

# CROSSFUND SICAV

Société d'investissement à capital variable

**(a Luxembourg domiciled open-ended investment company)**

## PROSPECTUS

July 2016

# 1. Important Information

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## 1.1 General

This Prospectus should be read in its entirety before making any application for Shares. If you are in any doubt about the contents of this Prospectus you should consult your financial or other professional adviser.

Shares are offered on the basis of the information contained in this Prospectus and the documents referred to therein.

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

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. Investors wishing to apply for Shares should inform themselves as to the requirements within their own country for transactions in Shares, any applicable exchange control regulations and the tax consequences of any transaction in Shares.

This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorized, or to any person to whom it is unlawful to make such offer or solicitation.

Investors should note that not all the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

The Registrar and Transfer Agent shall not divulge any confidential information concerning the Investor unless required to do so by law or regulation. The Investor agrees that personal details contained in the application form and arising from the business relationship with the Registrar and Transfer Agent may be stored, modified or used in any other way by the Registrar and Transfer Agent for the purpose of administering and developing the business relationship with the Investor. To this end data may be transmitted to companies being appointed by the Registrar and Transfer Agent to support the business relationship (e.g. external processing centers, dispatch or paying agents).

The distribution of this Prospectus in certain countries may require that this Prospectus be translated into the languages specified by the regulatory authorities of those countries. Should any inconsistency arise between the translated and the English version of this Prospectus, the English version shall always prevail.

The Registrar and Transfer Agent may use telephone recording procedures to record any conversation. Investors are deemed to consent to the tape-recording of conversations with the Registrar and Transfer Agent and to the use of such tape recordings by the Registrar and Transfer Agent and/or the SICAV in legal proceedings or otherwise at their discretion.

**The price of Shares in the SICAV and the income from them may go down as well as up and an Investor may not get back the amount invested.**

**The tax, legal and other matters described in this Prospectus do not constitute, and should not be considered as, legal or tax advice to prospective subscribers. Prospective applicants for or purchasers of Shares should inform themselves as to the legal and tax requirements of so applying or purchasing of any jurisdiction which may be applicable to them, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.**

## **1.2 Restrictions applying to US Investors**

The SICAV has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the “Investment Company Act”). The Shares of the SICAV have not been and will not be registered under the United States Securities Act of 1933 as amended (the “Securities Act”) or under the securities laws of any state of the United States of America and such Shares may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws. The Shares of the SICAV may not be offered or sold within the United States or to or for the account of any US Person as defined in Rule 902 of Regulation S under the Securities Act.

Rule 902 of Regulation S under the Securities Act defines US Person to include inter alia any natural person resident of the United States and with regards to Investors other than individuals, (i) a corporation or partnership organized or incorporated under the laws of the US or any state thereof; (ii) a trust: (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settler if the trust is revocable) is a US Person or (b) where court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its worldwide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term “US Person” also means any entity organized principally for passive investment (such as a commodity pool, investment company or other similar entity) that was formed: (a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non- US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, unless it is formed and owned by “accredited investors” (as defined in Rule 501 (a) under the Securities Act of 1933) who are not natural persons, estates or trusts.

“United States” means the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

### **FATCA**

The US Foreign Account Tax Compliance Act (“FATCA”) aims at preventing US tax evasion by requiring foreign (non-US) financial institutions to report to the US Internal Revenue Service information on financial accounts held outside the United States by US investors. US securities held by a non-US financial institution that does not comply with the FATCA reporting regime will be subject to a US tax withholding of 30% on gross sales proceeds and income, commencing on 1 July 2014.

Luxembourg has entered into a Model I Intergovernmental Agreement (the “IGA”) with the US on 28 March 2014. Under the terms of the IGA, the SICAV will be obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Luxembourg legislation implementing the IGA (the “Luxembourg IGA Legislation”). Under the IGA, Luxembourg-resident financial institutions that comply with the requirements of the Luxembourg IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA (“FATCA Withholding”). In order to elect for and keep such FATCA status, the SICAV only allows (i) participating foreign financial institutions, (ii) deemed-compliant foreign financial institutions, (iii) non-reporting IGA foreign financial institutions, (iv) exempt beneficial owners (v), Active Non-Financial Foreign Entities (“Active NFFE”) or (vi) non-specified US persons, all as defined under FATCA as shareholders; accordingly, investors may only subscribe for and hold Shares through a financial institution that complies or is deemed to comply with FATCA. The SICAV may impose measures and/or restrictions to that effect, which may include the rejection of subscription orders or the compulsory redemption of Shares, as further detailed in this Prospectus and in the Articles, and/or the withholding of the 30% tax from payments to the account of any shareholder found to qualify as a “recalcitrant account” or “non-participating foreign financial institution” under FATCA. Prospective investors should (i) consult their own tax advisors regarding the impact of FATCA further to an investment in the SICAV and (ii) be advised that although the SICAV will attempt to comply with all FATCA obligations, no assurance can be given that it will be able to satisfy the such obligations and therefore to avoid FATCA Withholding. The attention of US taxpayers is drawn to the fact that the SICAV qualifies as a passive foreign investment company (“PFIC”) under US tax laws and does not intend to provide information that would allow such investors to elect to treat the SICAV as a qualified electing fund (so-called “QEF election”).

If you are in any doubt as to your status, you should consult your financial or other professional adviser.

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### 3. Management and Administration

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**Registered Office of the SICAV:** 15, avenue J.F. Kennedy,  
L-1855 Luxembourg  
Company registry number :  
B0175772

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**Board of Directors of the SICAV:**

**Chairman** Mr. Marc WENDA  
Vice President,  
FundPartner Solutions (Europe) S.A.

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**Director** Mr. Alberto Marazzi  
Head of compliance and secretary of the board of director,  
Crossinvest (Lugano)

**s** Mr. Yvar MENTHA  
independent director  
BRP Bizzozero & Partners SA, Rue Ernest-Bloch 54, CH-1207  
Geneva, Switzerland

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**Management Company and Central Administration** Fund Partner Solutions (Europe) S.A.  
15, avenue J.F. Kennedy,  
L-1855 Luxembourg

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**Board of Directors of the Management Company** M. Marc BRIOL  
(Chairman)  
Director, Pictet & Cie Mrs

Mrs. Michèle BERGER  
Managing Director, FundPartner Solutions (Europe) S.A.

M. Pierre ETIENNE  
Managing Director, Pictet & Cie (Europe) S.A.

M. Claude KREMER  
Partner, Arendt & Medernach

**Investment Managers** Crossinvest SA  
Corso Elvezia 33  
CH-6900 Lugano

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**Depository** Pictet & Cie (Europe) S.A.  
15A, avenue J.F. Kennedy,  
L-1855 Luxembourg

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**Auditors** Ernst & Young, S.A.  
35E, avenue J.F. Kennedy  
L-1855 Luxembourg

#### **4. Definitions**

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“Accumulation Share” a Share which accumulates the income arising in respect of a Share so that it is reflected in the price of that Share

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“Administrative Agent” FundPartner Solutions (Europe) S.A.

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“Articles” the Articles of association of the SICAV as amended from time to time

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“Auditor” the Auditors of the SICAV, namely Ernst & Young S.A.

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“Borsa Italiana” means the open-end CIUs segment of the ETFplus market of Borsa Italiana S.p.A., the regulated market established in Milan (Italy)

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“Business Day” every day on which banks are normally open for business in Luxembourg, or such other day as the Directors may decide from time to time



“Calculation Day”	each Business Day on which the net asset value is calculated, as specified in Appendix I for the relevant Sub-Fund
“Class”	a class of Shares (or « Share Class ») with a specific fee structure, currency of denomination or other specific feature
“Commitment Approach”	Risk Management method based on monitoring liabilities, as defined in the CSSF Circular 11/512 of 30 May 2011 and the ESMA guidelines on Directive 2009/65/EC.
“Dealing Day”	a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the relevant class or of the net asset value of the relevant Sub-Fund (unless stated otherwise in this Prospectus) and such other day as the Directors may decide from time to time
“Depositary”	Pictet & Cie (Europe) S.A.
“Directors”	the Board of Directors of the SICAV
“Distribution Share”	a Share which distributes its income
“Institutional Investor”	an investor meeting the requirements to qualify as an institutional investor for purposes of article 174 of the 2010 Law
“Investor”	a subscriber for Shares
“Investment Manager”	the appointed Sub-Fund’s investment manager, as specified in Appendix I

“Management Company”	FundPartner Solutions (Europe) S.A., a Luxembourg company organized under Chapter 15 of the 2010 Law
“Member State”	a State member of the European Union
“Mémorial”	Mémorial C, Recueil des Sociétés et Associations of Luxembourg
“Money Market Instruments”	instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time
“Net Asset Value per Share” or “NAV”	the value per Share of any Class determined in accordance with the relevant provisions described under the heading “Calculation of Net Asset Value” as set out in the Prospectus
“On an Ancillary Basis”	investments of a Sub-fund of up to 49% of its net assets
“Other Regulated Market”	a market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed in current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognized by a state or a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public
“Other State”	any State of Europe which is not a Member State and any State of America, Africa, Asia, Australia and Oceania and, as appropriate, of the OECD (“Organization for Economic Cooperation and Development”)

“Prospectus”	the SICAV’s latest prospectus, as may be amended from time to time
“Registrar and Transfer Agent”	FundPartner Solutions (Europe) S.A. under its general appointment as Administrative Agent of the SICAV
“Regulated Markets”	a regulated market as defined by the Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field, as last amended by Directive 2004/39/EC (“Directive 2004/39/EC”), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operations of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC
“Regulatory Authority”	the Commission de surveillance du secteur financier or its successor in the Grand Duchy of Luxembourg
“Retail Investor”	any investor not qualifying as an Institutional Investor
“Share”	a Share(s) of no par value in any one class in the capital of the SICAV
“SICAV”	CROSSFUNDSICAV
“Sub-Fund”	a specific portfolio of assets and liabilities within the SICAV having its own net asset value and represented by a separate class or classes of Shares
“UCITS”	an undertaking for collective investment in transferable securities authorized according to Article 1(2) of Council Directive

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“UCITS-CDR”	Means the Commission Delegated Regulation of 17 December 2015 supplementing Directive 2009/65/EC with regard to obligations of depositaries.
“UCITS Directive”	the Council Directive of 13 July 2009 (2009/65/CE)
“Valuation Day”	each Business Day as of which the Fund’s assets will be priced (usually market closure prices)
“Value at Risk”	a widely used risk measuring method, indicating the risk of loss on a specific portfolio of financial assets.

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All references herein to time are to Luxembourg time unless otherwise indicated.

Words importing the singular shall, where the context permits, include the plural and vice versa.

## 5. Legal Status

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CROSSFUND SICAV (the “SICAV”) is an open-ended investment company of the umbrella type organized as a “société anonyme” under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d’Investissement à Capital Variable (“SICAV”) under Part I of the Luxembourg law of 17 December 2010 governing undertakings of collective investment, as amended transposing the provisions of the EU Directive 2009/65/CE of 13 July 2009 and its implementing directive (the “Law of 2010” or “2010 Law”), The object of the SICAV is to invest in transferable securities under the principle of risk spreading in accordance with, and as more fully described in, its Articles and the Prospectus. The SICAV has appointed FundPartner Solutions (Europe) S.A. to act as management company of the SICAV.

The SICAV<sup>1</sup> was incorporated for an indefinite period on February 22<sup>nd</sup>, 2013 with an initial capital of Euro 31’000,- and its articles were amended on March 1<sup>st</sup>, 2013. The publication of its Articles in the official gazette “Mémorial” took place on 18 March 2013.

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<sup>1</sup> The SICAV was first incorporated as “Cross SICAV”. However its denomination was changed into “Crossfund SICAV” on March 1<sup>st</sup>, 2013.

The SICAV is to be registered at the Trade and Companies Register of Luxembourg under the number B0175772.

The SICAV's capital shall at all times be equal to the value of its total net assets. The minimum capital required by law is EUR 1,250,000, which will be achieved within 6 months of its launch.

## **6. Objectives and Structure**

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The exclusive objective of the SICAV is to place the funds available to it in transferable securities and other permitted assets of any kind with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios, by offering them access to a world-wide selection of markets and a variety of investment techniques via a range of Sub-Funds catering for many different investment objectives.

The specific investment objective and policy of each Sub-Fund is described in Appendix I.

The investments of each Sub-Fund shall at any time comply with the restrictions set out herein, and Investors should, prior to any investment being made, take due account of the risks of investments set out herein. Save aforesaid restrictions, the selection of securities and other authorized assets that make up the portfolio of the various Sub-Funds will not be limited as regards geographical area or economic consideration, nor as regards the type of investment of assets.

As at the time of issue of this Prospectus, the Shares are not listed on the Luxembourg Stock Exchange. However, the Directors may decide to make an application to list such or other Shares on the Luxembourg or any other recognized stock exchange.

A list of those Sub-Funds in existence at the time of this Prospectus, together with a description of their investment objective and policy and main features, is attached as Appendix I to this Prospectus. This list forms an integral part of this Prospectus. The Directors may decide to create one or several additional Sub-Funds at any time. Upon creation of such a Sub-Fund, the list contained in the present Prospectus will be updated accordingly.

## **7. Organization of Management and Administration**

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The Directors are responsible for managing the SICAV, monitoring its operations as well as specifying and implementing the investment policy of the SICAV and of the different Sub-Funds.

### **7.1 Management Company**

The Directors of the SICAV have appointed FundPartner Solutions (Europe) S.A. to serve as its designated management company within the meaning of the 2010 Law and pursuant to a Management Company Services Agreement.

The Management Company will provide, subject to the overall control of the Directors, and without limitation: (i) asset management services; (ii) central administration, registrar and transfer agency services; and (iii) distribution services to the SICAV. The rights and duties of the Management Company are further set out in articles 101 et seq. of the 2010 Law.

The Management Company must at all times act honestly and fairly in conducting its activities in the best interests of the Shareholders, and in conformity with the 2010 Law, this Prospectus and the Articles.

FundPartner Solutions (Europe) S.A. was incorporated as a société anonyme (limited company) under Luxembourg law for an indefinite period on 17 July 2008, under the former denomination Funds Management Company S.A. Its fully paid-up capital is CHF 6,250,000 at the date of this Prospectus.

The Management Company is vested with the day-to-day management and administration of the SICAV. In fulfilling its duties pursuant to the 2010 Law, and the Management Company Services Agreement, the Management Company is authorized, for the purposes of the efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the SICAV, and subject to the approval of the CSSF, part, or all of its functions and duties to any third party, which, having regard to the nature of the functions, and duties to be delegated, must be qualified and capable of undertaking the duties in question.

The Management Company will require any such agent to which the Management Company intends to delegate its duties to comply with the provisions of the Prospectus, the Articles, and the relevant provisions of the Management Company Services Agreement, as well as the 2010 Law.

In relation to any delegated duty, the Management Company shall implement appropriate control mechanisms, and procedures, including risk management controls, and regular reporting processes in order to ensure the effective supervision of the third parties to whom functions, and duties have been delegated, and that the services provided by such third party service providers are in compliance with the Articles, this Prospectus and the agreements entered into with the relevant third party service providers, as well as the 2010 Law.

The Management Company shall be careful, and diligent in the selection, and monitoring of the third parties to whom functions, and duties may be delegated, and ensure that the relevant third parties have sufficient experience, and knowledge, as well as the necessary authorization required to carry out the functions delegated to such third parties.

The following functions have been delegated by the Management Company to third parties:

- investment management of the Sub-Funds;
- administration; and
- marketing and distribution,

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

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the SICAV (the "**Remuneration Policy**").

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the SICAV or the Sub-funds.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the SICAV and the Shareholders and includes measures to avoid conflicts of interest.

In particular, the Remuneration Policy will ensure that:

- a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- b) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the SICAV in order to ensure that the assessment process is based on the longer-term performance of the SICAV and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- c) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- d) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
- e) if at any point of time, the management of the SICAV were to account for 50 % or more of the total portfolio managed by the Management Company, at least 50 %, of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (e); and
- f) a substantial portion, and in any event at least 40 %, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the SICAV.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of the staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [www.group.pictet/fps](http://www.group.pictet/fps). A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.

## 7.2 The Investment Managers

In order to implement the investment policies of each Sub-Fund, the Management Company may from time to time delegate, under its permanent supervision and responsibility, the management of the assets of each Sub-Fund to an investment managers (an “Investment Manager” or “Investment Managers”).

At the date of this Prospectus, the only Investment Manager appointed is **Crossinvest SA**, Corso Elvezia 33, CH-6900 Lugano. Established in 1985, Crossinvest SA, manages and offers financial advice for all types of clients, in particular private clients and collective capital investments, in Switzerland and abroad, as well as any other related transactions. Crossinvest SA is a manager

for collective capital investments in accordance with Swiss federal fund legislation and is subject to the prudential surveillance of the regulatory authority FINMA.

The Sub-Funds attributed to each Investment Managers are detailed in Appendix I.

Pursuant to the Investment Management Agreements, the Investment Managers shall provide the Management Company with reports in connection with the management of the assets of the relevant Sub-Funds, and shall advise the Management Company as to the selection of the Transferable Securities and other assets constituting the portfolios of such Sub-Funds. Under the terms of the Investment Management Agreement, each Investment Manager has discretion, on a day-to-day basis, and subject to the overall control, and ultimate responsibility of the Management Company to purchase, and sell securities, and other eligible financial assets and otherwise to manage the relevant Sub-Funds' portfolios.

Each Investment Manager, in the execution of its duties, and the exercise of its powers, shall be responsible for the Sub-Funds' compliance with the investment, objective policy and restrictions of each Sub-Fund.

Each Investment Manager may subject to the written approval of the Directors, the Management Company and of the CSSF delegate its powers, in which case the Prospectus will be updated or supplemented accordingly. The Investment Manager shall remain responsible for the proper performance by such party to whom powers have been delegated of those duties so delegated. Furthermore, the Investment Manager may avail itself of the assistance of one or several Investment Advisors.

