruments and (y) each of these instruments could either be used for investment purposes or for hedging purposes), or (ii) collateral and liquidity management purposes, which will comprise liquidities (such as,

among others, bank deposits, money market UCIs and Money Market Instruments). These investments will not be aligned with the E/S characteristics promoted by the Sub-fund (see #2 Other below).

The remaining proportion may also comprise Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

No minimum environmental or social safeguards will be applied.



● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Where derivatives are used to gain exposure to a single underlying issuer, then the E/S characteristics promoted will be attained by looking through to the underlying issuer, ensuring alignment with the exclusionary screen and inclusion in the ESG scoring analysis. More specifically, the exclusionary screen will apply to (a) long direct positions, (b) single-name issuers that constitute the entire reference of a derivative instrument, and (c) each issuer in the case of an investment product that uses a basket of issuers as references if the Investment Manager has full investment discretion over such basket. For the avoidance of doubt, the Investment Manager is permitted to take short positions in issuers even if such issuers are included on the exclusionary list. Proxy voting will be unavailable for these instruments.

Derivatives other than derivatives used to gain exposure to a single underlying issuer (e.g., FX derivatives and index derivatives) will not be considered with respect to the E/S characteristics of the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable since the Sub-fund does not make sustainable investments.

In any event, it is confirmed that this strategy does not take into account the EU criteria for environmentally sustainable economic activities.

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>45</sup>?

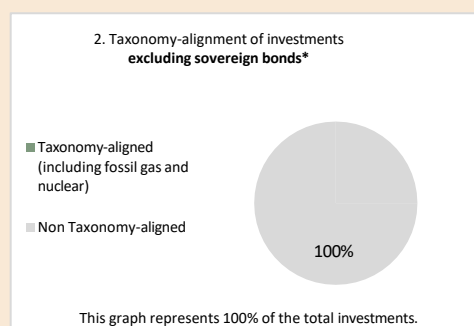
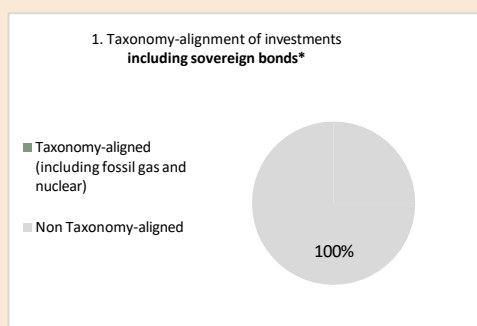
Yes:

In fossil gas

In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- What is the minimum share of investments in transitional and enabling activities?

None.



- What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable since the Sub-fund does not make sustainable investments.



- What is the minimum share of socially sustainable investments?

Not applicable since the Sub-fund does not make socially sustainable investments.

<sup>45</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.





**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The remaining assets will be used for (i) general investment purposes or hedging purposes, which will comprise indices, ETFs, short positions, baskets of equity securities, and foreign exchange swaps (note that (x) exposure to the foregoing may be obtained using derivative instruments and (y) each of these instruments could either be used for investment purposes or for hedging purposes), or (ii) collateral and liquidity management purposes, which will comprise liquidities (such as, among others, bank deposits, money market UCIs and Money Market Instruments). These investments will not be aligned with the E/S characteristics promoted by the Sub-fund.

The remaining proportion may also comprise Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

No minimum environmental or social safeguards will be applied.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

[https://gipcdp.generalicloud.net/static/documents/Aperture Small Cap Innovation Fund Art10 Website disclosures EN.pdf](https://gipcdp.generalicloud.net/static/documents/Aperture_Small_Cap_Innovation_Fund_Art10_Website_disclosures_EN.pdf)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

Product name: Discover Equity Fund

Legal entity identifier:  
391200SK8U1A8DGU5B92

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

Yes



No

It will make a minimum of **sustainable investments with an environmental objective:** %



**It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** %



with a social objective  
**It promotes E/S characteristics, but will not make any sustainable investments**

**What environmental and/or social characteristics are promoted by this financial product?**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



1) Exclusionary screen: The Sub-fund incorporates an ESG exclusionary screen which looks to exclude businesses with any revenue exposure to the following activities: Production of controversial weapons, any businesses in violation of the UN Global Compact, and country exclusions based on international sanctions. In addition, the Sub-fund applies further revenue-based exclusions with various thresholds with regards to thermal coal, oil sands, nuclear power generation, tobacco, and palm oil.

