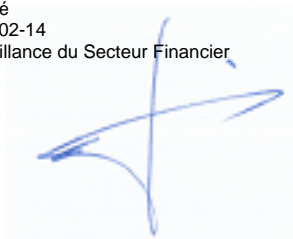


VISA 2018/111586-7838-0-PC

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

Luxembourg, le 2018-02-14

Commission de Surveillance du Secteur Financier



Prospectus

ARCAM SICAV

An Investment Company with variable capital in transferable securities

("SICAV" governed by Luxembourg law)

Subscriptions may only be received on the basis of this prospectus. The last available annual report and additionally the latest half-yearly report are available at the registered office of the Fund.

15 January 2018

ARCAM SICAV (the "Fund") is registered under Part I of the Luxembourg law of 17th December 2010 on collective investment undertakings, as amended (the "2010 Law"), transposing Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS") as amended by the Directive 2014/91/EC ("UCITS V") of the European Parliament and of the Council of 23 July 2014.

The shares have not been registered under the United States Securities Act of 1933 and may not be offered directly or indirectly in the United States of America (including its territories and possessions) to nationals or residents thereof or to persons normally resident therein, or to any partnership or persons connected thereto unless pursuant to any applicable statute, rule or interpretation available under United States law.

U.S. Foreign Account Tax Compliance Requirements: Although the Fund will attempt to secure the compliance of its counterparties with FATCA rules and avoid imposition of the 30% withholding tax on its US source income, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of FATCA, the value of Shares held by all Shareholders of the Fund may be materially affected.

The distribution of this document in other jurisdictions may also be restricted; persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions. This document does not constitute an offer by anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer.

Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of shares in the Fund shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date hereof.

The Board of Directors of the Fund accepts responsibility for the accuracy of the information contained in this Prospectus on the date of publication.

All references herein to times and hours are to Luxembourg local time.

All references herein to EUR are to Euro.

This Prospectus may be updated from time to time with significant amendments. Consequently, subscribers are advised to inquire with the Fund as to the publication of a more recent Prospectus.

It is recommended to subscribers to seek professional advice on the laws and regulations (such as those on taxation and exchange control) applicable to the subscription, purchase, holding and selling of shares in their place of origin, residence or domicile. This is especially applicable in the case of classes and sub-

funds intended to institutional investors for which investors should qualify as such. Prior to applying, subscribers are recommended to make enquiries on whether the required criteria are met and whether their subscriptions can be taken into consideration.

Data Protection Policy:

Certain personal data of shareholders and any information that is furnished in connection with an investment in the Fund may be collected, stored in digital form and otherwise processed in the course of the relationship with the Fund, the Management Company, the Investment Manager(s) and investment advisor(s) (if any), the Administrative, Registrar and Transfer Agent, the Depositary, their respective agents and delegates, officers, members, employees, representatives or agents (the “**Entities**”), as data processor, as appropriate in compliance with the provisions of the Luxembourg law of 2nd August 2002 on data protection, as amended (the “**Data Protection Law**”).

Information may be processed for the purposes of carrying out the services of the Entities to the shareholders and to comply with applicable legislations or regulations including but not limited to, anti-money laundering legislation, FATCA, legislation for the purpose of application of CRS or similar laws and regulations on data controllers or processors (as defined in the Data Protection Law), as appropriate. The information may be used in connection with investments in other investment fund(s) managed by the Management Company or its affiliates. Information shall be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as governmental or regulatory bodies including tax authorities, auditors, accountants, distributors, subscription and redemption agents as well as permanent representatives in place of registration or any other agents of the Entities who may process the personal data for carrying out their services and complying with legal obligations as described above. Shareholders especially acknowledge that the Administrative, Registrar and Transfer Agent may have to transmit information to the Luxembourg tax authorities if so required by such tax authorities in accordance with the provisions of Luxembourg laws and regulations.

The Fund may sub-contract to another entity (the “**Processor**”), which is not directly or indirectly affiliated with the Fund, but duly approved by the CSSF, the processing duty of personal data.