The Investment Management Agreement further provides that, neither the Investment Manager, nor its directors, shareholders, officers, employees, and affiliates (each an "Indemnified Party") shall be liable for any loss arising from errors of fact, or judgment, or any action taken (or omitted to be taken) by the Investment Manager howsoever, except those resulting from the willful default, fraud, or negligence of the Investment Manager or its employees. The Sub-Fund has each agreed to indemnify each Indemnified Party from, and against any, and all losses, liabilities, damages, expenses, or suits suffered, or asserted against such Indemnified Party, except those resulting from such Indemnified Party's willful default, fraud or negligence.

The Investment Management Agreement will continue, and remain in force, unless, and until terminated by the SICAV or the Management Company, or the Investment Manager giving to the others at least 30 (thirty) calendar days' prior written notice, although in certain circumstances the Investment Management Agreement may be terminated forthwith by notice in writing by any party to the others. The foregoing does not preclude the possibility for the Management Company to terminate the Investment Management Agreement without prior notice and with immediate effect as provided for by article 110 (1) (g) of the 2010 Law.

The Investment Management Agreement is governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg.

The remuneration of the Investment Manager is paid out of the assets of the SICAV. Part of the Management Fee may also be used to remunerate possible distribution partners.

The ultimate responsibility of the management belongs to the Board of Directors of the SICAV.



### 7.3 Depositary

Under the terms of an agreement signed between the SICAV and Pictet & Cie (Europe) S.A., Pictet & Cie (Europe) S.A. has been appointed for an indefinite period to act as the depositary of the SICAV's assets. This agreement may be terminated by either party by 90 days' written notice.

Pictet & Cie (Europe) S.A. was incorporated as a *société anonyme* under Luxembourg law on November 3, 1989 for an indefinite period. Its fully paid-up capital, as at the date of this Prospectus, amounts to Swiss francs 70,000,000.

The Depositary will assume its functions and responsibilities in accordance with the provisions of applicable Luxembourg law and regulations and the Depositary Agreement. With respect to its duties under the Law of 2010, the Depositary will ensure the safekeeping of the SICAV's assets. The Depositary has also to ensure that the SICAV's cash flows are properly monitored in accordance with the Law of 2010.

In addition, the Depositary will:

- a) ensure that the sale, issue, repurchase, redemption and cancellation of the Shares are carried out in accordance with Luxembourg law and the Articles;
- b) ensure that the value of the Shares is calculated in accordance with Luxembourg law and the Articles;
- c) carry out the instructions of the SICAV and the Management Company, unless they conflict with Luxembourg law or the Articles;
- d) ensure that in transactions involving the SICAV's assets any consideration is remitted to the SICAV within the usual time limits;
- e) ensure that the SICAV's incomes are applied in accordance with Luxembourg law and the Articles.

The Depositary may delegate its safekeeping duties with respect to the SICAV's financial instruments held in custody or any other assets (except for the cash) in accordance with the UCITS Directive, the UCITS-CDR and applicable law.

An up-to-date list of the delegates (and sub-delegates) of the Depositary is available on the website [http://www.pictet.com/corporate/fr/home/asset\\_services/custody\\_services.html](http://www.pictet.com/corporate/fr/home/asset_services/custody_services.html).

The Depositary will be liable to the SICAV or to the Shareholders for the loss of the SICAV's financial instruments held in custody by the Depositary or its delegates to which it has delegated its custody functions. A loss of a financial instrument held in custody by the Depositary or its delegate will be deemed to have taken place when the conditions of article 18 of the UCITS-CDR are met. The liability of the Depositary for losses other than the loss of the SICAV's financial instruments held in custody will be incurred pursuant to the provisions of the Depositary Agreement.

In case of loss of the SICAV's financial instruments held in custody by the Depositary or any of its delegates, the Depositary will return financials instruments of identical type or the corresponding amount to the SICAV without undue delay. However, the Depositary's liability will not be triggered if the Depositary can prove that the conditions of article 19 of the UCITS-CDR are fulfilled.

In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the SICAV and the investors of the SICAV.

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary and/or its affiliates of other services to the SICAV, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the SICAV and/or other funds for which the Depositary (or any of its affiliates) acts. Potential conflicts of interest which have been identified between the Depositary and its delegates are mainly fraud (unreported irregularities to the competent authorities to avoid bad reputation), legal recourse risk (reluctance or avoidance to take legal steps against the depositary), selection bias (the choice of the depositary not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the depositary's solvency) or single group exposure risk (intragroup investments).

On the basis of a strict reading of the depositary's regulation, the Depositary has pre-defined all kind of situations which could potentially lead to a conflicts of interest and has accordingly carried out a screening exercise on all activities provided to the SICAV either by the Depositary itself or by entities linked to him by a common management or control. Such exercise resulted in the identification and the listing of some potential conflicts of interest however adequately managed. This list of potential conflicts of interest is available on the following website: [https://www.group.pictet/corporate/fr/home/asset\\_services/custody\\_services/sub-custodians.html](https://www.group.pictet/corporate/fr/home/asset_services/custody_services/sub-custodians.html). On a regular basis, the Depositary monitors that list by re-assessing those services and delegations to and from affiliates from which conflicts of interest may arise.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the SICAV and will treat the SICAV and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the SICAV than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of Pictet & Cie (Europe) S.A.'s custodian functions from its other potentially conflicting tasks and by the Depositary adhering to its own conflicts of interest policy.

Under no circumstances will the Depositary be liable to the SICAV, the Management Company or any other person for indirect or consequential damages and the Depositary will not in any event be liable for the following direct losses: loss of profits, loss of contracts, loss of goodwill, whether or not foreseeable, even if the Depositary has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

The Depositary is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the SICAV and is not responsible for the preparation of this document and accepts no responsibility for any information contained in this document other than the above description. The Depositary will not have any investment decision-making role in relation to the SICAV. Decisions in respect of the purchase and sale of assets for the SICAV, the selection of investment professionals and the negotiation of commission rates are made by the SICAV and/or the Management Company and/or their delegates. Shareholders may ask to review the Depositary Agreement at the registered office of the SICAV should they wish to

obtain additional information as regards the precise contractual obligations and limitations of liability of the Depositary.

The Depositary or the SICAV may, at any time, by giving at least 90 days' written notice to the other party, terminate the Depositary's appointment, it being understood that any decision by the SICAV to end the Depositary's appointment is subject to the condition that another depositary bank take on the functions and responsibilities of the Depositary as defined in the Articles, provided, furthermore, that if the SICAV terminates the Depositary's appointment, the Depositary shall continue to assume the functions of depositary until such time as the Depositary has been dispossessed of all the SICAV's assets that it held or had arranged to be held on behalf of the SICAV. Should the Depositary revoke the appointment, the SICAV shall be required to appoint a new depositary to take on the functions and responsibilities of the Depositary as defined in the Articles, it being understood that, from the date when the notice of termination expires until such time as a new depositary is appointed by the SICAV, the Depositary will only be obligated to undertake all necessary measures to ensure that the Shareholders' best interests are safeguarded.

The Depositary is entitled to a fee calculated on the net assets of the SICAV and payable on a quarterly basis, as further detailed under the Section "SICAV Expenses". The fees paid to the Depositary will be shown in the SICAV's financial statements.

#### **7.4 Central Administration**

FundPartner Solutions (Europe) S.A will, as Management Company, and in accordance with the Management Company Services Agreement, act as Administrator to the SICAV, providing domiciliary and corporate, central administrative, registrar, transfer and principal paying services.

The Management Company will be responsible for all administrative duties required by Luxembourg laws, and in particular for the book-keeping, and calculation of the Net Asset Value of the Shares of each Sub-Fund, respectively each Class (or « Share Class ») within each Sub-Fund.

In addition, the Management Company will be responsible for handling the processing of subscriptions for Shares, dealing with requests for redemption, and the conversion of Shares, for the safekeeping of the register of Shareholders of the SICAV, and for providing, and supervising the mailing of statements, reports, notices, and other documents to the Shareholders, and for accepting share certificates rendered for replacement, repurchase or conversion.

Finally, the Management Company acts as principal paying agent responsible for the payment of distributions, if any, and for the payment of the Redemption Price of the Shares by the SICAV.

#### **7.5 Statutory Auditors**

The auditing has been entrusted to Ernst & Young S.A., 35E avenue J.F. Kennedy L-1855 Luxembourg.

#### **7.6 Distributors**

The SICAV may have its shares distributed to by selected third parties, acting as Distributors. Such Distributors may be remunerated by an annual fee based on the amounts subscribed

through such Distributor. The Distribution Fees will be paid by the Management Company out of the Investment Managers' fee.

## **8. Rights of the Shareholders**

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### **8.1 General**

The investors' attention is drawn to the fact that any investor will only be able to fully exercise his investor rights directly against the SICAV, notably the right to participate in general shareholders' meetings (see section 8.5 below) if the investor is registered himself and in his own name in the SICAV's shareholders' register.

In cases where an investor invests in the SICAV through an intermediary investing into the SICAV in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights. Investors are advised to take advice on their rights.

### **8.2 Shares**

The Shares in each Sub-Fund are only issued in registered form, with no par value and fully paid-up. Shares may be issued in fractions up to five decimal places. All owners of Shares will have their names entered into the Shareholders' register which will be held at the SICAV's registered office. No certificates will be issued and Shareholders will only receive a confirmation that their names have been recorded in the Shareholders' register. Shares may also be held and transferred through accounts maintained with clearing systems.

Shares repurchased by the SICAV shall be cancelled.

All Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Sub-Fund and Share Class to which they pertain. The Shares carry no preferential and pre-emptive rights.

Each Share gives right to one vote. Fractions of Shares do not, however, possess voting rights. In the case of a joint holding, only the first named Shareholder may vote.

Shareholders will only receive confirmation that their names have been recorded in the Shareholders' Register.

The Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other pecuniary consequences for the SICAV, including a requirement to register under the laws and regulations of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether a Shareholder is the beneficial owner of the Shares which he/she holds.

If it shall come to the Directors' attention at any time that Shares are beneficially owned by a United States Person, the SICAV will have the right to compulsorily redeem such Shares.

The transfer of registered Shares may be effected by delivery to the Registrar and Transfer Agent of a duly signed stock transfer form in appropriate form together with, if issued, the relevant shareholding confirmation to be cancelled.

### **8.3 Sub-Funds and Classes of Shares**

Appendix I to the Prospectus lists the Sub-Fund(s) already in existence at the time of issue of this Prospectus, the Shares of which are offered to subscription and the relevant Classes of Shares available therein (if any).

The Directors may at any time resolve to set up new Sub-Funds and/or create within each Sub-Fund one or more classes of Shares and this Prospectus will be updated accordingly. The Directors may also at any time resolve to close a Sub-Fund, or one or more classes of Shares within a Sub-Fund to further subscriptions.

The Directors may decide to create within each Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, currency of denomination or other specific feature may apply to each Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

Shares may be issued as Accumulation or Distribution Shares at the Directors' discretion. Investors may enquire at the Registrar and Transfer Agent or their Distributor which type of Shares are available within each Class and Sub-Fund.

### **8.4 Principle of Solidarity and Severability**

The subscription price for Shares in each Class is invested in the assets of the relevant Sub-Fund. In principle, all assets and liabilities related to a specific Sub-Fund are allocated to that Sub-Fund. To the extent that costs and expenses are not attributable to a specific Sub-Fund, they shall be shared out proportionally among the various Sub-Funds according to their net asset values or, if circumstances warrant it, allocated on an equal basis to each Sub-Fund.

The SICAV constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

### **8.5 General Meetings of Shareholders**

The annual general meeting of Shareholders shall be held each year at the SICAV's registered office or at any other location in Luxembourg which will be specified in the convening notice to the meeting.

The annual general meeting of Shareholders shall be held each year on the fourth Thursday of April at 16.00 hours (Luxembourg time) at the registered office or, if this happens to be a bank holiday in Luxembourg, on the next following Business Day, and for the first time in 2014.

Convening notices shall be sent to all registered Shareholders at least 8 days prior to the annual general meeting. These notices shall include details of the time and place of the meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting

rules as laid down by Luxembourg law. Notices shall only be published if legally required or at the Directors' discretion.

The legal requirements as to notice, quorum and voting at all General and Sub-Fund or Class Meetings are included in the Articles. Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Sub-Fund or Class only.

## **9. Subscription**

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Subscriptions for Shares in each Sub-Fund already in operation shall be accepted at the issue price, as defined below under "Issue Price", at the office of the Registrar and Transfer Agent as well as at any other establishments authorized to do so by the SICAV.

### **9.1 How to subscribe**

Investors subscribing for Shares for the first time should open an account with the Registrar and Transfer Agent and, to this end, they must complete a subscription form and send it by fax, followed by post, directly to the Registrar and Transfer Agent, accompanied by all required personal identification documents.

#### *General Cut-Off time*

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any subscription received by the Registrar and Transfer Agent prior to 15:00 (Luxembourg time) at the latest on the last Business Day before the Calculation Day (the **Valuation Day**), the Net Asset Value calculated on that Calculation Day will be applicable.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any subscription arriving at the Registrar and Transfer Agent after the deadline set at 15:00 (Luxembourg time) on the last Business Day before a Calculation Day (the **Valuation Day**), the Net Asset Value applicable will be the Net Asset Value as calculated on the following Calculation Day.

Subsequent subscription for Shares does not require completion of a second application form. However, Investors shall provide written instructions as agreed with the Registrar and Transfer Agent to ensure smooth processing of subsequent subscription. Instructions may only be sent by facsimile transmission or SWIFT, or such other means approved by the Registrar and Transfer Agent.

**Each Shareholder will be given a personal account number which, along with any relevant transaction number should be quoted on any payment by bank transfer. Any relevant transaction number and the personal account number should be used in all correspondence with the Registrar and Transfer Agent or any distributor.**

**Different subscription procedures may apply if applications for Shares are made through distributors.**

**All applications to subscribe for Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.**

## **9.2 How to pay**

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, the amount for the issue price shall be paid or transferred, in the reference currency of the relevant Sub-Fund, within three Business Days following the relevant Valuation Day into the account of the Transfer Agent (PICTLULTAS) or of the distributor, to the order of the SICAV with reference to the Sub-Fund(s) concerned.

Payment should be made by electronic bank transfer net of all bank charges (i.e. at the Investor's expense).

If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement will be on the next Business Day on which those banks are open. Failure to make good settlement by the settlement date may result in the SICAV bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the SICAV or Registrar and Transfer Agent against any existing holding of the applicant in the SICAV. In all cases, any confirmation of transaction and any money returnable to the Investor will be held by the Registrar and Transfer Agent without payment of interest pending receipt of the remittance.

Payments in cash will not be accepted. Third party payments will only be accepted at the Registrar and Transfer Agent's discretion.

Payment should normally be made in the currency of the relevant Class. However, a currency exchange service for subscriptions is provided by the Registrar and Transfer Agent on behalf of, and at the cost and risk of, the Investor. Further information is available on request from the Registrar and Transfer Agent or any of the distributors that may be appointed.

**Different settlement procedures may apply if applications for Shares are made through distributors.**

## **9.3 General**

Instructions to subscribe, once given, are irrevocable, except in the case of a suspension or deferral of dealing. The Registrar and Transfer Agent and/or the SICAV in their absolute discretion reserve the right to reject any application in whole or in part. If an application is rejected, any subscription money received will be refunded at the cost and risk of the applicant without interest. Prospective applicants should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

The Registrar and Transfer Agent and/or the SICAV will not accept applications with instructions for the subscription to be effected at a date later than the date on which such application is made.

## **9.4 Contribution in Kind**

The Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Sub-Fund pursuant to its investment policy and restrictions. Any such contribution in kind will be made at the Net Asset Value of the assets contributed calculated in accordance with the rules set out in under "Calculation of Net Asset Value" below and will be the subject of the SICAV's auditor's report drawn up in accordance with the requirements of Luxembourg laws. This report will be available

for inspection at the registered office of the SICAV and any related costs incurred will be borne by the Investor. Should the SICAV not receive good title on the assets, contributed this may result in the SICAV bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the SICAV or Registrar and Transfer Agent against any existing holding of the applicant in the SICAV.

## 9.5 Anti-money laundering procedures

Pursuant to the Luxembourg laws of February 19, 1973 (as amended), April 5, 1993 (as amended), and November 12, 2004 in relation to the fight against money laundering and against the financing of terrorism and to the circular 05/211 of the CSSF, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and terrorist financing purposes. Within this context a procedure for the identification of investors has been imposed. Namely, the application form of a prospective investor must be accompanied by any supporting documents recommended or prescribed by applicable rules and regulations allowing the appropriate level of identification of the prospective investor and, as the case may be, its beneficial owners.

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

**The absence of documents required for identification purposes will lead to the suspension of a request for subscription and/or redemption.**

## 9.6 Listing

Certain Classes of Shares of certain Sub-Funds may be listed on regulated markets, and in particular on the Borsa Italiana. Classes of Shares of any Sub-Fund listed on regulated markets (if any) are set out in the relevant section of Appendix I relating to the Sub-Fund. Trading of Shares shall take place only on a Business Day when the market is open, according to the market rules of Borsa Italiana.

The minimum initial investment and holding requirement per investors who purchase and sell shares through Borsa Italiana is 1 Share, and the minimum subsequent investment is 1 Share.

Shares shall be issued in registered form only, for which confirmation of registration in the register of shareholders will be sent to shareholders. The Shares may be held and transferred through accounts maintained with clearing systems.

As at the date of this Prospectus, Equita Sim S.p.A. has been appointed as market intermediary in relation to the Shares of the SICAV listed on Borsa Italiana (the **Intermediary**). The Intermediary is a company duly organized and existing under Italian laws, having its registered office at 9 via Turati, Milan, Italy, enrolled with the Milan Companies' Register under n. 10435940159. Purchases and sales orders of Shares listed on Borsa Italiana sent to the market before 10.55 a.m. (CET) on every trading day (the **Valuation Day**) will be executed on the basis of the net asset value determined on such Valuation Day and calculated on the day after the Valuation Day (the **Calculation Day**). Orders sent to the market after this deadline will be executed on the Net Asset Value as calculated on the following Calculation Day. The settlement of contracts concluded on the Borsa Italiana market is 3 business days after the trading day.

The Intermediary will be remunerated by the Management Company, out of the management fee payable by the SICAV to the Management Company and the portion allocated to the



Intermediary is deducted from the portion of the Management Fee paid by the Management Company to the Investment Manager.