2) Proxy voting: The Investment Manager must have in place and apply at all times policies and procedures in respect of proxy voting that, in general terms, prioritise sustainability concerns and seek to advance sustainability goals, such as advocating for stewardship of environment, fair labour practices, non-discrimination, the protection of human rights and advancing principles of good corporate governance.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted are the following:

1) Exclusionary screen: The percentage of direct holdings in securities and indirect holdings exposed to a single underlying issuer, that are on the exclusion list as result of the application of the ESG policy.

2) The relevant Investment Manager's proxy voting: The percentage of cast votes trailing 12 months in accordance with the ISS 'sustainability proxy voting guidelines'.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- Yes, this fund considers principal adverse impacts on sustainability factors. In terms of how this is done:
- No

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**What investment strategy does this financial product follow?**

The Sub-fund aims to achieve its investment objective by investing in a portfolio consisting of long and synthetic short positions in liquid equity, equity-related instruments and bonds using an active extension approach to enhance potential returns without increasing the overall net exposure to the market.

Each Investment Manager shall develop and maintain exclusionary screening policies and procedures to provide reasonable comfort that the Sub-fund does not make or hold direct investments and indirect investments exposed to a single underlying issuer, in industries, market segments and companies considered to have harmful or controversial practices from an environmental or social perspective. Aperture uses a recognized third-party service provider to identify companies that are included in the exclusionary lists. Whenever a portfolio manager disagrees with a third-party assessment with regards to the negative screen, he or she may appeal such exclusion to the ESG Committee. The ESG Committee has the discretion to diverge from any criteria if it determines the third party data is incomplete or inaccurate. In the event that an issuer is added to an exclusion list, the relevant portfolio managers will initiate the sale of related

positions held in an orderly manner over a reasonable period of time. Each portfolio manager will use reasonable efforts to exclude issuers that should be excluded based on the exclusion screen policy and procedures, even if such issuers do not appear on the list generated by the third-party service provider. The exclusionary screen is hardcoded into each Investment Manager's Order Management System (OMS) and gets updated on a semi-annual basis.

The sustainability proxy voting policies are not applied as part of the investment strategy of the Sub-fund per se. Rather, they are applied once an investment has been made in accordance with the Investment Managers' ESG policy.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

1) Exclusionary screen:

The Sub-fund incorporates an ESG exclusionary screen which looks to exclude businesses with any revenue exposure to the following activities: Production of controversial weapons, any businesses in violation of the UN Global Compact, and country exclusions based on international sanctions.

In addition, the Sub-fund also applies further revenue-based exclusions in adherence with the policy's class C criteria. This includes exclusions relating to the following activities: thermal coal (20% revenue threshold), oil sands (20% revenue threshold), nuclear power generation (30% revenue threshold), tobacco production (0% revenue threshold), and palm oil (10% revenue threshold). In the event that a portfolio manager wishes to challenge any existing or potential investments with issuers that are included on the class C exclusionary screen, the investment team will investigate the reasoning and if an investment is still warranted, the rationale will be brought to the firm's ESG committee for assessment (for more information on this, please see above).

The ESG exclusionary screen applies exclusively to long direct positions, and indirect positions in single name issuers and investment products that contain underlying securities, over which each Investment Manager has full investment discretion (i.e., it does not apply to equity indices, ETFs, etc.). An Investment Manager is permitted to take short positions in issuers included on the exclusionary list.

2) Proxy voting: An Investment Manager must have in place and apply at all times policies and procedures in respect of proxy voting that, in general terms, prioritise sustainability concerns and seek to advance sustainability goals. The Investment Managers will generally engage a third-party provider in respect of proxy voting services, although they may deviate from the third-party provider's recommendations in accordance with their proxy voting policies and procedures if they determine that doing so would be in the best interest of investors.

The Sub-fund adheres to the ISS 'sustainability proxy voting guidelines' to determine how to vote proxies. Any deviations require prior approval from the Chief Compliance Officer. Out of the number of items voted over a 12 month period, the Sub-fund will vote a minimum of 67% in accordance with the sustainability guidelines.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable for this fund.

- ***What is the policy to assess good governance practices of the investee companies?***

The relevant Investment Manager puts a particular emphasis on corporate governance. Corporate governance is a foundational element in ESG risk ratings and reflects the team's conviction that poor corporate governance poses material risks for companies.

The relevant Investment Manager utilizes third-party research for each company's governance-related issues to form a comprehensive view of the potential risks. Key metrics and issues analyzed include: Ownership & control, board, pay and accounting, as well as controversies research to identify companies involved in incidents that may negatively impact stakeholders.