By subscribing or purchasing the Shares of the Fund, shareholders consent to such processing of its personal data and the disclosure of its information to the parties referred to above including companies situated in countries outside of the European Economic Area which may not have the same data protection laws as in the Grand Duchy of Luxembourg and to answer to some mandatory questions in compliance with FATCA and potentially CRS. This consent is formalised in writing in the subscription documentation to be used by the relevant intermediary. In accordance with the provisions of the Data Protection Law, each shareholder has a right of access to and of rectification of his personal data in case where such data is inaccurate or incomplete.

Reasonable measures have been taken to ensure confidentiality of the personal data transmitted within the above mentioned parties. However, due to the fact that the information is transferred electronically and made available outside of the Grand Duchy of Luxembourg, the same level of confidentiality and the

same level of protection in relation to data protection regulation as currently in force in Luxembourg may not be guaranteed while the information is kept abroad.

Personal data shall not be held for longer than necessary with regard to the purpose of the data processing.

ARCAM SICAV

Société d'investissement à capital variable

Registered office: 44, Rue de la Vallée

L-2661 Luxembourg

Grand-Duchy of Luxembourg

R.C.S. Luxembourg B 176.839

Board of Directors

Chairman

Patrick COGGI
Head of Investment Services
BANCA ARNER S.A.
Piazza Manzoni, 8
CH-6901 LUGANO

Directors

Margherita Balerna Bommartini
Conducting Officer
Casa4Funds SA Luxembourg, Swiss branch, Paradiso
Via L. Zuccoli 19,
CH – 6900 LUGANO

Giuseppe LOMBARDO
Portfolio Manager
BANCA ARNER S.A.
Piazza Manzoni, 8
CH-6901 LUGANO

Management Company

CASA4FUNDS SA

44, Rue de la Vallée, L-2661 Luxembourg

Board of directors of the Management Company

Chairman: Michele Milani, Banor Sim SpA

Directors: Giacomo Mergoni, Banor Capital Ltd
Alberto Cavadini, Independent Director

Conducting Officers of the Management Company

- Margherita Balerna Bommartini
- Arnaud Bouteiller
- Céline Gutter
- Robert Zagorski
- Richard Maisse

Depository

BANQUE DE LUXEMBOURG

14, Boulevard Royal, L-2449 Luxembourg

Administrative Agent, Registrar and Transfer Agent

EUROPEAN FUND ADMINISTRATION S.A. (EFA)

2, rue d'Alsace, L-1122 Luxembourg

Investment Manager

CASA4FUNDS SA

44, Rue de la Vallée, L-2661 Luxembourg

Investment Advisor

BANCA ARNER S.A.

Piazza Manzoni 8, CH-6901 Lugano

Auditor

DELOITTE AUDIT S.AR.L.

560, rue de Neudorf, L-2220 Luxembourg

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GLOSSARY

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus.

<i>1915 Law</i>	The Luxembourg law of 10 August 1915 on commercial companies, as amended.
<i>2010 Law</i>	The Luxembourg law of 17 th December 2010 on undertakings for collective investment, as amended.
<i>Accounting Currency</i>	The currency of consolidation of the Fund. The consolidated financial statements of the Fund are expressed in EUR.
<i>Articles of Incorporation</i>	The articles of incorporation of the Fund, as amended from time to time.
<i>Bank Business Day</i>	A full bank business day in Luxembourg.
<i>Board of Directors</i>	The Board of Directors of the Fund.
<i>Categories</i>	Each Class of Shares may be further sub-divided into two Categories of Shares, being Distribution shares and Accumulation shares, as further described under Section “ <i>Distribution policy</i> ”.
<i>Classes</i>	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of shares whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum investment amount, taxation or distribution policy may be applied.
<i>Conversion of Shares</i>	Unless specifically indicated to the contrary for any Sub-Fund/Classes of shares and subject to compliance with any eligibility conditions, Shareholders may at any time request conversion of their shares into shares of another existing Sub-Fund/Class of shares. Shares are issued and cancelled on the same day on the basis of the applicable net asset values of the Shares of both Sub-Funds.