## **10. Issue price**

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The issue price for Shares in each Sub-Fund is equal to the Net Asset Value of each Share in that Sub-Fund, calculated on the first Valuation Day following the applicable day of subscription.

This price may be increased to include a dilution levy neutralizing investment fees (see section 15.) for the benefit of the Sub-Funds concerned. In all cases, investment fees will apply in an equitable manner to all Shareholders on the same Net Asset Value calculation date.

A sales commission of up to 5% of the Net Asset Value of the Shares may be charged by the professional intermediaries to their clients subscribing for Shares.

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

## **11. Redemption**

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### **11.1 Procedure**

Shareholders are entitled at any time to redeem all or part of their Shares at the redemption price as determined under "Redemption Price" below, by addressing an irrevocable application for redemption to the Registrar and Transfer Agent, or other authorized establishments. Instructions to redeem Shares may be communicated directly to the Registrar and Transfer Agent by facsimile transmission or SWIFT or other means approved by the Registrar and Transfer Agent.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any redemption received by the Registrar and Transfer Agent prior to 15:00 (Luxembourg time) at the latest on the last Business Day before the Calculation Day (the **Valuation Day**), the Net Asset Value calculated on that Calculation Day will be applicable.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any redemption arriving at the Registrar and Transfer Agent after the deadline set at 15:00 (Luxembourg time) on the last Business Day before a Calculation Day (the **Valuation Day**), the Net Asset Value applicable will be the Net Asset Value as calculated on the following Calculation Day.

However, if the redemption day is, for any reason, not a Business Day, instructions to redeem Shares as per above will be moved to the immediately following Business Day, in which case the calculation of the net asset value to be applied to the transaction will be moved accordingly as per above.

Redemption instructions can only be executed when any previously related transaction has been completed.

Instructions must be given to the Registrar and Transfer Agent by completing the form requesting redemption of Shares by facsimile transmission or SWIFT or other means approved by the Registrar and Transfer Agent where the account reference and full details of the redemption must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a

representative has been appointed following receipt of a completed power of attorney. The power of attorney's form acceptable to the Registrar and Transfer Agent is available on request.

**Different redemption procedures may apply if instructions to redeem Shares are communicated via distributors.**

**All instructions to redeem Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.**

## **11.2 Redemption Proceeds**

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, redemption proceeds are normally paid by bank transfer within three Business Days from the relevant Valuation Day, provided the Registrar and Transfer Agent is in receipt of, and approves all documents required. The SICAV or Registrar and Transfer Agent are not responsible for any delays or charges incurred at any receiving bank or settlement system. Redemption proceeds will normally be paid in the currency of the relevant Class. On request, redemption proceeds paid by bank transfer may be paid in most other currencies on behalf of, at the cost and risk of, the Shareholder.

If, in exceptional circumstances and for whatever reason, redemption proceeds cannot be paid within three Business Days from the relevant Valuation Day, for example when the liquidity of the relevant Sub-Fund does not permit, then payment will be made as soon as reasonably practicable thereafter (not exceeding, however, thirty Business Days) at the Net Asset Value per Share calculated on the relevant Valuation Day.

If, on the settlement date, banks are not open for business in the country of the settlement currency of the relevant Class, then settlement will be on the next Business Day on which those banks are open.

Redemption requests will be considered binding and irrevocable by the Registrar and Transfer Agent and will, at the discretion of the Registrar and Transfer Agent, only be executed where the relevant Shares have been duly issued.

In addition, the Registrar and Transfer Agent and/or the SICAV will not accept requests for redemption of Shares to be effected at a date later than the date on which such request is made.

Different settlement procedures may apply if instructions to redeem Shares are communicated via distributors.

## **11.3 General**

Third party payments will only be accepted at the Registrar and Transfer Agent's discretion.

## **12. Redemption price**

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The redemption price for Shares in each Sub-Fund is equal to the Net Asset Value of each Share in that Sub-Fund as calculated on the first Valuation Day following the bank business day on which application for redemption has been accepted.

This price may be decreased to include disinvestment fees of up to 2% of the Net Asset Value per Share, for the benefit of the Sub-Funds concerned. In all cases, disinvestment fees will apply in an equitable manner to all Shareholders on the same Net Asset Value calculation date.

A redemption commission of up to 5% of the Net Asset Value of the Shares may be charged by the professional intermediaries to their clients redeeming their Shares.

The redemption price will also be reduced to cover any duties, taxes and stamp duties which might have to be paid.

The redemption price could be higher or lower than the subscription price paid, depending on changes in the Net Asset Value.

## **13. Conversion of Shares**

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### **13.1 Procedure**

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, shareholders are entitled at any time to convert all or part of their Shares at the conversion price as determined under "Conversion Price" below, by addressing an irrevocable application for conversion to the Registrar and Transfer Agent, or other authorized establishments. Instructions to convert Shares must be communicated directly to the Registrar and Transfer Agent by facsimile transmission or SWIFT or other means approved by the Registrar and Transfer Agent.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any request for conversion received by the Registrar and Transfer Agent prior to 15:00 (Luxembourg time) (Luxembourg time) at the latest on the last Business Day before a Valuation Day, the Net Asset Value calculated on that Valuation Day will be applicable.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any request for conversion received by the Registrar and Transfer Agent after the deadline of 15:00 (Luxembourg time) on the last Business Day before a Valuation Day, the Net Asset Value applicable will be calculated on the following Valuation Day thereafter.

However, if the conversion day is, for any reason, not a Business Day, instructions to convert Shares as per above will be moved to the immediately following Business Day, in which case the calculation of the net asset value to be applied to the transaction will be moved accordingly as per above.

In cases where dealing is suspended in a Sub-Fund from or to which a conversion has been requested, the processing of the conversion will be held over until the next common Dealing Day where dealings are no longer suspended. Conversion instructions can only be executed when any previously related transaction has been completed.

Instructions must be given to the Registrar and Transfer Agent by facsimile transmission or SWIFT or other means approved by the Registrar and Transfer Agent where the account reference and the number of Shares to be converted between named Classes of Shares must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney. The power of attorney's form acceptable to the Registrar and Transfer Agent is available on request.

Shares of any Class in a Sub-Fund may be converted on any Valuation Day into Shares of the same Class of another Sub-Fund, notwithstanding their distribution policy, except where there is a suspension of the calculation of the Net Asset Value per Share of those Sub-Funds or Classes, as described below. In addition, the Registrar and Transfer Agent may, at its discretion, accept

instructions to convert from Shares of one Class of a Sub-Fund into Shares of another Class of the same Sub-Fund.

The number of Shares issued upon conversion will be based upon the respective Net Asset Value per Share of the Shares of the two relevant Sub-Funds on the Valuation Day on which the conversion request is effected. Due to the settlement period necessary for redemptions, conversion transactions will not normally be completed until the proceeds from the redemption are available.

Unless waived by the Registrar and Transfer Agent, if, as a result of any conversion request, the amount invested by any Shareholder in a Class in any one Sub-Fund falls below an amount determined by the Directors as minimum for that Class, it will be treated as an instruction to convert the Shareholder's total holding in the relevant Class.

Conversion requests will be considered binding and irrevocable by the Registrar and Transfer Agent and will, at the discretion of the Registrar and Transfer Agent, only be executed where the relevant Shares have been duly issued.

In addition, the Registrar and Transfer Agent and/or the SICAV will not accept requests for conversion of Shares to be effected at a date later than the date on which such request is made.

**Different conversion procedures may apply if instructions to convert Shares are communicated via distributors.**

**All instructions to convert Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.**

### **13.2 Limitation on conversions**

Certain Classes of Shares of certain Sub-Funds may be listed on regulated markets, in accordance with Section 9.6 of this Prospectus and as further set out in respect of each Sub-Fund in Appendix 1 to this Prospectus. Shareholders are not allowed to request the conversion of Shares between listed and non-listed Classes of Shares.

## **14. Conversion price**

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The conversion price is based on the respective Net Asset Values as calculated on the Valuation Day of the relevant Sub-Funds, increased or decreased by any fees applying at redemption and subscription of the relevant Sub-Funds involved in the conversion.

Furthermore, a conversion commission of up to 3% of the Net Asset Value of the Shares may be charged by the professional intermediaries to their clients converting their Shares.

No Share fractions shall be attributed upon conversion to the converting Shareholders who shall be deemed to have requested the redemption thereof. In such case, the relevant Shareholder shall be reimbursed the corresponding amount resulting from the differences between the Net Asset Values of the converted Shares.

## **15. Dilution levy**

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Under certain circumstances (for example, large volumes of deals) investment and/or disinvestments costs may have an adverse effect on the Shareholders' interest in the SICAV. In order to prevent this effect, called "dilution", a "dilution levy" may be charged on the issue,

redemption and/or conversion of shares. If charged, the dilution levy will be paid into the relevant Sub-Fund and will become part of the relevant Sub-Fund; it will be further applied to all related transactions processed as of that net asset value.

The dilution levy for each Sub-Fund will be calculated by reference to the costs of dealing in the underlying investments of that Sub-Fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of issues, redemptions or conversions. A discretionary dilution levy may be charged on the issue, redemption and/or conversion of shares the existing Shareholders (for issues) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:

1. where a Sub-Fund is in constant decline (large volume of redemption requests);
2. on a Sub-Fund experiencing substantial issues in relation to its size;
3. in the case of "large volumes" of redemptions, subscriptions and /or conversions where "large volumes" refers to net redemptions or subscriptions exceeding 5% of the Sub-Fund's entire assets;
4. in all other cases where the Management Company considers the interests of shareholders require the imposition of a dilution levy.

In any case the dilution levy shall not exceed 1% of the net asset value per share.

## **16. Calculation of Net Asset Value**

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The Net Asset Value as well as the issue, redemption and conversion prices of Shares are calculated by the Administrative Agent for each Sub-Fund in the reference currency applicable for the Sub-Fund on the basis of the last known prices, at intervals which may vary for each Sub-Fund and are specified in Appendix 1 ( each a "Valuation Day").

The Net Asset Value of a Share of each Sub-Fund will be calculated by dividing the Net Asset Value attributable to that Sub-Fund, being the proportionate value of its assets less its liabilities, by the total number of Shares outstanding in that Sub-Fund.

The SICAV's total net assets will be expressed in Euro and correspond to the difference between the total assets and the total liabilities of the SICAV. In order to calculate this value, the net assets of each Sub-Fund will, unless they are already expressed in Euro, be converted into Euro, and added together.

If since the time of determination of the Net Asset Value there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Sub-Fund are dealt in or are quoted, the Directors may, in order to safeguard the interests of the Shareholders and the SICAV, cancel the first valuation and carry out a second valuation for all applications received on the relevant Valuation Day.

The valuation of assets of each Sub-Fund will be conducted as follows:

- a) The securities listed on a stock exchange or another regulated market are valued at the last known price unless that price is not representative.
- b) Securities not admitted to such stock exchange or on such a regulated market as well as securities that are so admitted but for which the final price is not representative, are valued based on the probable realization value estimated prudently and in good faith.
- c) The value of the liquid asset, bills or notes payable on demand and accounts receivable, prepaid expenditures, dividends and interest announced or come to maturity not yet affected, will be constituted by the nominal value of these assets, except if it is unlikely that this value could be obtained. In the latter case, the value will be determined by subtracting a certain amount that the Directors deem appropriate to reflect the real value of these assets.
- d) Money market instruments are valued at their nominal value plus any eventually accrued interest or at "marked-to-market" or according to the amortized cost method.
- e) Assets expressed in a currency other than the currency of the corresponding Sub-Fund will be converted in this Sub-Fund's reference currency at the applicable exchange rate.
- f) Shares or units in open-ended underlying UCI/UCITS will be valued at the actual net asset value for such shares or units as of the relevant Valuation Day; if events have occurred which may have resulted in a material change in the net asset value of such shares or units since the date on which such actual or estimated net asset value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Directors, such change but the Directors will not be required to revise or recalculate the Net Asset Value on the basis of which subscriptions, redemptions or conversions may have been previously accepted.

The Management Company and the Directors of the SICAV may consult with the Investment Manager and the investment advisor in valuing the Sub-Fund's assets; Year-end net asset value calculations are audited by the SICAV's Auditor and may be revised as a result of such audit. Such revisions may result from adjustments in valuations provided by UCIs;

In no event shall the Directors, the Management Company, the Depositary, the Investment Manager(s) or the Investment Advisor incur any individual liability or responsibility for any determination made or other action taken or omitted by them in the absence of negligence, wilful misfeasance or bad faith;

securities held by the SICAV (including shares or units in closed-end UCI) which are quoted or dealt in on a stock exchange will be valued at its latest available publicized stock exchange closing price and where appropriate the bid market price on the stock exchange which is normally the principal market for such security and each security dealt in on any other organized market will be valued in a manner as near as possible to that for quoted securities.

If events have occurred which may have resulted in a material change of the net asset value of such shares or units in other investment funds since the day on which the latest official net asset value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Management Company, such change of value.

- g) The value of the companies that are not listed on a stock exchange or regulated market will be determined based on a valuation method proposed in good faith by the Management Company based on:
- the latest available audited annual accounts and/or on
  - the basis of recent events that may have an impact on the value of such security and/or
  - any other available assessment.

The choice of method and support for assessment will depend on the relevance of available data. The estimated value may be corrected by periodic unaudited accounts, if available. If the Management Company believes that the resulting price is not representative of the likely realizable value of such a security, the value shall be determined prudently and in good faith based on the probable sale price.

- h) Futures (and forward contracts) and option contracts that are not traded on a regulated market or a stock exchange will be valued at their liquidation value determined in accordance with rules established in good faith by the Management Company, according to uniform criteria for each type of contract.

The value of futures and option contracts traded on a regulated market or stock exchange will be based on the closing or settlement price published by the regulated market or stock exchange which is normally the principal place of negotiation for such contracts. If a future or options contract could not be liquidated on the relevant Pricing Day, the criteria for determining the liquidation value of such futures contract or option contract be determined by the Management Company may deem fair and reasonable.

- i) Future cash flows expected to be collected and paid by the Sub-Fund under swap contracts will be valued at present value.
- j) Where the Management Company considers it necessary, they may seek the assistance of an evaluation committee whose task will be the prudent estimation of certain assets' values in good faith.

The Management Company is authorized to adopt, in good faith and in accordance with generally accepted valuation principles and procedures, other appropriate valuation principles for the SICAV's assets where the determination of values according to the criteria specified above is not possible or appropriate.

In the absence of bad faith or manifest error, the assessment made by the Management Company shall be considered final and binding with respect to the SICAV and its Shareholders.

In cases when applications for subscription or redemption are sizeable, the Management Company may calculate the value of the Shares on the basis of rates during the trading session on

the stock exchanges or markets during which the necessary securities for the SICAV could be bought or sold. In such cases, a single method of calculation will be applied to all applications for subscription or redemption received at the same time.

For some Sub-Funds, in the interests of Shareholders and to the extent deemed appropriate by the Directors, taking into account market conditions and / or the level of subscriptions and redemptions in a given Sub-Fund in relation to the size of that Sub-Fund, the net asset value of the Sub-Fund may be (i) calculated on the basis of the offer or redemption prices of shares in its portfolio and / or adjusted for appropriate sales commission and dealing costs or (ii) adjusted to take into account the impact resulting from the difference between the dealing price and the valuation of the investments or disinvestments, and / or sales commissions and / or dealing fees incurred.

The attention of the investor is drawn to the fact that the valuation of the assets of a Sub-Fund is based on information (including, without limitation, position reports, confirmations statements, etc..) which is available at the time of such valuation. In the absence of bad faith or manifest error, the assessment made by the Management Company shall be considered final and binding with respect to the SICAV and its Shareholders.

## **17. Suspension/Deferral of calculation of the Net Asset Value, Subscriptions and Redemptions**

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The SICAV reserves the right not to accept instructions to redeem or convert on any one Dealing Day more than 10% of the total value of Shares in issue of any Sub-Fund. In these circumstances, the Directors may declare that any such redemption or conversion requests will be deferred until the next Dealing Day and will be valued at the Net Asset Value per Share prevailing on that Dealing Day. On such Dealing Day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Registrar and Transfer Agent.

The SICAV reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding thirty Business Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the SICAV are invested or in exceptional circumstances where the liquidity of the SICAV is not sufficient to meet the redemption requests.

The Management Company may temporarily suspend or defer the calculation of the Net Asset Value of any Class of any Sub-Fund and the issue and redemption of any Class in such Sub-Fund, as well as the right to convert Shares of any Class in any Sub-Fund into Shares of the same Class of the same Sub-Fund or any other Sub-Fund in the following circumstances:

- when one or more stock exchanges or regulated markets, which provide the basis for valuing a substantial portion of the SICAV's assets, or when one or more foreign exchange markets in the currency in which the net asset value of Shares is expressed or in which a substantial portion of the SICAV's assets is held, are closed other than for ordinary holidays or if dealings therein are suspended, restricted or subject to major short-term fluctuations;
- when, as a result of political, economic, military, monetary or social events, strikes or other circumstances outside the responsibility and control of the SICAV, the disposal of the SICAV's



assets is not reasonably or normally practicable without being seriously detrimental to the Shareholders' interests;

- in the case of a breakdown in the normal means of communication used to determine the value of an asset in the SICAV or when, for whatever reason, the value of an asset in the SICAV cannot be calculated as rapidly and as accurately as required;
- if, as a result of exchange controls or other restrictions on the movement of capital, transactions for the SICAV are rendered impracticable or if purchases or sales of the SICAV's assets cannot be made at normal rates of exchange;
- upon massive requests for redemption, the SICAV reserves the right to redeem the Shares at a redemption price determined as soon as the necessary sales of assets have been made, taking into account the interests of Shareholders as a whole, and has been in a position to affect the proceeds therefrom. One single price will be calculated for all the subscription, redemption and conversion requests tendered at the same time;
- in the case of the suspension of the calculation of the net asset value of one or several of the undertakings for collective investment in which the SICAV has invested a substantial portion of its assets;
- following the occurrence of an event giving rise to the winding-up of a Sub-Fund or of the SICAV as a whole;
- if the Directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the SICAV attributable to a particular Class in the preparation or use of a valuation or the carrying out of a later or subsequent valuation;
- during any other circumstance or circumstances where a failure to do so might result in the SICAV or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the SICAV or its Shareholders might so otherwise have suffered.