The relevant Investment Manager integrates a threshold test using governance scores and controversy assessments from MSCI and Sustainalytics to assess exposure to governance risk. For companies not scored by MSCI or Sustainalytics, the Discover research team and the Head of ESG will review key governance topics, such as board composition, executive compensation, shareholder rights, and audit. Various information sources, such as ISS, company websites, stock exchange insights, or any other third-party data may be used for this analysis. The team will monitor MSCI and Sustainalytics for an official score on a quarterly basis throughout the holding period.

The Sub-fund's good governance policy is subject to a review by the ESG Committee.



#### ***What is the asset allocation planned for this financial product?***

The percentage of the Sub-fund portfolio's net assets aligned with the environmental or social characteristics promoted by the Sub-fund will be 60%; it being understood, however, this is a target only (taking into account the binding elements referred to above), and is not guaranteed. Please also note that where proxy voting is not relevant to a particular asset of the Sub-fund, only the exclusionary screen is taken into account in determining this percentage.

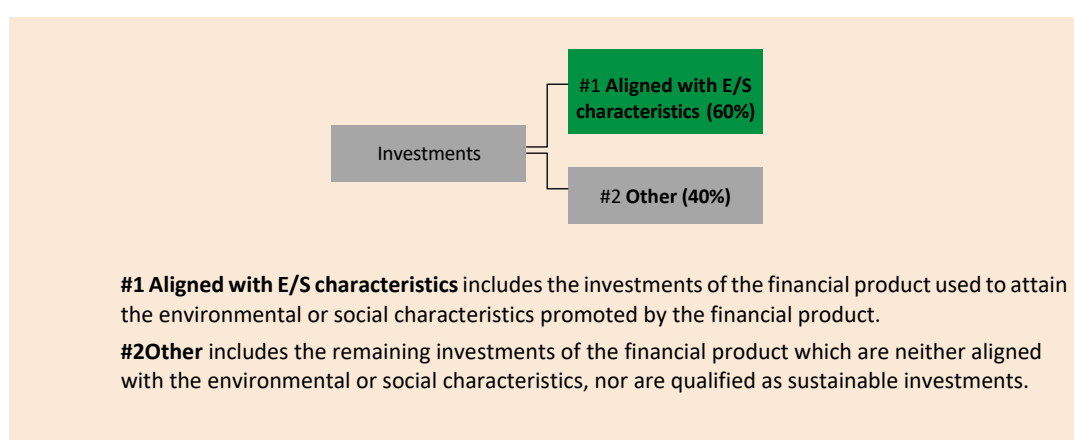
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

The remaining assets will be used for (i) general investment purposes or hedging purposes, which will comprise indices, ETFs, short positions, baskets of equity securities, and foreign exchange swaps (note that (x) exposure to the foregoing may be obtained using derivative instruments and (y) each of these instruments could either be used for investment purposes or for hedging purposes), or (ii) collateral and liquidity management purposes, which will comprise liquidities (such as, among others, bank deposits, money market UCIs and Money Market Instruments). These investments will not be aligned with the E/S characteristics promoted by the Sub-fund (see #2 Other below).

The remaining proportion may also comprise Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

No minimum environmental or social safeguards will be applied.



● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Where derivatives are used to gain exposure to a single underlying issuer, then the E/S characteristics promoted will be attained by looking through to the underlying issuer, ensuring alignment with the exclusionary screen. More specifically, the exclusionary screen will apply to (a) long direct positions, (b) single-name issuers that constitute the entire reference of a derivative instrument, and (c) each issuer in the case of an investment product that uses a basket of issuers as references if the Investment Manager has full investment discretion over such basket. For the avoidance of doubt, the Investment Manager is permitted to take short positions in issuers even if such issuers are included on the exclusionary list. Proxy voting will be unavailable for these instruments.

Derivatives other than derivatives used to gain exposure to a single underlying issuer (e.g., FX derivatives and index derivatives) will not be considered with respect to the E/S characteristics of the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**



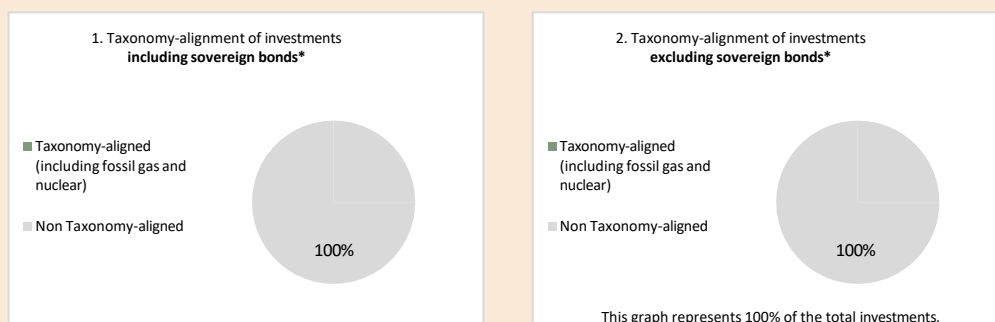
Not applicable since the Sub-fund does not make sustainable investments.