<i>Crystallization Principle</i>	Any accrued positive performance fee will be crystallized. When there are redemptions at the Fund level the proportion of the accrued fee applicable to the redemption will be crystallized, i.e. become payable (or will be written off) and cannot be eroded by future underperformance. As accrued performance fees are crystallized, the cumulative accrual will adjust with the payable amount without any impact on the NAV. This approach to crystallization protects the interests of the Fund's shareholders.
<i>CSSF</i>	<i>Commission de Surveillance du Secteur Financier</i> – The Luxembourg Supervisory Authority.
<i>Currency Hedged Share Class</i>	A Share Class denominated in a different currency than the Reference Currency of the relevant Sub-Fund for which the Fund/the Investment Manager utilises currency risk hedging arrangements in order to systematically limit investor's currency risk by reducing the effect of the exchange rate fluctuations between the Reference Currency and the currency to which the investor wishes to be exposed, in compliance with ESMA Opinion 34-43-296 dated 30 th January 2017. The Investment Manager will ensure to hedge such risk between 95-105 % of the value of each Currency Hedged Share Class.
<i>Denomination Currency</i>	The currency in which a Class of Shares can be denominated and which can differ from the Reference Currency, as further detailed in the Annexes.
<i>Depository</i>	The assets of the Fund are held under the custody or control of BANQUE DE LUXEMBOURG (the "Depository").
<i>Eligible Market</i>	A Regulated Market in an Eligible State.
<i>Eligible State</i>	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania.
<i>EU</i>	The European Union.
<i>Exchange Traded Funds (ETFs)</i>	Exchange traded products that are structured and regulated as mutual funds or collective investment schemes. Most ETFs are UCITS compliant collective investment schemes. UCITS are not allowed to invest in physical commodities but they are able to use synthetic index replication to obtain exposure to broad commodity indices that satisfy the relevant diversification requirements. United States ETFs (open-ended US ETFs subject to the

Investment Company Act of 1940 which qualify as a "Diversified Fund") are qualified as other UCIs in the meaning of the 2010 Law provided they meet all the requirements set forth in article 41(1) e) of the 2010 Law, including the requirement that the rules on assets segregation, borrowing, lending and uncovered sales are equivalent to the UCITS requirements (such requirements should be consider satisfy after an appropriate eligibility analysis enabling to conclude that the US ETF actually complies in all material respects with the UCITS restrictions, or by means of a written confirmation of the US ETF or its manager).

***Exchange Traded
Commodities (ETCs)***

ETCs are traded and settled like ETFs but are structured as debt instruments. They track both broad and single commodity indices. ETC may be physically backed by the underlying commodity (e.g. precious metals) – but in any case no physical delivery should be considered - or uses fully collateralized swaps or futures to synthetically replicate the index return, The Fund will only invest in ETCs qualified as transferable securities in the meaning of the article 41(1) of the 2010 Law, the Article 2. of the Grand-ducal Regulation of 8th February 2008 and the article 17 of the CESR / 07-044b. Furthermore when ETCs contain embedded derivatives, the underlying shall comply with the provisions of the Article. 8 of the Grand-ducal Regulation of 8th February 2008.

***Exchange Traded Notes
(ETNs)***

ETNs are quite similar to ETCs, they are generally senior, unsecured, unsubordinated debt issued by a single bank and listed. There are two types of ETNs: collateralised and uncollateralised notes. Collateralised ETNs are hedged partly or fully against counterparty risk whereas uncollateralised ETNs are fully exposed to counterparty risk, which means that an investor in an ETN will be fully exposed to issuer credit risk. The Fund will only invest in ETNs qualified as transferable securities in the meaning of the article 41(1) of the 2010 Law, the Article 2.of the Grand-ducal Regulation of 8th February 2008 and the article 17 of the CESR / 07-044b. Furthermore when ETNs contain embedded derivatives, the underlying shall comply with the provisions of the Article. 8 of the Grand-ducal Regulation of 8th February 2008.

FATF

Financial Action Task Force (also referred to as Groupe d'Action Financière).

FATCA

Means the Foreign Account Tax Compliance Act such as enacted and adopted by the United States of America on March 18, 2010, requiring US individuals to report their financial accounts held outside of the United States and foreign financial institutions to report to the Internal Revenue Service, or the tax authority in their

jurisdiction of domicile, information about their US clients.