The suspension of the calculation of the Net Asset Value of any Sub-Fund or Class shall not affect the valuation of other Sub-Funds or Classes, unless these Sub-Funds or Classes are also affected.

In such cases of suspension or deferral, Shareholders who have submitted applications to subscribe to, redeem or convert Shares in Sub-Funds affected by the suspensions shall be notified in the event that the suspension period is extended. Furthermore, a Shareholder may withdraw his request in respect of any Shares not redeemed or converted, by notice in writing received by the Registrar and Transfer Agent before the end of such period.

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

In addition, the SICAV is entitled to:

- a) reject, at its discretion, any application to subscribe to Shares;
- b) redeem, at any time, Shares which have been acquired in violation of a measure of exclusion taken by the SICAV.

## **18. Market Timing**

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The SICAV does not knowingly allow investments which are associated with market timing practices or any other excessive transactional practice which may adversely affect the performance of the SICAV or harm Investors. The SICAV reserves the right to reject any subscription or conversion request by, or may decide to redeem the whole holding of, an investor suspected of such practices. It will also take all necessary steps to protect Investors in the SICAV.

## **19. Distribution policy**

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In principle, only accumulation shares will be issued, hence no dividend will normally be distributed. However, the Directors reserve the right to introduce a distribution policy which may vary per Sub-Fund and Share Class, as described in Appendix I. In addition, the Directors of the SICAV may decide to declare interim dividends.

The Directors may also decide that dividends be automatically reinvested by the purchase of further Shares.

No dividend distribution which may result in the SICAVs' net assets being below EUR 1,250,000 can be made.

Dividends not claimed within 5 years following their payment are liable to be forfeited in accordance with the provisions of Luxembourg laws and will accrue for the benefit of the relevant Sub-Fund.

## **20. Expenses of the SICAV**

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The Management Company, the Depositary, the Investment Manager the Investment Advisor and the Global Distributor are entitled to receive from the SICAV a fee, payable on a quarterly basis, at a total annual rate which could vary per Sub-Fund, but which shall not exceed 3.00 % of total of the average net asset value of the relevant Sub-Fund as determined during the relevant quarter, (save any performance fee and applicable tax). The rates of the fee payable to the Depositary and the Management Company are in accordance with customary practice in the Luxembourg financial market. All amounts charged are shown in the SICAV's financial reports.

Investors should refer to the Sub-Fund'(s)' relevant Appendix for further details as to the exact fees paid by each Sub-Fund.

Other costs charged to the SICAV include:

- 1) All taxes and duties which might be due on the SICAV's assets or income earned by the SICAV, in particular the subscription tax (0.05% per annum) charged on the SICAV's net assets.
- 2) Brokerage fees and charges on transactions involving securities in portfolio.
- 3) Remuneration of the Depositary's correspondents.
- 4) Reasonable costs and expenses incurred by the Agents appointed by the Management Company.
- 5) Extraordinary costs incurred, particularly for any verification procedures or legal proceedings undertaken to protect the Shareholders' interests.

- 6) The cost of preparing, printing and filing of administrative documents, prospectuses and explanatory memoranda with all authorities, the rights payable for the registration and maintenance of the SICAV with all authorities and official stock exchanges, the cost of preparing, translating, printing and distributing periodical reports and other documents required by law or regulations, the cost of accounting and calculating the net asset value, the cost of preparing, distributing and publishing notifications to Shareholders, fees for legal consultants, experts and independent auditors, and all similar operating costs.
- 7) Establishment costs estimated at a maximum Euro 100, 000.- which shall be amortized on a straight line basis over a period not exceeding 5 years from the date on which the SICAV commenced business and will be borne by the Sub-Fund(s) created at the launch of the SICAV. The Directors may, in their absolute discretion, shorten the period over which such costs and expenses are amortized. Furthermore, the Directors of the SICAV may decide, in circumstances where it would appear to be more fair to the Sub-Funds concerned, that the initial setting up costs of the SICAV, not yet amortized at the time a new Sub-Fund is launched, will be equally borne by such new Sub-Fund.

The fees associated with the creation of a new Sub-Fund will be, in principle, exclusively borne by this new Sub-Fund and will be amortized on a straight line basis over 5 years from the launching date. Nevertheless, the Directors may also decide that the costs associated with the opening of a new Sub-Fund be borne by the existing Sub-Funds.

All recurring expenditure shall be charged first to the SICAV's income, then to realized capital gains, then to the SICAV's assets. Other expenditure may be amortized over a period not exceeding five years.

Charges involved in the calculation of the net asset values of the various Sub-Funds shall be spread among the Sub-Funds proportionately to their net assets, except in cases where charges specifically involve one Sub-Fund, in which case they will be charged to that Sub-Fund.

Other costs and expenses which cannot be allotted to one specific Sub-Fund or Class will be charged to the different Sub-Funds or Classes proportionately to their respective net assets or allocated in such way as the Directors will determine prudently and in good faith.

## **21. Tax aspects**

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The SICAV is subject to Luxembourg tax legislation.

### **21.1 The SICAV**

In accordance with Luxembourg legislation currently in force (which, is therefore, subject to any future changes), the SICAV is not subject to any tax on income, capital gains tax or wealth tax. Moreover, save for cases covered under "EU Tax Considerations" below, no dividends distributed by the SICAV are subject to withholding tax.

The SICAV's net assets are subject to a subscription tax of 0.05% per annum payable at the end of each calendar quarter and calculated on the basis of the SICAV's total net assets at the end of the relevant quarter; such tax is reduced to 0.01% per annum in respect of Classes comprising Institutional Investors only (as per article 174 of the 2010 Law), as well as in respect of liquidity funds. This tax is not applicable for the portion of the assets of a Sub-Fund invested in other Luxembourg undertakings for collective investment already subject to tax d'abonnement.

Interest and dividend income received by the SICAV may be subject to non-recoverable withholding tax in the countries of origin. The SICAV may further be subject to tax on the realized or unrealized capital appreciation of its assets in the countries of origin.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the SICAV.

## 21.2 Shareholders

Shareholders are not normally subject to any capital gains, income, withholding, gift, estate, inheritance or other taxes in Luxembourg except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg, and except for certain former residents of Luxembourg and non-residents if owning more than 10% of the share capital of the SICAV, disposing of it in whole or part within six months of acquisition.

**However, it is incumbent upon any purchasers of Shares in the SICAV to inform themselves about the relevant legislation and tax regulations applicable to the acquisition, holding and sale of Shares with regard to their residence qualifications and nationality.**

## 22. European Union tax considerations

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The Council of the European Union adopted on June 3, 2003, a Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. Under the Directive, EU Member States will be required to provide the tax authorities of another EU Member State with details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other EU Member State. Austria and Luxembourg have opted instead for a withholding tax system for a transitional period in relation to such payments. Certain other countries, including the Swiss Confederation, the Caribbean countries, UK Channel Islands, Isle of Man, the Principality of Monaco and the Principality of Liechtenstein, will also be introducing measures equivalent to information reporting or withholding tax.

The law implementing the Directive in national legislation in Luxembourg was adopted on June 21, 2005 (the "2005 Law").

Pursuant to the 2005 Law, since July 1, 2011 the applicable withholding tax rate is 35%.

Article 9 of the 2005 Law provides that no withholding tax will be withheld if the beneficial owner expressly authorizes the paying agent to report information in accordance with the provisions of the 2005 Law.

**If withholding tax is applied, any dividends distributed by a fund will be subject to the directive if more than 15% of a fund's assets are invested in debt claims (as defined in the above mentioned Directive). Proceeds realized by shareholders on the disposal of shares will be subject to such reporting or withholding if more than 25% of a fund's assets are invested in debt claims.**

As the SICAV qualifies as a UCITS under Part I of the 2010 Law, it may come within the scope of the Law. However, it is the investment policy pursued by each Sub-Fund that will determine whether dividends distributed by such Sub-Fund and capital gains realized by Shareholders on the disposal of Shares in such Sub-Fund will be subject to such reporting or withholding; such matter will therefore be specified for each Sub-Fund separately in Appendix I.

## **23. Financial year**

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The financial year of the SICAV ends on the 31<sup>st</sup> of December each year and ended for the first time on the 31st of December 2013.

## **24. Periodical Reports and Publications**

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The SICAV publishes an audited annual report within 4 months after the end of the financial year and an unaudited semiannual report within 2 months after the end of the period to which it refers. The first report will be an unaudited semiannual report as of June 30th, 2013

The annual report includes accounts of the SICAV and of each Sub-Fund.

All these reports will be made (free of charge) available to the Shareholders upon request at the registered office of the SICAV, the Depositary and other establishments appointed by the Depositary.

The Net Asset Value per Share of each Sub-Fund as well as the issue and redemption prices shall be available on each Valuation Day at the SICAV's registered office.

Any amendments to the Articles will be published in the Mémorial.

## **25. Rights on a Winding-Up: Duration - Liquidation of the SICAV/Sub-Funds- Amalgamation- Split**

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### **25.1 Liquidation of the SICAV**

The SICAV has been established for an unlimited period. However, it may be dissolved by decision of an extraordinary general meeting of Shareholders of the SICAV.

Such meetings must be convened if the value of the net assets of the SICAV falls below the respective levels of two thirds or one quarter of the minimum capital prescribed by the 2010 Law. At such meetings convened at such circumstances decisions to dissolve the SICAV will be taken in accordance with the requirements of article 30 of the 2010 Law.

Moreover, the SICAV may, at any time, be liquidated by a resolution of the general meeting of Shareholders taken in the same conditions that are required by law to amend the Articles. The Directors may propose at any time to the Shareholders to liquidate the SICAV.

If the SICAV should be liquidated, its liquidation will be carried out in accordance with the provisions of the 2010 Law which specifies the steps to be taken to enable Shareholders to participate in the liquidation distribution(s) and in this connection provides for deposit in escrow at the Caisse de Consignation of any amounts which have not been claimed by Shareholders at the close of liquidation. Amounts not claimed from escrow within the prescription period are liable to be forfeited in accordance with the provisions of Luxembourg laws.

As soon as the decision to liquidate the SICAV is taken, the issue, redemption or conversion of Shares in all Sub-Funds is prohibited and shall be deemed void.

The liquidation of the SICAV should be conducted by one or more liquidators, who may be individuals or legal entities and who will be appointed by a meeting of Shareholders. This meeting will determine their powers and compensation.

## **25.2 Liquidation or Amalgamation of Sub-Funds**

The Sub-Funds may be established for a limited or unlimited period, as specified for each Sub-Fund in Appendix 1.

If the net assets of any Sub-Fund or Class fall below or do not reach an amount determined by the Directors to be the minimum level for such Sub-Fund or such Class to be operated in an economically efficient manner or if a change in the economic, monetary or political situation relating to the Sub-Fund or Class concerned justifies it or in order to proceed to an economic rationalization, the Directors have the discretionary power to liquidate such Sub-Fund or Class by compulsory redemption of Shares of such Sub-Fund or Class at the Net Asset Value per Share (but taking into account actual realization prices of investments and realization expenses) determined as at the Valuation Day at which such a decision shall become effective. The decision to liquidate will be notified to the concerned Shareholders prior to the effective date of the liquidation and the notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Directors decide otherwise in the interest of, or in order to ensure equal treatment of, the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charges (but taking into account actual realization prices of investments and realization expenses).

Notwithstanding the powers conferred to the Directors by the preceding paragraph, a general meeting of Shareholders of any Sub-Fund or Class may, upon proposal from the Directors and with its approval, redeem all the Shares of such Sub-Fund or Class and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realization prices of investments and realization expenses) determined as at the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such a general meeting of Shareholders at which resolutions shall be adopted by simple majority of the votes cast.

Assets which could not be distributed to the relevant Shareholders upon the conclusion of the liquidation of a Sub-Fund or Class will be deposited with the Caisse de Consignation to be held for the benefit of the relevant Shareholders. Amounts not claimed will be forfeited in accordance with the applicable Luxembourg Laws.

The Directors may decide to merge a Sub-Fund of the SICAV with another Sub-Fund of the SICAV or with another UCITS (Luxembourg or foreign). The Directors may in addition decide to submit the decision to merge to the general meeting of Shareholders of the concerned Sub-Fund. Any decision of the Shareholders as described above will not be subject to a quorum requirement and will be adopted by simple majority of the votes cast. If, following a merger of one or more Sub-Funds, the SICAV should cease to exist, the merger will be decided by the general meeting of Shareholders deliberating in compliance with the majority and quorum conditions required for amending the SICAV's Articles.

## **25.3 Consolidation & Splitting of Shares**

The Directors may decide to consolidate or split the Classes of Shares of a Sub-Fund within a given Class.

## **26. Shareholders Information**

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Shareholders will be informed in due time of all specific amendments or decisions impacting the SICAV. Notice to the Shareholders will be sent by mail to all the Shareholders.

Shareholders may receive copies of the Articles, this Prospectus, the key investor information document (“KIID”) and of the latest financial reports by mail upon their request and free of charge as well as during office hours at the registered office of the SICAV.

Copies for material contracts the SICAV has entered into are available for inspection during business hours at the registered office of the SICAV.

## **27. Investment restrictions**

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The investment objectives and policies to be followed by the SICAV will be subject to the rules stipulated below.

Unless otherwise provided in the part relating to the Sub-Fund(s), the Directors have determined that the following investment restrictions shall apply in respect of each Sub-Fund:

### **A §1**

The SICAV’s investments shall consist exclusively of:

- 1) transferable securities and Money Market Instruments listed or traded on a Regulated Market;
- 2) transferable securities and Money Market Instruments traded on another regulated and regularly functioning market of a member state of the European Union (“EU Member State”), that is recognized and open to the public;
- 3) transferable securities and Money Market Instruments admitted for listing on a stock market of a state, which is not part of the European Union or traded on another market of a State that is not part of the European Union, which is regulated and regularly functioning, recognized and open to the public;
- 4) recently issued transferable securities and Money Market Instruments, provided that:
  - the terms of issue include an undertaking that an application will be made for admission to be officially listed on a stock exchange or other regulated, regularly functioning market which is recognized and open to the public;
  - and that this admission is obtained at the latest within one year of the issue.
- 5) a) units of UCITS authorized according to Directive 2009/65/EC and/or other UCIs within the meaning of Article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, whether or not established in a Member State provided that:
  - such other UCIs have been authorized under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured (at the time of the present Prospectus, the laws of OECD member states as well as Hong Kong, Jersey, Guernsey and Liechtenstein);

- the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs;
- b) A Sub-Fund of the SICAV may invest in another Sub-Fund of the Company (hereafter the “Target Sub-Fund”) provided that:
- the Target Sub-Fund does not, in turn, invest in the Sub-Fund; and
  - no more than 10% of the net assets of the Target Sub-Fund whose acquisition is contemplated may, pursuant to its constitutional documents, be invested in aggregate in units/shares of other UCIs; and
  - voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund and without prejudice to the appropriate processing in the accounts and the periodic reports; and
  - in any event, for as long as these securities are held by the Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the SICAV for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
  - there is no duplication of management/subscription or redemption fees between those at the level of the Sub-Fund having invested in the Target Sub-Fund and this Target Sub-Fund.
- 6) Deposits with a credit institution 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 third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- 7) Financial derivative instruments, including equivalent instruments allowing cash settlements, that are traded on regulated markets of the kind specified in points 1), 2) and 3) above, and/or over-the-counter (“OTC”) financial derivative instruments, provided that:
- the underlying consists of instruments allowed under Paragraph A, §1, or in terms of financial indices, interest rates, exchange or currency rates, in which the SICAV may invest in conformity with its investment objectives;
  - the counterparties to OTC derivative transactions are establishments subject to prudential supervision and belonging to categories approved by the CSSF; and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the UCITS initiative;



- 8) Money Market Instruments other than those traded on a Regulated Market and designated by Art. 1 of the Law of 2010, as long as the issue or the issuer of these instruments is itself subject to regulations whose aim is to protect the investors and investments and that the instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country 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 whose securities are traded on regulated markets specified in points 1), 2) or 3) above; or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community 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 Community law; or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

## §2

However:

- 1) the SICAV may invest a maximum of 10% of the net assets of each Sub-Fund in transferable securities or money market instruments other than those referred to in §1 above;
- 2) the SICAV cannot invest directly in commodities (including precious metals);

## §3

The SICAV may hold liquid assets on an ancillary basis, except otherwise specified in the investment policy of each Sub-Fund.

## B.

- 1) A UCITS may invest no more than 10% of its assets in transferable securities or money market instruments issued by the same body. A UCITS may not invest more than 20% of its assets in deposits made with the same body. The risk exposure to a counterparty of the UCITS in an OTC derivative transaction may not exceed 10% of its assets when the counterparty is a credit institution referred to in Book A § 1 point 6), or 5% of its assets in other cases.

- 2) The total value of the transferable securities and Money Market Instruments held by a Sub-Fund from issuers in which it invests more than 5% of its net assets may not exceed 40% of the value of its net assets.

This limit does not apply to deposits and to transactions of OTC derivative instruments made with financial establishments that are subject to prudential supervision

Notwithstanding the individual limits set in item 1) above, a Sub-Fund may not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:

- investments in transferable securities or Money Market Instruments issued by a single entity,
- deposits in a single entity, and/or
- risks related to transactions involving OTC derivative instruments with a single entity,

- 3) The 10% limit defined in the first sentence of item 1) above may be raised to a maximum of 35% when the transferable securities or Money Market Instruments are issued or guaranteed by an EU Member State, by its public local authorities, by a state that is not a member of the European Union or by international public bodies of which one or more EU Member States are members.

The transferable securities and money market instruments mentioned in this paragraph are not accounted for when applying the 40% limit mentioned in item 2) above.

- 4) The 10% limit defined in the first sentence of item 1) above may be raised to a maximum of 25% for certain bonds, when they are issued by a credit establishment having registered office in an EU Member State that is legally subject to special public supervision designed to protect holders of the bonds. In particular, sums deriving from the issue of those bonds must be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest..

When a Sub-Fund invests more than 5% of its net assets in bonds as understood in this paragraph and issued by the same issuer, the total value of the investments may not exceed 80% of the value of the net assets of the Sub-Fund.

The transferable securities and money market instruments mentioned in this paragraph are not accounted for when applying the 40% limit mentioned in item 2), above.