In any event, it is confirmed that this strategy does not take into account the EU criteria for environmentally sustainable economic activities.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>46</sup>?**

- Yes:
- In fossil gas       In nuclear energy
- No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

None.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable since the Sub-fund does not make sustainable investments

<sup>46</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

### What is the minimum share of socially sustainable investments?



Not applicable since the Sub-fund does not make socially sustainable investments.



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The remaining assets will be used for (i) general investment purposes or hedging purposes, which will comprise indices, ETFs, short positions, baskets of equity securities, and foreign exchange swaps (note that (x) exposure to the foregoing may be obtained using derivative instruments and (y) each of these instruments could either be used for investment purposes or for hedging purposes), or (ii) collateral and liquidity management purposes, which will comprise liquidities (such as, among others, bank deposits, money market UCIs and Money Market Instruments). These investments will not be aligned with the E/S characteristics promoted by the Sub-fund.

The remaining proportion may also comprise Ancillary Liquid Assets pursuant to the investment restrictions set out in the general part of the Prospectus.

No minimum environmental or social safeguards will be applied.



### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

[https://gipcdp.generalicloud.net/static/documents/Aperture Discover Equity Fund Art10 Website disclosures\\_EN.pdf](https://gipcdp.generalicloud.net/static/documents/Aperture_Discover_Equity_Fund_Art10_Website_disclosures_EN.pdf)

## **INFORMATION FOR INVESTORS IN SWITZERLAND**

### **1) REPRESENTATIVE IN SWITZERLAND**

The representative is Acolin Fund Services AG, Maintower, Thurgauerstrasse 36/38, CH-8050 Zurich.

### **2) PAYING AGENT IN SWITZERLAND**

The paying agent is InCore Bank AG, Wiesenstrasse 17, P.O. Box, CH-8952 Schlieren.

### **3) LOCATION WHERE THE RELEVANT DOCUMENTS MAY BE OBTAINED**

The prospectus, the key information documents or the key investor information documents, the articles of association, as well as the annual and semi-annual reports may be obtained free of charge from the representative.

### **4) PUBLICATIONS**

Publications relating to the fund shall be made in Switzerland on the electronic platform [www.fundpublications.com](http://www.fundpublications.com).

The issue and the redemption prices or the net asset value together with the reference "excluding commissions" shall be published for each issue and redemption of units on the electronic platform [www.fundpublications.com](http://www.fundpublications.com). The prices are published daily.

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

The fund company and its agents may pay retrocessions to compensate the distribution activity of fund units in Switzerland. This compensation may be used in particular to cover the following services:

- Life insurance companies;
- marketing of the company in accordance with the applicable regulations;
- transmission of legal documentation to investors;
- investor assistance in case of questions;
- Appointment and monitoring of sub-distributors, where appropriate.

Retrocessions are not considered rebates even if they are ultimately passed on to investors in whole or in part.

The disclosure of the receipt of retrocessions is governed by the relevant provisions of the FinSA.

The fund company and its agents may pay rebates directly to investors upon request in distribution in Switzerland. Rebates serve to reduce the fees or costs attributable to the investors concerned. Discounts are permissible provided that they

- are paid from fees of the fund company and thus do not place an additional burden on the fund assets;
- are granted on the basis of objective criteria;
- are granted to all investors who fulfil the objective criteria and request, under the same time conditions and to the same extent.

The objective criteria for the granting of rebates by the fund company are:

- the volume subscribed by the investor or the total volume held by the investor in the collective investment scheme or, where applicable, in the promoter's product range;
- the amount of the fees generated by the investor;
- the investment behaviour practised by the investor (e.g. expected investment period);

- the investor's willingness to provide support in the launch phase of a collective investment scheme.

Upon request by the investor, the fund company shall disclose the corresponding amounts of the rebates free of charge.

#### **6) PLACE OF PERFORMANCE AND JURISDICTION**

For units offered in Switzerland, the place of performance is at the registered office of the representative. The place of jurisdiction shall be at the registered office of the representative or at the registered office or domicile of the investor.