Fund

ARCAM SICAV, an investment company organised under Luxembourg law as a société anonyme qualifying as a société d'investissement à capital variable ("SICAV"). It may comprise several Sub-Funds.

***Grand-ducal Regulation of
8 February 2008***

Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions.

Institutional Investors

Any investors, within the meaning of Article 174 (II) of the Luxembourg Law of 17 December 2010, which are legal entities, included, but not limited to, insurance companies, pension funds, credit establishments and other professionals in the financial sector investing either on their own behalf or on behalf of their clients who are also investors within the meaning of this definition or under discretionary management, Luxembourg and foreign collective investment schemes and qualified holding companies.

Investment Advisor

The Management Company may appoint an investment advisor for one or all the Sub-Funds in order to advise and make recommendations regarding the selection of securities and other permitted assets to be acquired by any Sub-Fund in line with the investment policy of the relevant Sub-Fund.

Investment Manager

The Management Company may delegate, under its supervision and ultimate responsibility, the portfolio management of part or all of the Sub-Funds to one or several investments managers, subject to the prior approval of the Luxembourg Supervisory Authority.

Issue of shares

The Offering Price per share of each Sub-Fund will be the net asset value per share of such Sub-Fund determined as of the applicable Valuation Day plus the applicable dealing charge.

High Watermark

The *High Watermark* or “threshold limit” relates to a principle which states that the performance fee only applies when the Net Asset Value of the current reference period exceeds the Net Asset

Value (Reference NAV or HWM) at the end of the last reference period which gave a performance fee payment. This prevents investors from paying fees which represents a recovery from past under-performance.

KiiD

Key Investor Information Document

Management Company

Casa4Funds SA has been appointed as the management company of the Fund to be responsible on a day-to-day basis, under supervision of the Directors, for providing administration, marketing and investment management services in respect of all Sub-Funds.

Member State

A member state of the European Union.

Redemption of shares

Shareholders may at any time request redemption of their shares, at a price equal to the net asset value per share of the Sub-Fund concerned, determined as of the applicable Valuation Day less any redemption fee as disclosed in the Section “*Sub-Fund details*” to this Prospectus for a specific Sub-Fund.

Reference Currency

The currency in which the Net Asset Value of each Sub-Fund is denominated, as specified for each Sub-Fund in the relevant section.

Regulated Market

A market within the meaning of Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognised and open to the public.

SFTR

Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25th November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

SFTs

Securities Financing Transactions, such as lending or borrowing of securities or commodities, repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions.

Shares

Shares of each Sub-Fund are offered in registered form and all shares must be fully paid up. Fractions of shares will be issued up to 3 decimals. Shares may also be held through accounts maintained with clearing houses.

Sub-Funds

The Fund offers investors, within the same investment vehicle, a

choice between several sub-funds which are distinguished mainly by their specific investment policy and/or by the currency in which they are denominated. The specifications of each Sub-Fund are described in the Section “*Sub-Funds Details*” and in Appendix I – Sub-Funds features to this Prospectus. The Board of Directors of the Fund may, at any time, decide the creation of further Sub-Funds and in such case, this Prospectus will be updated. Each Sub-Fund may have one or more classes of shares.

Target Funds

Eligible units/shares of UCITS, UCIs and/or ETFs as defined in the Section “Investment and borrowing restrictions” paragraph (1) c) of the Prospectus, which follow the diversification rules as disclosed in the Section “Investment and borrowing restrictions” paragraph VI a) of the Prospectus, and as per the meaning of and pursuant to limits set by articles 41 (1) e) and 46 of the 2010 Law.

UCI

Undertaking for Collective Investment.

UCITS

Undertaking for Collective Investment in Transferable Securities.

UCITS Directive

The Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 (UCITS V).

Valuation Day

The Valuation Day is the Bank Business Day on which the net asset value (“NAV”) is dated.

The NAV is calculated as of the first Bank Business Day following the Valuation Day. The prices used are those of the Valuation Day.

A Valuation Day for all Sub-Funds might be any day on which banks in Luxembourg are normally open for business unless otherwise defined in Appendix I – Sub-Funds features to this Prospectus for a specific Sub-Fund.