- 5) The limits defined in the previous items 1), 2), 3) and 4) shall not be combined and therefore, the investments in transferable securities or Money Market Instruments of a single issuer, or in deposits or derivative instruments involving this entity, in conformity with these paragraphs, may not exceed a total of 35% of the net assets of the Sub-Fund in question;
- 6) The companies that are grouped together for the purpose of the consolidated accounts, within the meaning of directive 83/349/EC or in conformity with recognized international accounting rules, are considered as a single entity for the calculation of the limits described in points 1) to 5) of this Book B.

A single UCI may invest cumulatively up to 20% of its net assets in the transferable securities or Money Market Instruments of a same group.

- 7) The limits laid down in item B. 1) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body when, according to the management regulations or instruments of incorporation of the UCITS, the aim of the UCITS investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the CSSF, on the following basis:
- the composition of the index is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers;
  - it is published in an appropriate manner.

The limit laid down in the above mentioned paragraph is raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- 8) By way of derogation from Item B, the CSSF may authorize a UCITS to invest in accordance with the principle of risk-spreading up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a non-Member State of the European Union or public international body to which one or more Member States of the European Union belong.

The CSSF shall grant such an authorization only if it considers that unitholders in the UCITS have protection equivalent to that of unitholders in UCITS complying with the limits laid down in Item B.

These UCITS shall hold securities from at least six different issues, but securities from any single issue shall not account for more than 30% of its total assets.

- 9) The SICAV may not invest more than 20% of the net assets of each Sub-Fund in a single UCITS or other UCI. In the application of this limit, each sub-fund of a UCI with multiple sub-funds is considered as a separate issuer provided that the segregation of the obligation of the different sub-funds with regard to third parties are issued.

The investment in units/shares of UCIs other than UCITS, may not exceed a total of 30% of the net assets of each Sub-Fund.

When a UCITS has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in Item B.

When a Sub-Fund invests in the units/shares of UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or investment manager or by any other company with which the management company or the investment manager is linked by common management or control, or by a substantial direct or indirect holding, no subscription or redemption fees may be invoiced to the SICAV for investment in such other UCITS or UCI units/shares.

In respect of a Sub-Fund's investments in UCITS and other UCI linked to the SICAV as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 2.5% of the relevant net assets under management. The SICAV will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCI in which such Sub-Fund has invested during the relevant period.

### C. §1

1) The SICAV or its Management Company acting in connection with all of the common funds which it manages and which fall within the scope of Part I of this Law or of Directive 2009/65/EC, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

2) Moreover, any Sub-Fund may acquire no more than :

- 10% of shares without voting rights of a single issuer;
- 10% of the debt securities of a single issuer;
- 25% of the units or shares of a single undertaking for collective investment;
- 10% of Money Market Instruments of a single issuer.

The limits defined in the second, third and fourth indents above need not be respected at the time of acquisition if, at that time, the gross amount of the bonds or Money Market Instruments or the net amounts of securities issued cannot be calculated.

The restrictions mentioned above are not applicable to:

- a) transferable securities and Money Market Instruments issued or guaranteed by an EU Member State, by its local authorities, or by a State that is not a member of the European Union;
- b) transferable securities and Money Market Instruments issued by international public bodies of which one or more EU Member States are members;
- c) shares held in the capital of a corporation of a third state to the European Union that invests its assets mainly in the securities of issuers of that state, where under the legislation of that state, such a holding represents the only way in which the SICAV can invest in the securities of issuers of that state. This exception is, however, only applicable when the third State to the EU respects in its investment policy the limits established by Articles 43 and 46 and Article 48, paragraphs (1) and (2) of the Law of 2010. In the case that the limits defined in Articles 43 and 46 of this law are exceeded, Article 49 applies *mutatis mutandis*;
- d) shares held by one or more investment companies in the capital of subsidiary companies exercising management, advising, or sales activities solely for the benefit of the subsidiary companies in the country where the subsidiary is located in regard to the redemption of shares at the shareholder's request.

### §2

1) A Sub-Fund does not need comply with the limits mentioned above when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

While ensuring observance of the principle of risk-spreading, newly authorized Sub-Funds may derogate from Articles 43, 44, 45 and 46 of the Law of 2010 for six months following the date of their authorization.

2) If the limits referred to in paragraph (1) are exceeded for reasons beyond the control of the SICAV or its Management Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.

### §3

1) Neither the SICAV nor its Management Company may borrow.

However, a Sub-Fund may acquire foreign currency by means of back-to-back loans.

2) By way of derogation from paragraph 1), the SICAV may borrow provided that such a borrowing is made a) on a temporary basis and represents no more than 10% of its assets, or

b) to enable the acquisition of immovable property essential for the direct pursuit of its business and represents no more than 10% of the SICAV's assets.

Where the SICAV is authorized to borrow under points a) and b), that borrowing shall not exceed 15% of its assets in total.

b) The SICAV may not grant loans to or act as guarantor for third parties.

The paragraph above does not prevent the acquisition by the SICAV of transferable securities, Money Market Instruments or other financial instruments allowed under Book A, §1, points 5), 7) and 8) not fully paid.

c) The SICAV may not, for any Sub-Fund, undertake transactions involving the physical short sale of transferable securities, Money Market Instruments or other financial instruments specified in Book A, §1, points 5), 7) and 8).

## **28. Investment Policies - General Provisions**

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General provisions applicable to each Sub-Fund's investment policy

Each Sub-Fund's respective investment objective and investment policy is defined in Appendix I to this Prospectus.

When using "main investments" or "mainly invest" in a particular asset or financial instrument means that a Sub-Fund must invest at least 50% of its net assets in the concerned type of asset or financial instrument.

The remaining assets may be invested in any other eligible assets and financial instruments.

For hedging or for investment purposes, within the limits set out in the investment restrictions in the main body of the Prospectus, a Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC), provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, a Sub-Fund may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Law as well as the investment policy of the Sub-Fund, including but not limited to currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited to commodities, precious metals or volatility indices), undertakings for collective investment.

A Sub-Fund can invest in structured products, such as but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the grand-ducal regulation dated 8th February 2008 (the "Grand-Ducal Regulation") (including indices on volatility, commodities, precious metals, etc), currencies, exchange rates, transferable securities or a basket of transferable securities or an undertaking for collective investment, at all times in compliance with the Grand-Ducal Regulation.

In compliance with the Grand-Ducal Regulation, a Sub-Fund may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement.

A Sub-Fund's investments in Russia, other than those which are listed on the *Moscow Exchange / MICEX - RTS* and any other regulated markets in Russia, combined with investments that are made in other assets as referred in A) §2, of section 27 "Investment restrictions", shall not exceed 10% of the net assets of the Sub-Fund. ».

#### ***Options, futures contracts, exchange contracts on transferable securities, currencies or financial instruments***

To ensure that the portfolio is managed effectively and for hedging purposes, the SICAV may buy and sell call and put options and futures contracts, and conclude exchange contracts, and for the Sub-Funds, CFDs (Contracts For Difference) on transferable securities, currencies or any other type of financial instrument, provided that these derivative instruments are traded on a regulated market, operating regularly, that is recognized and open to the public; however, these derivative instruments may also be traded over-the-counter (OTC), provided they are contracted with leading financial institutions specializing in this type of transaction.

#### ***Credit derivatives***

The SICAV may invest in buying and selling credit derivatives. Credit derivative products are used to insulate and transfer the credit risk associated with a base asset. There are two categories of credit derivatives: "financed" and "non-financed" depending on whether or not the protection seller has made an initial payment in relation to the base asset.

Despite the great variety of credit derivatives, the three most common types of transaction are the following:

The first type: transactions on credit default products (for example Credit Default Swaps (CDS) or CDS options), are transactions in which the debts of the parties are linked to the presence or absence of one or several credit events in relation to the base asset. The credit events are defined in the contract and represent a decline in the value of the base asset. Credit default products may either be paid in cash or by physical delivery of the base asset following the default.

The second type, Total Return Swaps, are an exchange on the economic performance of an underlying asset without transferring ownership of the asset. When a buyer purchases a Total Return Swap, it makes a regular payment at a variable rate, in return for which all the results relating to a notional amount of that asset (coupons, interest payments, change in asset value) accrue to it over a period of time agreed with the counterparty. The use of these instruments can help offset the SICAV's exposure.

When the investment policy of a Sub-Fund provides that the latter may invest in total return swaps and/or other derivative financial instruments that display similar characteristics, these investments will be made in compliance with the investment policy of such Sub-Fund. Unless the investment policy of a Sub-Fund provides otherwise, such total return swaps and other derivative financial instruments that display the same characteristics may have underlyings such as currencies, interest rates, transferable securities, a basket of transferable securities, indexes, or undertakings for collective investment.

The counterparties of the SICAV will be leading financial institutions specialised in this type of transaction and subject to prudential supervision.

These counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of the derivative financial instruments.

The total return swaps and other derivative financial instruments that display the same characteristics shall not confer to the SICAV a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency of the counterparty may make it impossible for the payments envisioned to be received.

The third type, "credit spread" derivatives, are credit protection transactions in which the payments may be made either by the buyer or by the seller of the protection based on the relative credit value of two or more base assets.

The rebalancing frequency for an index that is the underlying asset for a financial derivative is determined by the provider of the index in question. The rebalancing of said index shall not give rise to any costs for the Sub-Fund in question.

However, at no time may these operations be conducted for the purpose of modifying the investment policy.

Application of sufficient hedging on transactions involving derivative products and instruments whether or not traded on a regulated market

#### ***Techniques and instruments relating to transferable securities or Money Market Instruments***

For the purpose of reduction of risk, reduction of cost or in order to generate additional capital or income, the SICAV is authorized to use the following techniques and instruments relating to

transferable securities and Money Market Instruments, in compliance with the requirements of the CSSF Circulars 08/356 and 14/592:

- securities lending transactions,
- sales with right of repurchase transactions,
- repurchase and reverse repurchase agreement transactions.

To the maximum extent allowed by, and within the limit set forth in, the Law of 2010 as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002, as subsequently replaced by the Law of 2010 and of (ii) CSSF Circulars 08/356 and 14/592 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments (as these pieces of regulations may be amended or replaced from time to time), each Sub-Fund may for the purpose of generating additional capital or income or for reducing costs or risks (A) enter, either as purchaser or seller, into optional as well as non-optional repurchase transactions and (B) engage in securities lending transactions.

All revenues arising from *efficient portfolio management techniques*<sup>2</sup> ("EPM"), net of direct and indirect operational costs and fees, will be returned to the SICAV. Nevertheless, agents and other intermediaries of the SICAV providing services in connection with such techniques may be remunerated through fees that are expressed as a percentage of gross revenues earned by the SICAV through the use of such EPM. 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 – as well as any relationship they may have with the Depositary or Investment Manager – will be available in the annual report of the SICAV.

The annual report of the SICAV will also disclose the following information

- (a) the exposure of each Sub-Fund obtained through EPM techniques;
- (b) the identity of the counterparty(ies) to these EPM techniques; and
- (c) the type and amount of collateral received by the Sub-Funds to reduce counterparty exposure;
- (d) where collateral received from an issuer has exceeded 20% of the NAV of a Sub-Fund, the identity of that issuer; and
- (e) whether a Sub-Fund has been fully collateralised in securities issued or guaranteed by a Member State.

## **Management of collateral and collateral policy**

### **1) General**

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, the SICAV may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the SICAV in such case. All assets received by the SICAV in the context of efficient portfolio management techniques (securities lending,

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<sup>2</sup> The term *efficient portfolio management techniques* includes securities lending, repurchase agreements and reverse repurchase agreements (ESMA guidelines 14/937)



repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

## 2) Eligible collateral

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

- (a) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Sub-Fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received. Further to the entry into force of ESMA guidelines 14/937 (replacing the previous ESMA guidelines 12/832), a Sub-Fund may by way of derogation, be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong, provided the Sub-Fund receives securities from at least six different issues and any single issue does not account for more than 30% of its net assets.
- (e) It should be capable of being fully enforced by the SICAV at any time without reference to or approval from the counterparty.

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

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments
- (b) 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
- (c) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent

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

Notwithstanding the previous paragraphs, in line with the CSSF Circular 14/592, which transposed the Guidelines issued by the European Securities and Market Authority (ESMA) “ESMA/14/937”, as at the date of the Prospectus, collateral will be only be accepted if received as:

- Cash and cash equivalents, including short-term bank certificates and Money Market Instruments
- 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.

To the extent that this policy should be reviewed by the Investment Managers, the Prospectus will be amended accordingly.

### **3) Level of collateral required**

The level of collateral required across all efficient portfolio management techniques or OTC derivatives will be at least 100% of the exposure to the relevant counterparty. This will be achieved by applying the haircut policy set out below.

### **4) Haircut policy**

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

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

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

<b>Government debts and supranational debt securities</b>	<b>Remaining stated maturity of</b>	<b>Haircut applied</b>
	Not exceeding 1 year	1%
	1 to 5 years	3%
	5 to 10 years	4%
	10 to 20 years	7%
	20 to 30 years	8%

## **5) Reinvestment of collateral**

Non-cash collateral received by the SICAV may not be sold, re-invested or pledged. As the case may be, cash collateral received by each Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such Sub-Fund in

- (a) shares or units issued by money market undertakings for collective investment calculating a daily net asset value and being assigned a rating of AAA or its equivalent,
- (b) short-term bank deposits,
- (c) money market instruments as defined in the above referred Grand-Ducal regulation,
- (d) short-term bonds issued or guaranteed by an EU Member State, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with European Union, regional or world-wide scope,
- (e) bonds issued or guaranteed by first class issuers offering an adequate liquidity, and
- (f) reverse repurchase agreement transactions according to the provisions described under section I.C.a) of the above referred CSSF circular.

Such reinvestment will be taken into account for the calculation of each concerned Sub-Fund's global exposure, in particular if it creates a leverage effect.

Use of the aforesaid techniques and instruments involves certain risks, some of which are listed in the following paragraphs, and there can be no assurance that the objective sought to be obtained from such use will be achieved.

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

further described in other sections of this Prospectus.

In relation to securities lending transactions, investors must notably be aware that in case of default, bankruptcy or insolvency of the borrower of securities lent by a Sub-Fund, there is a risk of delay in recovery (that may restrict the ability of a Sub-Fund to meet delivery obligations under security sales or payment obligations arising from redemptions requests) or even loss of rights in collateral received, which risks are mitigated by a careful creditworthiness analysis of borrowers to determine their degree of risk to become involved in insolvency/bankruptcy proceedings within the timeframe contemplated by the loan.

The SICAV may invest in Structured Finance Securities; however, when Sub-Funds invest in structured finance securities of the credit linked notes-type, this will be clearly indicated within the Sub-Fund's investment policy.

Structured finance securities include, but are not limited to, asset-backed securities, asset-backed commercial papers and portfolio credit-linked notes.

Asset-backed securities are securities that are backed by financial cash flows from a group of debt securities (current or future) or by other underlying assets that may or may not be fixed. Such assets may include, but are not limited to, mortgages on residential or commercial property, leases, credit card debts as well as personal or business loans. Asset-backed securities may be structured in various ways, either as a "true-sale" in which the underlying assets are transferred within an ad hoc structure that then issues the asset-backed securities or synthetically, in which the risk linked to underlying assets is transferred via derivative instruments to an ad hoc structure that issues the asset-backed securities.

Portfolio credit-linked notes are securities in which payment of the nominal amount and the interest is directly or indirectly linked to one or several managed or unmanaged portfolios of reference entities and/or assets ("reference credit"). Until a threshold credit event occurs in relation to a reference credit (such as bankruptcy or payment default), a loss will be calculated (corresponding, for example, to the difference between the nominal value of an asset and its recovery value).

Asset-backed securities and portfolio credit-linked notes are usually issued in different tranches. Any losses occurring in regard to underlying assets or, depending on the case, calculated in relation to reference credits, are first assigned to the most junior tranches until the nominal amount of the securities is brought to zero, then it is assigned to the nominal amount of the next most junior tranche remaining and so on.

Consequently, in the scenario that (a) for asset-backed securities, the underlying assets do not produce the expected financial flows and/or (b) for portfolio credit-linked notes, one of the credit events defined occurs with regard to one or several underlying assets or reference credits, there may be an effect on the value of the related securities (that may be zero) and any amount paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share of the Sub-Fund. Moreover, the value of the structured finance securities and thus the Net Asset Value per Share of the Sub-Fund may, from time to time, be negatively affected by macro-economic factors, including for example unfavorable changes in the economic sector of the underlying assets or the reference credits (including the industrial, service, and real estate sectors), economic recession in the respective countries or global recession, as well as events linked to the inherent nature of the assets (thus, a loan to finance a project is exposed to risks related to the type of project).

The extent of such negative effects is thus linked to the geographic and sectorial concentrations of the underlying assets, and the type of underlying assets or reference credits. The degree to which a particular asset-backed security or a portfolio credit-linked note is affected by such events will depend on its issue tranche; the most junior tranches, even ones rated “investment grade”, may consequently be exposed to substantial risks.

Investments in structured finance securities may be more exposed to a greater liquidity risk than investing in government or corporate bonds. When a liquid market for these structured finance securities does not exist, such securities may only be traded for an amount lower than their nominal amount and not at the market value which may, subsequently affect the Net Asset Value per Share of the Sub-Fund.

## **29. Pooling and Co-management**

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For the purpose of efficient management and in strict compliance with the investment policies of the Sub-Funds, the Directors of the Management Company in accordance with the Investment Manager may decide that some or all of the assets of certain Sub-Funds be managed on a pooled basis. In this case, the assets from different Sub-Funds will be jointly managed using the aforementioned technique. Assets that are managed on a pooled basis will be referred to using the term “pool” in this section. These pools will only be used for internal management purposes. They will not constitute distinct legal entities and will not be directly accessible to investors. Each co-managed Sub-Fund will have its own assets allocated to it.

When the assets of a Sub-Fund are managed using this technique, the assets initially attributable to each co-managed Sub-Fund will be determined according to the Sub-Fund’s initial participation in the pool. Thereafter, the composition of the assets will vary according to contributions or withdrawals made by the relevant Sub-Funds.

This apportionment system applies to each investment line of the pool. Additional investments made on behalf of the co-managed Sub-Funds will therefore be allocated to these Sub-Funds according to their respective entitlements, while assets sold will be similarly deducted from the assets attributable to each of the co-managed Funds.

All banking transactions involved in the running of the co-managed Sub-Fund (dividends, interest, non-contractual fees, expenses) will be accounted for in the pool and reassigned for accounting to each of the co-managed Funds on a pro rata basis on the day the transactions are recorded (provisions for liabilities, bank recording of income and/or expenses). On the other hand, contractual fees (custody, administration and management fees, etc.) will be accounted for directly in the respective co-managed Sub-Funds.

The assets and liabilities attributable to each Sub-Fund will be identifiable at any given moment.

The pooling method will comply with the investment policy of each of the Sub-Funds concerned.

The Directors of the Management Company may also authorize investment and management of all or any part of the portfolio of assets of the SICAV on a co-managed or cloned basis with assets belonging to other Luxembourg undertakings for collective investments, all subject to compliance with applicable regulations.

## **30. Risk Management process**

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According to the law of 2010 and applicable regulations, the Management Company will use a risk management method that will allow:

- to control and measure at any time the risk associated with its positions and the contribution of these positions to the general risk profile of the portfolio;
- to assess the exposure of each Sub-Fund on the market, liquidity and counterparty risks;
- a precise and independent evaluation of the value of the derivative instruments.

The risk management method used will depend on the specific investment policy of each Sub Fund and will be determined for each Sub Fund.

## **31. Risk considerations**

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### **General**

The following statements are intended to inform Investors of the uncertainties and risks associated with investments and transactions in equities, fixed income securities, currency instruments, derivatives and other similar instruments. Investors should remember that the price of Shares and any income from them may fall as well as rise and that Shareholders may not get back the full amount invested. Past performance is not necessarily a guide to future performance and Shares should be regarded as a medium to long-term investment. Where the currency of the relevant Sub-Fund varies from the Investor's home currency, or where the currency of the relevant Sub-Fund varies from the currencies of the markets in which the Sub-Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual risks of investment.

The SICAV bears the general risks laid down below. However, each Sub-Fund is subject to specific risks, which the Directors will seek to lower, as listed in the Appendices I and II.

### **Equity Securities**

Investing in equity securities may offer a higher rate of return than other investments. However, the risks associated with investments in equity securities may also be higher, because the performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security value may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

### **Investment in Undertakings for collective investments**

Investment in undertakings for collective investments may embed a duplication of the fees and expenses charged to the SICAV, i.e. setting-up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, custodian bank fees and other service providers' fees. The accumulation of these costs may entail higher costs and expenses than would have been charged to the SICAV if the latter had invested directly. The SICAV will however seek to avoid any irrational multiplication of costs and expenses to be borne by investors.

Also, the SICAV must ensure that its portfolios of targeted undertakings for collective investments present appropriate liquidity features to enable them to meet their obligation to redeem or repurchase their Shares. However, there is no guarantee that the market liquidity for such investments will always be sufficient to meet redemption requests as and when they are submitted. Any absence of liquidity may impact the liquidity of the SICAV's Shares and the value of its investments.

### **Investment in Warrants**

Investors should be aware of, and prepared to accept, the greater volatility in the prices of warrants which may result in greater volatility in the price of the Shares. Thus, due to their nature, warrants may involve Shareholders in a greater degree of risk than conventional securities would do.

### **Stock Market Volatility**

The net asset value of the SICAV will reflect the volatility of the stock market. Stock markets are volatile and can move significantly in response to the issuer, demand and supply, political, regulatory, market and economic developments.

### **Issuer-Specific Risk**

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

### **Interest Rate Risks**

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

### **Investment in derivative instruments**

Under certain conditions, the SICAV may use options and futures on securities, indices and interest rates, as described in the Prospectus under "Investment Restrictions", for the purpose of efficient portfolio management. Also, where appropriate, the SICAV may hedge market and currency risks using futures, options or forward foreign exchange contracts. In order to facilitate efficient portfolio management and to better replicate the performance of the benchmark, the SICAV may finally, for a purpose other than hedging, invest in derivative instruments for investment purposes. The SICAV may only invest within the limits set out in the Prospectus under "Investment Restrictions".

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Financial futures prices are highly volatile and influenced by a variety of diverse factors including, i.a., changing supply and demand relationships, government, fiscal, monetary and exchange control programs and policies, national and international political and economic events and government intervention in certain markets, particularly in the currency and interest rate

markets. Futures are also subject to illiquid situations when market activity decreases or when a daily price fluctuation limit has been reached.

Transactions in options also carry a high degree of risk. Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is “covered” by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

### **Political and/or Regulatory Risks**

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

The SICAV is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Investors should consult their financial or other professional adviser for further information in this area.

### **Funds Investing in Lower Rated, Higher Yielding Debt Securities**

The Sub-Funds may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in these Sub-Funds is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

### **Market and Settlement Risks**

- The securities markets in some countries lack the liquidity, efficiency and regulatory and supervisory controls of more developed markets.
- The absence of reliable pricing information in a particular security held by a Sub-Fund may make it difficult to assess reliably the market value of assets.
- The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected.
- Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.
- The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds.



- Settlement procedures may be less developed and still be in physical as well as in dematerialized form.

### **Foreign Exchange/Currency Risk**

Although Shares in the SICAV may be denominated in a particular currency, the SICAV may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the SICAV as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between that currency and the currencies in which the SICAV's investments are denominated. The SICAV may therefore be exposed to a number of risks as follows:

- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.
- The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.
- Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.
- It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

### **Execution and Counterparty Risk**

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

In some markets there may be no secure method of delivery against payment which would minimize the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

### **Illiquidity/Suspension of Share dealings.**

Some Sub-Funds may face temporary illiquidity situations due to parameters such as market activity, small volumes of investments or difficulties in the pricing of underlying investments.

Under certain exceptional circumstances, such as unusual market conditions, an unusual volume of repurchase requests or other, illiquidity situations may lead the SICAV to suspend or defer the redemption or conversion of Shares.

### **Custody Risk**

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

### **Taxation**

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

## **32. Regulatory Information**

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### **Conflicts of Interest**

For the purpose of identifying the types of conflict of interest that arise in the course of providing services and activities and whose existence may damage the interest of the SICAV, the Management Company will take into account, by way of minimum criteria, the question of whether the Management Company or a relevant person, or a person directly or indirectly linked by way of control to the Management Company, is in any of the following situations, whether as a result of providing collective portfolio management activities or otherwise:

- (a) the Management Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the SICAV;
- (b) the Management Company or that person has an interest in the outcome of a service or an activity provided to the SICAV or another client or of a transaction carried out on behalf of the SICAV or another client or, which is distinct from the SICAV interest in that outcome;
- (c) the Management Company or that person has a financial or other incentive to favor the interest of another client or group of clients over the interests of the SICAV;
- (d) the Management Company or that person carries on the same activities for the SICAV and for another client or clients which are not UCITS; and
- (e) the Management Company or that person receives or will receive from a person other than the SICAV an inducement in relation to collective portfolio management activities provided to the SICAV, in the form of monies, goods or services, other than the standard commission or fee for that service.

When identifying any potential types of conflict of interests, the Management Company will take into account

- (a) the interests of the Management Company, including those deriving from its belonging to a group or from the performance of services and activities, the interests of the clients and the duty of the Management Company towards the SICAV as well as
- (b) the interests of two or more managed UCITS.

### **Complaints Handling**

Investors of each Sub-Fund of the SICAV may file complaints free of charge with the Management Company in an official language of their home country. Investors can obtain the complaints handling procedure from the Management Company on simple demand.

### **Exercise of Voting Rights**

Unless there is a loss of investor protection, the SICAV will not exercise voting rights in respect of instrument held by the SICAV in each Sub-Fund. The decision to exercise of voting rights is only to be made within the SICAV's general meeting.

### **Best Execution**

The Management Company will act in the best interests of the managed SICAV when executing decision to deal on behalf of the managed SICAV in the context of the management of their portfolios. For that purpose the Management Company will take all reasonable steps to obtain the best possible results for the SICAV, taking into account price, costs, speed, likelihood of

execution and settlement, order size and nature, or any other consideration relevant to the execution of the order (best execution).

The relative importance of such factors will be determined by reference to the following criteria:

- (a) the objectives, investment policy and risks specific to the SICAV,
- (b) the characteristics of the order,
- (c) the characteristics of the financial instruments that are the subject of that order and
- (d) the characteristics of the execution venues to which that order can be directed.

**33. APPENDIX I - SUB-FUNDS IN OPERATION**

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# CROSSFUND SICAV– CROSSINVEST RETURN FUND

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## Investment Policy

The aim of this Sub-Fund is to achieve capital gains through an exposure to a global portfolio of any type of debt securities (including money market instruments) and in any type of equities in global markets. It adopts an active management style which enables the portfolio to be adapted flexibly to market expectations, whilst maintaining the risk of losses at the lowest level possible.

In order to achieve its objective, the Sub-Fund will mainly invest:

- directly in the securities/asset classes mentioned in the previous paragraph; and/or
- in undertakings for collective investment having as main objective to invest or grant an exposure to the above-mentioned asset classes; and/or, in any transferable securities (such as Structured Products, as described in the body of the Prospectus) linked (or offering an exposure) to the performance of the above-mentioned asset classes.

The Sub-Fund's total exposure to other undertakings for collective investment will not exceed 50% of the Sub-Fund's net assets.

The choice of investments will neither be limited by a specific asset type, geographical area, economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single asset type, country (or some countries) and/or in a single currency and/or in a single economic sector.

For the avoidance of doubt, investments in so-called *emerging markets* will not exceed 15% of the Sub-Fund's net asset value.

Investments in asset-backed securities and mortgage-backed securities can be made up to 10% of the net assets of the Sub-Fund.

For hedging and for any other purposes, the Sub-Fund may use financial derivative instruments within the limits and descriptions set out in the body of the Prospectus, which will be principally futures, options and swaps related to the asset classes above.

If the investment manager considers this to be in the best interest of the shareholders, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market funds (within the 50% limit above-mentioned) and money market instruments.

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## Consolidation Currency

The Sub-Funds accounts will be consolidated in Euro (EUR).

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## Profile of risk and typical investor

The Sub-Fund can generate a potential income in all market scenarios.

The Sub-Fund offers no guarantees and periods of negative performance cannot be ruled out. In order to increase the chance of achieving yield objectives, the investor must envisage an investment horizon of three years as a general rule as well as a suitable risk capacity and tolerance.

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### Overall risk monitoring method

The global risk exposure for this Sub-Fund is calculated and monitored through the *absolute Value-at-Risk (VaR) approach*.

Expected leverage : max. 200% (method for calculating the expected leverage : sum of the notionals)

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### Share Classes

The NAV for the Share Classes below is calculated every Business Day.

Share Class	Minimum Initial Subscription Amount	Eligible Investors	Management fee	Performance fee	Telekurs Code ISIN
A	50 000,-	Unrestricted	max. 1.40%	yes, see below	TK 20331999 LU0871320726
B	-none-	Unrestricted	max. 2.0%	yes, see below	TK 20332010 LU0871320999
I	100 000,-	Institutional Investors	max. 1.40%	yes, see below	TK 28082985 LU1228340938
L (EUR)*	1 Share (minimal Holding)	Reserved for Investors dealing on the Borsa Italiana	max. 1.40%	yes, see below	TK 28056703 LU1228339922
P	-none-	Reserved for Investors subscribing via a distribution platform	max. 1.40%	yes, see below	TK 28083689 LU1228342041

The Management fee is based on the average net asset value of the Sub-Fund, payable quarterly in arrears.

\* Class L (EUR) Shares are listed on the Borsa Italiana. Class L (EUR) Shares are therefore reserved for Investors who buy and sell Shares on the Borsa Italiana. Shares of Class L (EUR) Shares are denominated in EUR. For any additional information on the listing on the Borsa Italiana, please refer to Section 9.6 of the body of the Prospectus.

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### Performance fee

The Investment Manager will receive a performance fee, accrued on each valuation date, paid annually in arrears, based on the net asset value (NAV), equivalent to 20 % of the performance of the NAV per share (measured against the reference NAV) over the performance of the Euro 3-month Libor during the current period.

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the outperformance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the reference NAV for the calculation period in question.

The Reference NAV is defined as the greater of the following two figures:

- The latest NAV per share after deduction of performance fee during the previous calculation period; and
- The latest Reference NAV.

The Reference NAV will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each valuation date. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per share against the hurdle rate until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the Reference NAV adjusted by the hurdle at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

Calculation period shall correspond to each calendar year.

Performance fees are payable within 15 business days following the closing of the annual accounts.

The formula for the calculation of the performance fee is as follows:

F	=	0	
			If [(B / E - 1) - X] <= 0
F	=	[(B / E - 1) - X] * E * C * A	
			If [(B / E - 1) - X] > 0
The new Reference NAV	=		Max( E ; D) at the last end of period

Number of shares outstanding	=	A
NAV per share before performance	=	B
Performance fee rate (20%)	=	C
NAV per share after performance	=	D
Reference NAV "	=	E
Performance fees	=	F
Hurdle yield based on EUR 3-Months Libor compounded at each valuation date during the current period	=	X

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### **Investment Manager**

Crossinvest SA, Corso Elvezia 33, CH-6900 Lugano

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### **Other Information**

This Sub-Fund was launched within the Crossfund SICAV on July 19<sup>th</sup>, 2013 as a result of absorbing the pre-existing sub-fund *Crossinvest Return Fund* of the umbrella "CB-Accent Lux", that was managed by the Investment Manager according to an identical investment policy.

The launch NAVs of the Sub-Fund's share classes were based on the last NAVs calculated for the absorbed share classes prior to the merger.



## CROSSFUND SICAV– CROSSINVEST BOND FUND

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### **Investment Policy**

The aim of this Sub-Fund is to be exposed to in any type of debt and debt related securities (convertible bonds, reverse convertible bonds, ABS, MBS, high yield bonds, ...), in any type of money market instruments, with no restrictions insofar as issuers, maturities and ratings, which mainly are domiciled or whose main activity is in an OECD member state.

In order to achieve its objective, the Sub-Fund will mainly invest:

- directly in the securities/asset classes mentioned in the previous paragraph; and/or
- in undertakings for collective investment having as main objective to invest or grant an exposure to the above-mentioned asset classes, within the 10% limit mentioned below; and/or
- in any transferable securities (such as Structured Products, as described in the body of the Prospectus) linked (or offering an exposure) to the performance of the above-mentioned asset classes.

Investments in asset-backed securities and mortgage-backed securities can be made up to 10% of the net assets of the Sub-Fund.

The choice of investments will neither be limited by a specific asset type, geographical area, economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single asset type, country (or some countries) and/or in a single currency and/or in a single economic sector.

For the avoidance of doubt, investments in so-called emerging markets will not exceed 15% of the Sub-Fund's net asset value.

The Sub-Fund may invest up to 10% of its net assets in units and/or shares of UCITS or other UCIs.

If the Investment Manager considers this is in the best interest of the Shareholders, the Sub-Fund may hold up to a maximum of 100% of its net assets in liquidities, such as deposits, money market funds (within the 10% limit above mentioned) and money market instruments.

For hedging and for any other purposes, the Sub-Fund may use financial derivative instruments within the limits and descriptions set out in the body of the Prospectus, which will be principally futures, options, swaps and CDS contracts related to the asset classes above.

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### **Consolidation Currency**

The Sub-Funds accounts will be consolidated in Euro (EUR).

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## Profile of typical investor

This Sub-Fund may be suitable for investors who wish to participate in the fixed income security market and the investor must envisage an investment horizon of two years

Fluctuations in foreign exchange rates may have an impact on the income of the Sub-Fund and affect the Net Asset Value per Share of the Sub-Fund. Past performance is not a guide to future performance.

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## Overall risk monitoring method

The global risk exposure for this Sub-Fund is calculated and monitored through the absolute Value-at-Risk (VaR) approach.

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Expected leverage : max. 150% (method for calculating the expected leverage: sum of the notionals).

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## Share Classes

The NAV for the Share Classes below is calculated every Business Day.

Share Class	Minimum Initial Subscription Amount	Eligible Investors	Management fee	Performance fee	Telekurs Code ISIN
A	50 000,-	Unrestricted	max. 0.90%	-none-	TK 20332027 LU0871321021
B	-none-	Unrestricted	max. 1.20%	-none-	TK 20332032 LU0871321294
I	100 000,-	Institutional Investors	max. 0.90%	-none-	TK 28083715 LU1228341159
L (EUR)*	1 Share (minimal Holding)	Reserved for Investors dealing on the Borsa Italiana	max. 0.90%	-none-	TK 28056708 LU1228340003
P	-none-	Reserved for Investors subscribing via a distribution platform	max. 0.90%	-none-	TK 28083718 LU1228342397

\* Class L (EUR) Shares are listed on the Borsa Italiana. Class L (EUR) Shares are therefore reserved for Investors who buy and sell Shares on the Borsa Italiana. Shares of Class L (EUR) Shares are denominated in EUR. For any additional information on the listing on the Borsa Italiana, please refer to Section 9.6 of the body of the Prospectus.

The Management fee is based on the average net asset value of the Sub-Fund, payable quarterly in arrears.

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## Investment Manager

Crossinvest SA, Corso Elvezia 33, CH-6900 Lugano

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**Other Information**

This Sub-Fund was launched within the Crossfund SICAV on July 19<sup>th</sup>, 2013 as a result of absorbing the pre-existing sub-fund *Crossinvest Bond Fund* of the umbrella "CB-Accent Lux", that was managed by the Investment Manager according to an identical investment policy.

The launch NAVs of the Sub-Fund's share classes were based on the last NAVs calculated for the absorbed share classes prior to the merger.

# CROSSFUND SICAV– CROSSINVEST CONSERVATIVE FUND

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## **Investment Policy**

This Sub-Fund is conservative in nature and provides for investments in securities, undertakings for collective investments, money market instruments, sight and term deposits and with particular focus on bonds and notes as well as other fixed or variable revenue debt instruments and rights and undertakings for collective investments that invest mainly in the latter. The objective is to achieve stable growth of the portfolio with an average level of risk for the investor over the medium term.