The Board of Directors may in its absolute discretion amend the frequency of the Valuation Day for some or all of the Sub-Funds. In such case the Shareholders of the relevant Sub-Fund will be duly informed and Appendix I – Sub-Funds features to this Prospectus will be updated accordingly.

Words or expressions used in the Prospectus that are not specifically defined in this Glossary shall have the same meaning as those defined in the 2010 Law.

THE FUND

ARCAM SICAV is an open-ended collective investment company in the form of a *société d'investissement à capital variable* established under the laws of the Grand-Duchy of Luxembourg, with an "umbrella" structure comprising different Sub-Funds. In accordance with the 2010 Law, a subscription of shares constitutes acceptance of all terms and provisions of the Articles of Incorporation. Within each Sub-Fund, and/or each Class of shares, the investor may select either the distribution of a dividend or the capitalisation of income by choosing between the Distribution shares and the Accumulation shares. Details on each Sub-Fund are disclosed in Appendix I – Sub-Funds features to this Prospectus.

MANAGEMENT AND ADMINISTRATION

1. Board of Directors

The Directors of the Fund are responsible for its management and supervision including the determination of investment policies. They will review the operations of the Fund and of the Management Company.

2. Management Company

The Board of Directors of the Fund has appointed Casa4Funds SA as the Management Company to be responsible on a day-to-day basis, under supervision of the Board of Directors, for providing administration, marketing and investment management services in respect of all Sub-Funds.

The Management Company may from time to time delegate all or some of the services it provides in respect of all Sub-Funds to one or more service providers. In case of such delegation, the Management Company shall supervise the activities of the service providers on a permanent basis.

The Management Company was incorporated as a "*société anonyme*" under the laws of the Grand Duchy of Luxembourg on 5th August 2005 and its articles of incorporation were published in the Mémorial on 21st December 2005. It also acts as management company to other Luxembourg undertakings for collective investment listed at the registered office of the Management Company as well as on its website: www.casa4funds.com. Its subscribed share capital is EUR 1,274,720. The Management Company is approved as management company regulated by chapter 15 of the 2010 Law.

The Management Company shall ensure, amongst others, compliance of the Fund with the investment restrictions and their investment policy set forth in this Prospectus and the Articles of Incorporation.

The Management Company shall also send reports to the Directors on a monthly basis and inform each board member without delay of any non-compliance of the Fund with the investment restrictions.

The Management Company shall also act as Domiciliary Agent of the Fund.

The Management Company has in place a remuneration policy compliant with the UCITS Directive and, among others, with the following principles:

- (i) the remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Management Company manages;
- (ii) the remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in such UCITS, and includes measures to avoid conflicts of interest;

- (iii) the remuneration policy is adopted by the Board of Directors of the Management Company who adopts, and reviews at least annually, the general principles of the remuneration policy and is responsible for, and oversees, their implementation;
- (iv) 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;
- (v) the remuneration of the senior officers in the risk management and compliance functions is overseen directly by the remuneration committee, where such a committee exists;
- (vi) where remuneration is performance-related, the total amount of remuneration is based on a combination of the assessment as to the performance of the individual and of the business unit or UCITS concerned and as to their risks and of the overall results of the management company when assessing individual performance, taking into account financial and non-financial criteria;
- (vii) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the UCITS and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- (viii) guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of engagement;
- (ix) 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.

Details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available on the website : <http://www.casa4funds.com/information-about-the-remuneration.html>

A paper copy of such document is available free of charge from the Management Company upon request.

3. Conflicts of Interest

The Management Company may from time to time act as management company or investment manager to other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that the Management Company may, in the course of its business, have potential conflicts of interest with the Fund.

The Board of Directors of the Fund and/or the Management Company will (in the event that any conflict of interest actually arises) endeavour to ensure that such conflict is resolved fairly and in the best interests of the Fund.

The Fund may also invest in other investment funds which are managed by the Management Company or any of its affiliated entities. The directors of the Management Company may also be directors of investment funds and the interest of such investment funds and of the Fund could result in conflicts. Generally, there may be conflicts between the best interests of the Fund and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the

Fund or investment funds. In the event where such a conflict arises, the directors of the Management Company will endeavour to ensure that it is resolved in a fair manner and in the best interests of the Fund.