The Sub-Fund's portfolio will be invested according to the following restrictions:

- a) a maximum of 40% will be invested directly or indirectly in equities of companies worldwide that are regularly listed on an exchange or other regulated market that is open to the public.
- b) at least 30% and at most 80%, will be directly or indirectly invested in bonds and other fixed or variable revenue debt instruments and rights denominated in Euro, from private debtors and public issuers.
- c) a maximum of 30% of the fund's net assets in instruments with ratings lower than "Investment Grade".
- d) a maximum of 20% in money market instruments in Euro.
- e) a maximum of 20% in sight and term deposits with a maximum maturity of twelve months.

Investments can also take place through a UCI or UCITS with a maximum of 45% of the net assets.

The Sub-Fund may also hold cash and use derivative financial instruments to hedge risk and improve the effectiveness of its management.

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## **Consolidation Currency**

The Sub-Funds accounts will be consolidated in Euro (EUR).

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## **Profile of risk and typical investor**

The Sub-Fund essentially carries investment related risks, market related risks and currency risks.

The risks that are related to the placements made, whether those related to an investment in the equities and equity securities of companies, depend on the results of said companies. The bond related risks arise from the fact that the asset value as well as the fund income may vary depending on the changes in bond interest rates and on amendments relating to investment credit ratings.

Secondly, there is a market risk resulting from the value of investments, which relates to the one in progress on the markets. Taking into account the general stock market development and the

securities included in the Sub-Fund portfolio, the net asset value may be subject to considerable fluctuations. A drop in value cannot be excluded.

Revenue is not guaranteed for investors. It is therefore possible that investment may result in loss.

Finally the currency risk arising from investments in securities denominated in foreign currencies other than the Sub-Fund's accounting currency may be covered, partially covered or not covered against the Sub-Fund's accounting currency.

The Sub-Fund is appropriate for investors with a conservative profile, who are looking for relative stability for their capital with an average level of risk, over the medium term. However, even though the Sub-Fund does not follow an aggressive investment policy, the investors are hereby informed that losses are possible.

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### Overall risk monitoring method

The Sub-Fund's global risk exposure is monitored by using the Commitment Approach.

In that respect, financial derivatives instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the Sub-Fund's net asset value.

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### Share Classes

The NAV for the Share Classes below is calculated every Business Day.

Share Class	Minimum Initial Subscription Amount	Eligible Investors	Management fee	Performance fee	Telekurs Code ISIN
<u>A</u>	<u>50 000,-</u>	Unrestricted	<u>max. 1.40%</u>	<u>yes, see below</u>	<u>TK 20333015</u> <u>LU0871321534</u>
A (USD)	50'000.-	Unrestricted	Max. 1.40%	yes, see below	TK (TBF) LU (TBF)
<u>B</u>	<u>-none-</u>	Unrestricted	<u>max. 2.00%</u>	<u>yes, see below</u>	<u>TK 20333017</u> <u>LU0871321617</u>
<u>B (USD)</u>	<u>-none-</u>	Unrestricted	<u>max. 2.00%</u>	<u>yes, see below</u>	<u>LU1388730308</u>
<u>I</u>	<u>100 000,-</u>	Institutional Investors	<u>max. 1.40%</u>	<u>yes, see below</u>	TK 28083721 <u>LU1228342470</u>
<u>P</u>	<u>-none-</u>	Reserved for Investors subscribing via a distribution platform	<u>max. 1.40%</u>	<u>yes, see below</u>	<u>TK 28083723</u> <u>LU1228342553</u>

The Management fee is based on the average net asset value of the Sub-Fund, payable quarterly in arrears.

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### **Performance fee**

The Investment Manager will receive a performance fee, accrued on each valuation date, paid annually, based on the net asset value (NAV), equivalent to 20 % of the performance of the NAV per share (measured against the reference NAV) over the performance of the Euribor 1 year during the current period.

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the outperformance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the reference NAV for the calculation period in question.

The Reference NAV is defined as the greater of the following two figures:

- The latest NAV per share after deduction of performance fee during the previous calculation period; and
- The latest Reference NAV.

The Reference NAV will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each valuation date. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per share against the hurdle rate until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the Reference NAV adjusted by the hurdle at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

Calculation period shall correspond to each calendar year.

Performance fees are payable within 15 business days following the closing of the annual accounts.

F	=	0
		If $[(B / E - 1) - X] \leq 0$
F	=	$[(B / E - 1) - X] * E * C * A$
		If $[(B / E - 1) - X] > 0$
The new Reference NAV	=	Max( E ; D) at the last end of period
Number of shares outstanding	=	A
NAV per share before performance	=	B
Performance fee rate (20%)	=	C
NAV per share after performance	=	D
Reference NAV "	=	E
Performance fees	=	F
Hurdle yield based on Euribor 1 year compounded at each valuation date during the current period	=	X

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### Investment Manager

Crossinvest SA, Corso Elvezia 33, CH-6900 Lugano

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### Other Information

This Sub-Fund was launched within the Crossfund SICAV on July 19<sup>th</sup>, 2013 as a result of absorbing the pre-existing sub-fund *Crossinvest Conservative Fund* of the umbrella "CB-Accent Lux", that was managed by the Investment Manager according to an identical investment policy.

The launch NAVs of the Sub-Fund's share classes were based on the last NAVs calculated for the absorbed share classes prior to the merger.

# CROSSFUND SICAV– CROSSINVEST GLOBAL BOND FUND

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## **Investment Policy**

The Sub-Fund's objective is to seek revenue and capital growth by investing its portfolio in any type of bonds (including money market instruments) worldwide issued by any type of issuer (among others: corporate, national or local governments, supranational organizations,...) and in other transferable securities.

In order to achieve its objective, the Sub-Fund will mainly invest:

- directly in the securities/asset classes mentioned in the previous paragraph; and/or
- in undertakings for collective investment having as main objective to invest or grant an exposure to the above-mentioned asset classes; and/or
- in any transferable securities (such as Structured Products, as described in the body of the Prospectus) linked (or offering an exposure) to the performance of the above-mentioned asset classes.

Nevertheless, the investments in ABS/MBS/CLOs (*Collateralized Loan Obligations*) can be made up to 20% of the Sub-Funds' net assets.

The Sub-Fund may invest up to 10% of its net assets in UCITS and other UCIs.

The choice of investments will neither be limited by a specific asset type, geographical area (including emerging markets), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single asset type, country (or some countries) and/or in a single currency and/or in a single economic sector.

For hedging and for any other purposes, the Sub-Fund may use financial derivative instruments within the limits and descriptions set out in the body of the Prospectus, which will be principally futures, options, swaps and CDS contracts related to the asset classes above.

In order to avoid any doubt, the Sub-Fund can, on an extraordinary basis, invest in other financial derivatives instruments as describe in the body of the Prospectus (including TRS and CFD.)

If the investment manager considers this to be in the best interest of the shareholders, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market funds (within the 10% limit above mentioned) and money market instruments.

## **Risk Warning concerning investments in emerging markets**

Investors should be aware that, due to the political and economic situations in emerging countries, investment in this Sub-Fund presents greater risk and is intended only for investors who are able to bear and assume this increased risk. This Sub-Fund is generally only suitable for investors seeking a long-term investment. Investment in this Sub-Fund is subject, among other risks, to political risks, capital repatriation restrictions, counterparty risks, and volatility and/or illiquidity risks in the markets of the emerging countries in question.

### *Political and economic risks*

In most of the countries in which the Sub-Fund invests, the governments are implementing policies of economic and social liberalization. Although it is presumed that these reforms should be beneficial to these economies in the long term, there is no assurance that these reforms will be



continued or that they will achieve the expected results. These reforms may be challenged or slowed by political or social events, or by national or international armed conflicts. All these political risks may affect the capital gains objectives set for the Sub-Fund.

#### *Volatility and illiquidity risks*

Due to the above-mentioned risk of instability caused by political and economic developments, the rates for transferable securities in which the Sub-Fund invests may fluctuate significantly in short-term periods. Although the Sub-Fund intends to invest predominantly in listed securities or in securities traded on regulated markets, some risk of illiquidity may still exist, due to the relatively undeveloped nature of the stock markets in the countries in question compared to those of the more developed countries in Western Europe. Due to the risk of volatility, this Sub-Fund can only be recommended for long-term investments.

This risk is accentuated by the risk of illiquidity, which, in crisis periods, may give rise to suspension of the calculation of the net asset value and momentarily impede the right of shareholders to redeem their shares.

### **Consolidation Currency**

The Sub-Funds accounts will be consolidated in US Dollar (USD).

### **Profile of risk and typical investor**

For investors who wish to participate in the global fixed income security market and who have an average risk profile, related to the solvency of the issuers of securities purchased by the fund and to fluctuations in rates of interest.

### **Overall risk monitoring method**

The global risk exposure for this Sub-Fund is calculated and monitored through the *absolute Value-at-Risk (VaR) approach*.

Expected leverage : max. 150% (method for calculating the expected leverage : sum of the notionals)

### **Share Classes**

The NAV for the Share Classes below is calculated every Business Day.

Share Class	Minimum Initial Subscription Amount	Eligible Investors	Management fee	Performance fee	Telekurs Code ISIN
A	50 000,-	Unrestricted	max. 1.20%	yes, see below	TK 20330996 LU0871322342
B	-none-	Unrestricted	max. 1.50%	yes, see below	TK 20331097 LU0871322425
I	50 000,-	Institutional Investors	max. 1.20%	yes, see below	TK 28083732 LU1228341233
L (EUR)*	1 Share (minimal Holding)	Reserved for Investors dealing on the Borsa	max. 1.20%	yes, see below	TK 28056711 LU1228340268

Italiana					
P	-none-	Reserved for Investors subscribing via a distribution platform	max. 1.20%	yes, see below	TK 28085367 LU1228342637

\* Class L (EUR) Shares are listed on the Borsa Italiana. Class L (EUR) Shares are therefore reserved for Investors who buy and sell Shares on the Borsa Italiana. Shares of Class L (EUR) Shares are denominated in EUR. For any additional information on the listing on the Borsa Italiana, please refer to Section 9.6 of the body of the Prospectus.

The Management fee is based on the average net asset value of the Sub-Fund, payable quarterly in arrears.

### Performance fee

The Investment Manager will receive a performance fee, accrued on each valuation date, paid yearly, based on the net asset value (NAV), equivalent to 10 % of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the out performance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the high water mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The last highest Net Asset Value per Share on which a performance fee has been paid and;
- The initial NAV per share.

The High Water Mark will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each Valuation Point. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per share against the High Water Mark until the subscription date is not taken into

account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

Calculation period shall correspond to each calendar year.

Performance fees are payable within 15 business days following the closing of the yearly accounts.

The formula for the calculation of the performance fee is as follows:

$$\begin{aligned}
 F &= 0 && \text{If } (B / E - 1) \leq 0 \\
 F &= (B / E - 1) * E * C * A && \text{If } (B / E - 1) > 0 \\
 \text{The new high water mark} &= \text{if } F > 0; D && \text{If } F = 0; E \\
 \text{Number of shares outstanding} &= A \\
 \text{NAV per share before performance} &= B \\
 \text{Performance fee rate (10\%)} &= C \\
 \text{NAV per share after performance} &= D \\
 \text{High water mark} &= E \\
 \text{Performance fees} &= F
 \end{aligned}$$

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**Investment Manager**

Crossinvest SA, Corso Elvezia 33, CH-6900 Lugano

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**Other Information**

Initial subscriptions for A and B shares were made for USD 100,- per share on March 8<sup>th</sup>, 2013.

# CROSSFUND SICAV– CROSSINVEST EUROPEAN OPPORTUNITY FUND

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## Investment Policy

The investment objective of the Sub-Fund is to achieve a long term capital growth by pursuing investment opportunities in the European equity markets.

The Sub-Fund will achieve its objective by taking exposure directly and indirectly in any type of equity and equity related securities of companies which are domiciled, headquartered or exercise the predominant part of their economic activity in Europe.

The Sub-Fund will invest at least 75% of its net assets:

- directly in the securities/asset class mentioned in the previous paragraph; and/or
- in undertakings for collective investment (including UCITS, other UCIs and ETF) having as main objective to invest or grant an exposure to the above-mentioned asset class, within the 30% limit mentioned below; and/or
- in any transferable securities (such as Structured Products, as described in the body of the Prospectus) linked (or offering an exposure) to the performance of the above-mentioned asset class; and/or
- in financial equity related derivative instruments having as underlying or offering an exposure to the above-mentioned securities.

In the pursuit of its investment policy/strategy and due to the use of financial derivative instruments, the Sub-Fund can at any time invest up to 100% of its net assets in cash deposits, money market UCIs (within the 30% limit mentioned below) and money market instruments.

Except the European exposure, the choice of investments will neither be limited by an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in one country (or some countries) and/or in a single currency and/or in a single economic sector.

The Sub-Fund may also invest directly or indirectly (through undertakings for collective investment, Structured Products, any type of transferable securities) in other asset classes, among others any type of debt securities (including money market instruments), bank deposits, cash and cash equivalents.

The Sub-Fund's investments in other undertakings for collective investment will not exceed 30% of the Sub-Fund's net assets.

If the investment manager considers this to be in the best interest of the shareholders, the Sub-Fund may also, on a temporary basis, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market funds (within the limit above) and money market instruments.

**For hedging or for investment purposes, the Sub-Fund may use financial derivative instruments within the limits and descriptions set out in the body of the Prospectus, which will be principally futures, options and swaps, as well as CFDs and SWAPS (including TRS) related to the asset class above.**

Notwithstanding the use of derivatives above, the Sub-Fund may also invest in other financial derivatives instruments as described in the general part of the Prospectus.

Investment in derivative as described above will be equity or equity related.

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### **Risk factors associated with this Sub-Fund**

Fluctuations in foreign exchange rates may have an impact on the income of the Sub-Fund and affect the Net Asset Value per Share of the Sub-Fund. Past performance is not a guide to future performance.

Despite the possible use of financial derivative instruments as described above, it is not expected that the volatility, the relative Value-at-Risk (VaR) and the level of synthetic risk and reward indicators (SRRI) of the Sub-Fund will increase. **Investors should note, however, that it cannot be excluded that the volatility, relative VaR and SRRI of the Sub-Fund may increase in the future due to the Sub-Fund's use of financial derivative instruments.**

It is expected that the investment into financial derivative instruments for investment purposes will not cause the risk profile of the Sub-fund to be increased.

The risks pertaining to an investment in the Sub-Fund are those primarily related to equity securities, fixed income securities, emerging markets countries and other financial instruments.

The Sub-Fund may have to bear other additional risks, such as credits risks, interest rates risks, market risks and derivative risks.

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### **Consolidation Currency**

The Sub-Fund's accounts will be consolidated in EUR (Euro).

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### **Profile of risk and typical investor**

This Sub-Fund is suitable for investors who are prepared to take the higher risks associated with equity investments in order to achieve their return. Thus, investors should have experience with volatile equity products and be able to accept temporary losses.

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### **Overall risk monitoring method**

The global risk exposure for this Sub-Fund is calculated and monitored through the *absolute Value-at-Risk (VaR) approach*.

Expected leverage : max. 200% (method for calculating the expected leverage : sum of the notionals)

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## Share Classes

The NAV for the Share Classes below is calculated every Business Day.

Share Class	Minimum Initial Subscription Amount	Eligible Investors	Management fee	Performance fee	Telekurs Code ISIN
A	50 000,-	Unrestricted	max. 1.50%	yes, see below	23949357 / LU1047634057
B		Unrestricted	max. 2%	yes, see below	23949864 / LU1047639445
I	100 000,-	Institutional Investors	max. 1.50%	yes, see below	TK 28085375 LU1228341316
L (EUR)*	1 Share (minimal Holding)	Reserved for Investors dealing on the Borsa Italiana	max. 1.50%	yes, see below	TK 28056712 LU1228340425
P	-none-	Reserved for Investors subscribing via a distribution platform	max. 1.50%	yes, see below	TK 28085379 LU1228342801

\* Class L (EUR) Shares are listed on the Borsa Italiana. Class L (EUR) Shares are therefore reserved for Investors who buy and sell Shares on the Borsa Italiana. Shares of Class L (EUR) Shares are denominated in EUR. For any additional information on the listing on the Borsa Italiana, please refer to Section 9.6 of the body of the Prospectus.

The Management fee is based on the average net asset value of the Sub-Fund, payable quarterly in arrears.

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### Performance fee

The Investment Manager will receive a performance fee, accrued on each valuation date, paid yearly, based on the net asset value (NAV), equivalent to 20 % of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the out performance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the high water mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The last highest Net Asset Value per Share on which a performance fee has been paid and;
- The initial NAV per share.

The High Water Mark will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each Valuation Point. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

Calculation period shall correspond to each calendar year.

Performance fees are payable within 15 business days following the closing of the yearly accounts.

The formula for the calculation of the performance fee is as follows:

$$\begin{aligned}
 F &= 0 && \text{If } (B / E - 1) \leq 0 \\
 F &= (B / E - 1) * E * C * A && \text{If } (B / E - 1) > 0 \\
 \text{The new high water mark} &= \text{if } F > 0; D && \text{If } F = 0; E \\
 \text{Number of shares outstanding} &= A \\
 \text{NAV per share before performance} &= B \\
 \text{Performance fee rate (20\%)} &= C \\
 \text{NAV per share after performance} &= D \\
 \text{High water mark} &= E \\
 \text{Performance fees} &= F
 \end{aligned}$$

**Investment Manager**

Crossinvest SA, Corso Elvezia 33, CH-6900 Lugano

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**Other Information**

This Sub-Fund was launched on March 31<sup>st</sup>, 2014 with a subscription price of EUR 100,-



# CROSSFUND SICAV– CROSSINVEST U.S. OPPORTUNITY FUND

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## **Investment Policy**

The investment objective of the Sub-Fund is to achieve a long term capital growth by pursuing investment opportunities in the United States of America (US) equity markets.

The Sub-Fund will achieve its objective by taking exposure directly and indirectly in any type of equity and equity related securities (including ADR, GRD) of companies which are domiciled, headquartered or exercise the predominant part of their economic activity in the US.