4. Investment Managers

The Management Company may delegate, under its supervision and ultimate responsibility, the portfolio management of part or all of the Sub-Funds to one or several investments managers, subject to the prior approval of the Luxembourg Supervisory Authority.

The Investment Manager is required to adhere strictly to the guidelines laid down by the Management Company. In particular, the Investment Manager is required to ensure that the assets of the Fund and each sub-fund are invested in a manner consistent with the Fund's and the sub-funds' investment restrictions and that cash belonging to the Fund and each sub-fund is invested in accordance with the guidelines laid down by the Directors and the Management Company.

5. Investment Advisors

The Management Company may appoint Investment Advisors to provide advisory services to one or several Sub-Fund(s).

The Investment Advisor(s) shall regularly assist the Management Company by giving advice and recommendations regarding the selection of securities and other permitted assets to be acquired by the Fund in line with the investment policy of the relevant Sub-Fund.

The Investment Advisor(s) shall act in a purely advisory capacity. The Management Company shall not be bound by any advice or recommendations provided by such Investment Advisor(s) and shall assume sole responsibility for all decisions taken acting on such advice and recommendations in the management of the Fund's assets.

Each of the appointed Investment Advisor may seek advice, at its own expense, for the investment of the Fund's assets, from any person or corporation which it may consider appropriate.

BANCA ARNER S.A. has been designated Investment Advisor of all Sub-Funds by means of an agreement dated 23th April 2013 with the Management Company.

BANCA ARNER S.A. is a company authorised and regulated by FINMA whose registered office is at Piazza Manzoni 8, CH-6901 Lugano.

6. Distributors and Nominees

Distributors may be appointed for the purpose of assisting the Management Company in the distribution of the shares of the Fund in the countries in which they are marketed.

Certain Distributors may not offer all of the Sub-Funds/classes of shares or all of the subscription/redemption currencies to their customers. Customers are invited to consult their Distributor for further details.

Investors can subscribe Shares in a Sub-Fund directly from the Fund. Investors may also purchase Shares in a Sub-Fund by using the nominee services offered by the Distributors or by the Local Paying Agents. A Distributor or a Local Paying Agent then subscribes and holds the Shares as a nominee in its own name but for the account of the investor. The Distributor or Local Paying Agent then confirms the subscription of the Shares to the investor by means of a letter of confirmation. Distributors and Local Paying Agents that offer nominee services are either seated in countries that have ratified the resolutions adopted by the FATF or Groupe d'action financière internationale "GAFI") or execute transactions through a correspondent bank seated in a FATF country. Investors who use a nominee service may issue instructions to the nominee regarding the exercise of votes conferred by their Shares as well as request direct ownership by submitting an appropriate request in writing to the relevant Distributor or Local Paying Agent offering the Nominee-Service.

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

The Nominee must make every effort to keep an up-to-date electronic list of investors' names and addresses and the number of shares held; the status of shareholder can be verified via the confirmation letter sent to the investor by the Nominee.

Investors are informed that they may be required to pay additional fees for the activity of the above Nominee.

For further details, investors are invited to read the subscription documents available from their usual distributor.

Any Investor shall self-certify its FATCA status to the Fund (or its delegates) via the forms prescribed by the FATCA regulations in force in the relevant jurisdiction (e.g. through the W8, W9 or equivalent filling forms) to be renewed regularly or provide the Fund (or its delegates) with their GIIN numbers if the Investors are FFIs. The Investors shall inform the Fund (or its delegates) of a change of circumstances in their FATCA status immediately in writing in order to ensure correct reporting.

It is the responsibility of the Nominee to identify its clients for FATCA purposes.

The Investors/Distributors that either have not properly documented their FATCA status as requested or have refused to disclose such a FATCA status within tax legally prescribed timeframe may be classified as "recalcitrant" and be subject to a reporting towards tax or governmental authorities and may suffer potential withholding tax.