The Sub-Fund will invest at least 75% of its net assets:

- directly in the securities/asset class mentioned in the previous paragraph; and/or
- in undertakings for collective investment (including UCITS, other UCIs and ETF) having as main objective to invest or grant an exposure to the above-mentioned asset class, within the 30% limit mentioned below; and/or
- in any transferable securities (such as Structured Products, as described in the body of the Prospectus) linked (or offering an exposure) to the performance of the above-mentioned asset class.

Except the US exposure, the choice of investments will neither be limited by an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single economic sector.

The Sub-Fund may also invest directly or indirectly (through undertakings for collective investment, Structured Products, any type of transferable securities) in other asset classes, among others any type of debt securities (including money market instruments), bank deposits, cash and cash equivalents.

The Sub-Fund's investments in other undertakings for collective investment will not exceed 30% of the Sub-Fund's net assets.

If the Investment Manager considers this to be in the best interest of the shareholders, the Sub-Fund may also, on a temporary basis, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market funds (within the limit above) and money market instruments.

For hedging and for any other purposes, the Sub-Fund may use financial derivative instruments within the limits and descriptions set out in the body of the Prospectus, which will be principally futures, options, as well as CFDs and swaps (including TRS, which are not part of the core strategy) related to the asset class above.

Notwithstanding the use of derivatives above, the Sub-Fund may also invest in other financial derivatives instruments as described in the general part of the Prospectus.

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## **Risk factors associated with this Sub-Fund**

The risks pertaining to an investment in the Sub-Fund are those primarily related to equity securities, and other financial instruments.

The Sub-Fund may have to bear other additional risks, such as credits risks, interest rates risks, market risks and derivative risks. Especially *Stock Market Volatility* (see explanation under section 31) is a risk factor.

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### Consolidation Currency

The Sub-Funds accounts will be consolidated in US dollar (USD).

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### Profile of risk and typical investor

This Sub-Fund is suitable for investors who are prepared to take the higher risks associated with equity investments in order to achieve their return. Thus, investors should have experience with volatile equity products and be able to accept temporary losses.

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### Overall risk monitoring method

The global risk exposure for this Sub-Fund is calculated and monitored through the *relative Value-at-Risk (VaR) approach, whereby the Sub-Fund's VaR is limited to twice the VaR of the S&P 500 index. In addition, stress tests will be carried out in order to manage additional risks related to possible abnormal market movements at a specific point of time.*

Expected leverage: max. 100% (method for calculating the expected leverage: sum of the notionals).

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### Share Classes

The NAV for the Share Classes below is calculated every Business Day.

Share Class	Minimum Initial Subscription Amount	Eligible Investors	Management fee	Performance fee	Telekurs Code ISIN
A USD	50 000,-	Unrestricted	max. 1.50%	yes, see below	025187085 LU1101987953
B USD	-none-	Unrestricted	max. 2%	yes, see below	025187087 LU1101990585
I	100 000,-	Institutional Investors	max. 1.50%	yes, see below	TK 28085383 LU1228343015
L (EUR)*	1 Share (minimal Holding)	Reserved for Investors dealing on the Borsa Italiana	max. 1.50%	yes, see below	TK 28056717 LU1228342983
P	-none-	Reserved for Investors subscribing via a distribution platform	max. 1.50%	yes, see below	TK 28085385 LU1228343288

\* Class L (EUR) Shares are listed on the Borsa Italiana. Class L (EUR) Shares are therefore reserved for Investors who buy and sell Shares on the Borsa Italiana. Shares of Class L (EUR)

Shares are denominated in EUR. For any additional information on the listing on the Borsa Italiana, please refer to Section 9.6 of the body of the Prospectus.

The Management fee is based on the average net asset value of the Sub-Fund, payable quarterly in arrears.

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### **Performance fee**

The Investment Manager will receive a performance fee, accrued on each valuation date, paid yearly, based on the net asset value (NAV), equivalent to 20 % of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the out performance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the high water mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The last highest Net Asset Value per Share on which a performance fee has been paid and;
- The initial NAV per share.

The High Water Mark will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each Valuation Point. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

Calculation period shall correspond to each calendar year.

Performance fees are payable within 15 business days following the closing of the yearly accounts.

The formula for the calculation of the performance fee is as follows:

$$F = \begin{cases} 0 & \text{If } (B / E - 1) \leq 0 \\ (B / E - 1) * E * C * A & \text{If } (B / E - 1) > 0 \end{cases}$$

The new high water mark =  $\begin{cases} \text{if } F > 0; D \\ \text{If } F = 0; E \end{cases}$

Number of shares outstanding = A

NAV per share before performance = B

Performance fee rate (20%) = C

NAV per share after performance = D

High water mark = E

Performance fees = F

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### **Investment Manager**

Crossinvest SA, Corso Elvezia 33, CH-6900 Lugano

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### **Other Information**

Initial subscriptions for A and B shares at an initial subscription price of USD 100,- are accepted from 25<sup>th</sup> to 26<sup>th</sup> of August 2014.

# CROSSFUND SICAV– CROSSINVEST SWISS OPPORTUNITY FUND

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## **Investment Policy**

The investment objective of the Sub-Fund is to achieve a long term capital growth in Swiss Francs by pursuing exposure opportunities to the Swiss market.

The Sub-Fund will achieve its objective by taking exposure directly and indirectly in any type of equity and equity related securities of companies which are domiciled, headquartered or exercise the predominant part of their activity in Switzerland.

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The Sub-Fund will mainly invest:

- directly in the securities mentioned in the previous paragraph; and/or
- in undertakings for collective investment (including UCITS, other UCIs and ETF) having as main objective to invest or grant an exposure to the above-mentioned securities, within the limit mentioned below; and/or
- in any transferable securities (such as Structured Products, as described in the body of the Prospectus) linked (or offering an exposure) to the performance of the above-mentioned securities; and/or
- in financial derivative instruments having as underlying or offering an exposure to the above-mentioned securities.

In the pursuit of its investment policy/strategy and due to the use of financial derivative instruments, the Sub-Fund can at any time invest up to 100% of its net assets in cash deposits, money market UCIs (within the 45% limit mentioned below) and money market instruments.

Except the Swiss exposure, the choice of investments will neither be limited by an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single currency and/or in a single economic sector.

The Sub-Fund may also invest directly or indirectly (through undertakings for collective investment, Structured Products, any type of transferable securities) in other asset classes, among others any type of debt securities (including money market instruments), bank deposits, cash and cash equivalents.

The Sub-Fund's investments in other undertakings for collective investment will not exceed 45% of the Sub-Fund's net assets.

In exceptional circumstances and in the best interest of the shareholders, the Sub-Fund may derogate to its investment policy and objective and may hold up to 100% of its net assets in liquidities such as cash deposits, money market UCIs (within the 45% limit mentioned below) and money market instruments or sovereign bonds.

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For hedging and for any other purposes, the Sub-Fund may use financial derivative instruments within the limits and descriptions set out in the body of the Prospectus, which will be principally futures, options as well as CFDs and swaps (including TRS) related to the asset class above.

Notwithstanding the use of derivatives above, the Sub-Fund may also invest in other financial derivatives instruments as described in the general part of the Prospectus.

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**Consolidation Currency**

The Sub-Fund’s accounts will be consolidated in Swiss Francs (CHF).

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**Profile of risk and typical investor**

This Sub-Fund is targeted to investors interested in a diversified investment on the Swiss market, with a moderately high risk profile and the following objectives :

- (i) an interest in the Swiss equity market;
- (ii) profit also from bonds with a higher level of risk.

The main risk is linked to variations in the prices of the shares; other risks involve those linked to placement, the solvency of the issuers and interest rate fluctuations.

Taking into account the general stock market development and the securities included in the Sub-Fund’s portfolio, the net asset value may be subject to considerable fluctuations. The Sub-Fund offers no guarantee while negative performance phases cannot be ruled out.

The investor must envisage an investment horizon of three years as a general rule as well as a suitable risk capacity and tolerance.

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**Overall risk monitoring method**

The global risk exposure for this Sub-Fund is calculated and monitored through the *absolute Value-at-Risk (VaR) approach*.

Expected leverage : max. 200% (method for calculating the expected leverage: sum of the notionals)

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**Share Classes**

The NAV for the Share Classes below is calculated every Business Day.

Share Class	Minimum Initial Subscription Amount	Eligible Investors	Management fee	Performance fee	Telekurs Code ISIN
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A	50 000,-	Unrestricted	max. 1.50%	yes, see below	23948713 / LU1047617987
B	-none-	Unrestricted	max. 1.70%	yes, see below	23949332 / LU1047627192
I	5'000'000,-	Institutional Investors	max. 0.75%	no*	TK 28085388 LU1228341407
L (EUR)**	1 Share (minimal Holding)	Reserved for Investors dealing on the Borsa Italiana	max. 1.50%	yes, see below	TK 28056719 LU1228340698
P	-none-	Reserved for Investors subscribing via a distribution platform	max. 1.50%	yes, see below	TK 28085391 LU1228343361

\* No Performance Fee is payable in respect of Class I Shares.

\*\* Class L (EUR) Shares are listed on the Borsa Italiana. Class L (EUR) Shares are therefore reserved for Investors who buy and sell Shares on the Borsa Italiana. Shares of Class L (EUR) Shares are denominated in EUR. For any additional information on the listing on the Borsa Italiana, please refer to Section 9.6 of the body of the Prospectus.

The Management fee is based on the average net asset value of the Sub-Fund, payable quarterly in arrears.

## Performance fee

The Investment Manager will receive a performance fee from the Sub-Fund in accordance with the provisions set out below.

### **1. Performance Fee calculation methodology applicable until 8 February 2016 included:**

The Investment Manager will receive a performance fee, accrued on each valuation date, paid yearly, based on the net asset value (NAV), equivalent to 10 % of the performance of the NAV per share (measured against the reference NAV) over the performance of an hurdle rate of which 50% is composed of the performance of the Swiss Performance Index (SPI) and 50% by the proration of the 1 year Libor rates in CHF during the current period.

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the outperformance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the reference NAV for the calculation period in question.

The Reference NAV is defined as the greater of the following two figures:

- The latest NAV per share after deduction of performance fee during the previous calculation period; and
- The latest Reference NAV.

The Reference NAV will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each valuation date. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per share against the hurdle rate until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the Reference NAV adjusted by the hurdle at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

Calculation period shall correspond to each calendar year.

Performance fees are payable within 15 business days following the closing of the yearly accounts.

The formula for the calculation of the performance fee is as follows:

F	=	0
		If $[(B / E - 1) - X] \leq 0$
F	=	$[(B / E - 1) - X] * E * C * A$
		If $[(B / E - 1) - X] > 0$
The new Reference NAV	=	Max( E ; D) at the last end of period
Number of shares outstanding	=	A
NAV per share before performance	=	B
Performance fee rate (10%)	=	C
NAV per share after performance	=	D
Reference NAV	=	E
Performance fees	=	F
Hurdle yield based on 50% of the performance of the Swiss Performance Index	=	X



(SPI) and 50% by the proration of the 1 year Libor rates in CHF

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## **2. Performance Fee calculation methodology applicable with effect as from 9 February 2016:**

The Investment Manager will receive a performance fee, accrued on each valuation date, paid yearly, based on the net asset value (NAV), equivalent to 20 % of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the out performance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the high water mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The last highest Net Asset Value per Share on which a performance fee has been paid and;
- The initial NAV per share.

The High Water Mark will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each Valuation Point. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

Calculation period shall correspond to each calendar year.

Performance fees are payable within 15 business days following the closing of the yearly accounts.

The formula for the calculation of the performance fee is as follows:

F	=	0
		If $(B / E - 1) \leq 0$
F	=	$(B / E - 1) * E * C * A$
		If $(B / E - 1) > 0$
The new high water mark	=	if $F > 0$ ; D
		If $F = 0$ ; E
Number of shares outstanding	=	A
NAV per share before performance	=	B
Performance fee rate (20%)	=	C
NAV per share after performance	=	D
High water mark	=	E
Performance fees	=	F

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### Investment Manager

Crossinvest SA, Corso Elvezia 33, CH-6900 Lugano

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### Other Information

This Sub-Fund was launched on November 7<sup>th</sup>, 2014. based on the absorption of the sub-fund "CB Accent Lux - Crossinvest Swiss Opportunity Fund", who was also managed by Crossinvest SA according to a similar strategy.

# CROSSFUND SICAV– CROSSINVEST HEALTHCARE FUND

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## **Investment Objective**

The investment objective of the Sub-Fund is to achieve a long term capital appreciation by pursuing sector focus exposure opportunities in companies involved in health and personal care. These companies could participate in the research, clinical development or commercialization of medicines, equipment or services for disease treatment or life style improvement. The investment focus will be on industry leaders that offer premium growth and/or profitability prospects, pipeline and valuation upside.

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## **Investment policy**

### Main investments

The Sub-Fund will mainly invest in equities and equity related securities (including but not limited to ADR (American Depositary Receipt), GDR (Global Depositary Receipt), convertible bonds, reverse convertible bonds) of companies which are active or involved in the healthcare sector.

The choice of investments will neither be limited by geographical area (including emerging markets) nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency.

### Other investments

On an Ancillary Basis, the Sub-Fund may invest in any other type of eligible assets, such as equities other than those above-mentioned, money market instruments, undertakings for collective investment (UCIs), cash.

The Sub-Fund may invest up to 10% of its net assets in UCITS and other UCIs.

For hedging and for investment purposes, the Sub-Fund may use financial derivative instruments within the limits and descriptions set out in the main body of this Prospectus. In normal market conditions, the Investment Manager intends to use futures and options offering an exposure to equities, contracts for difference, currency forward exchange contracts. However, in order to avoid any doubt, the Sub-Fund can, on an extraordinary basis, invest in other financial derivatives instruments as described in the main body of this Prospectus (such as total return swaps).

If the Investment Manager considers this to be in the best interest of the shareholders of this Sub-Fund, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets in liquidities as among others cash deposits, money market UCIs (within the above-mentioned 10% limit) and money market instruments.

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**Risk factors associated with this Sub-Fund**

The risks pertaining to an investment in the Sub-Fund are those primarily related to equity securities, and other financial instruments.

The Sub-Fund is also subject to other additional risks, such as credits risks, interest rates risks, market risks, derivative risks, Stock Market Volatility set out under section 31 of this Prospectus.

**Risk Warning concerning investments in emerging markets**

The Sub-Fund may invest in emerging markets. Investors should be aware that, due to the political and economic situations in emerging countries, investment in this Sub-Fund presents greater risk and is intended only for investors who are able to bear and assume this increased risk. Investment in this Sub-Fund is subject, among other risks, to political risks, capital repatriation restrictions, counterparty risks, and volatility and/or illiquidity risks in the markets of the emerging countries in question.

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**Consolidation Currency**

The Sub-Funds accounts will be consolidated in US dollar (USD).

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**Profile of risk and typical investor**

This Sub-Fund is suitable for investors who are prepared to take the higher risks associated with equity investments in order to achieve their return. Thus, investors should have experience with volatile equity products and be able to accept temporary losses.

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**Overall risk monitoring method**

The global risk exposure for this Sub-Fund is calculated and monitored through the Commitment Approach.

In that respect, financial derivatives instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the Sub-Fund's net asset value.

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**Share Classes**

The NAV for the Share Classes below is calculated every Business Day.

Share Class	Minimum Initial Subscription Amount	Eligible Investors	Management fee	Performance fee	Telekurs Code ISIN
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A USD	50 000,-	Unrestricted			TK 30671916 LU1334634299
A EUR	50 000,-	Unrestricted	max. 1.50%	yes, see below	TK 30671961 LU1334634372
A CHF	50 000,-	Unrestricted			TK 30671963 LU1334634539
B USD	-none-	Unrestricted			TK 30671976 LU1334634612
B EUR	-none-	Unrestricted	max. 2.00%	yes, see below	TK 30674042 LU1334634703
B CHF	-none-	Unrestricted			TK 30674050 LU1334635189
I USD	100 000,-	Institutional Investors			TK 30676070 LU1334635262
I EUR	100 000,-	Institutional Investors	max. 1.50%	yes, see below	TK 30676086 LU1334635346
I CHF	100 000,-	Institutional Investors			TK30676540 LU1334635429
L (EUR)*	1 Share (minimal Holding)	Reserved for Investors dealing on the Borsa Italiana	max. 1.50%	yes, see below	TK 30676542 LU1334635692
P (USD)	-none-	Reserved for Investors subscribing via a distribution platform	max. 1.50%	yes, see below	TK 30676544 LU1334635775

\* Class L (EUR) Shares are listed on the Borsa Italiana. Class L (EUR) Shares are therefore reserved for Investors who buy and sell Shares on the Borsa Italiana. Shares of Class L (EUR) Shares are denominated in EUR. For any additional information on the listing on the Borsa Italiana, please refer to Section 9.6 of the body of this Prospectus.

The management fee is based on the average NAV of the Sub-Fund, payable quarterly in arrears.

### Performance fee

The Investment Manager will receive a performance fee, accrued on each valuation date, paid yearly, based on the NAV, equivalent to 15 % of the performance of the NAV per Share exceeding the High Water Mark (as defined hereafter).

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the out performance of the NAV per Share multiplied by the number of Shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the high water mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The last highest Net Asset Value per Share on which a performance fee has been paid and;
- The initial NAV per share.

The High Water Mark will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each Valuation Date. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If Shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the Shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

Calculation period shall correspond to each calendar year.

Performance fees are payable within 15 Business Days following the closing of the yearly accounts.

The formula for the calculation of the performance fee is as follows:

$$F = 0 \text{ If } (B / E - 1) \leq 0$$

$$F = (B / E - 1) * E * C * A \text{ If } (B / E - 1) > 0$$

$$\text{The new High Water Mark} = \text{if } F > 0; D \text{ If } F = 0; E$$

$$\text{Number of Shares outstanding} = A$$

$$\text{NAV per Share before performance} = B$$

$$\text{Performance fee rate (15\%)} = C$$

$$\text{NAV per Share after performance} = D$$

$$\text{High Water Mark} = E$$

$$\text{Performance fees} = F$$

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**Investment Manager**

Crossinvest SA, Corso Elvezia 33, CH-6900 Lugano

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**Other Information**

Initial subscriptions for A and B shares at an initial subscription price of USD 100, (or equivalent amount in CHF or EUR depending on the relevant Share Class) - are accepted from 7 April 2016 to 22 April 2016.

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