If you have any doubt on the possible implications of FATCA on the Fund or yourself, you should seek independent professional advice. You are strongly recommended to seek independent advice from your own qualified U.S. tax advisor if you have queries related to FATCA or if you wish to know more about FATCA and its effect on you.

7. Depositary

By virtue of a depositary agreement executed between the Fund, the Management Company and BANQUE DE LUXEMBOURG (“Depositary Agreement”), the latter has been appointed as depositary of the Fund (“Depositary”) for (i) the safekeeping of the assets of the Fund, (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as agreed from time to time and reflected in the Depositary Agreement.

The Depositary is a credit institution established in Luxembourg, whose registered office is situated at 14, boulevard Royal, L-2449 Luxembourg, and which is registered with the Luxembourg register of commerce and companies under number B 5310. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended, including, inter alia, custody, fund administration and related services.

7.1 Duties of the Depositary

The Depositary is entrusted with the safekeeping of the Fund's assets. For the financial instruments which can be held in custody within the meaning of Article 22.5 (a) of UCITS Directive as amended (“Custodiable Assets”), they may be held either directly by the Depositary or, to the extent permitted by applicable laws and regulations, through other credit institutions or financial intermediaries acting as its correspondents, sub-depositary banks, nominees, agents or delegates. The Depositary also ensures that the Fund's cash flows are properly monitored.

In addition, the Depositary shall:

- (i) ensure that the sale, issue, repurchase, redemption and cancellation of the shares of the Fund are carried out in accordance with the 2010 Law, the Prospectus and the Articles of Incorporation;
- (ii) ensure that the value of the shares of the Fund is calculated in accordance with the 2010 Law, the Prospectus and the Articles of Incorporation;
- (iii) carry out the instructions of the Fund, unless they conflict with the 2010 Law, the Prospectus or the Articles of Incorporation;
- (iv) ensure that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- (v) ensure that the Fund's income is applied in accordance with the 2010 Law, the Prospectus and the Articles of Incorporation.

7.2 Delegation of functions

Pursuant to the provisions of the 2010 Law and of the Depositary Agreement, the Depositary delegates the custody of the Fund's Custodiable Assets to one or more third-party custodians appointed by the Depositary.

The Depositary shall exercise care and diligence in choosing, appointing and monitoring the third-party delegates so as to ensure that each third-party delegate fulfils the requirements of the 2010 Law. The

liability of the Depositary shall not be affected by the fact that it has entrusted all or some of the Fund's assets in its safekeeping to such third-party delegates.

In the case of a loss of a Custodiable Asset, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay, except if such loss results from an external event beyond the Depositary's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

According to the 2010 Law, where the law of a third country requires that certain financial instruments of the Fund be held in custody by a local entity and there is no local entity in that third country subject to effective prudential regulation (including minimum capital requirements) and supervision, delegation of the custody of these financial instruments to such a local entity shall be subject (i) to instruction by the Fund to the Depositary to delegate the custody of such financial instrument to such a local entity, and (ii) to the Fund's investors being duly informed, prior to their investment, of the fact that such a delegation is required due to legal constraints in the law of the relevant third country, of the circumstances justifying the delegation and of the risks involved in such a delegation. It shall rest with the Fund and/or Management Company to fulfil the foregoing condition (ii), whereas the Depositary may validly refuse accepting any of the concerned financial instrument in custody until it receives to its satisfaction both the instruction referred to under the foregoing condition (i), and the written confirmation from the Fund and/or the Management Company that the foregoing condition (ii) has been duly and timely fulfilled.

7.3 Conflicts of interests

In carrying out its duties and obligations as depositary of the Fund, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and the investors of the Fund.

As a multi-service bank, the Depositary may provide the Fund, directly or indirectly, through parties related or unrelated to the Depositary, with a wide range of banking services in addition to the depositary services.

The provision of additional banking services and/or the links between the Depositary and key service providers to the Fund, may lead to potential conflicts of interests with the Depositary's duties and obligations to the Fund. Such potential conflicts of interests may in particular be due to the following situations (the term "CM-CIC Group" designates the banking group to which the Depositary belongs).

- the Depositary has a significant shareholder stake in European Fund Administration in Luxembourg ("EFA") and some members of the staff of the CM-CIC Group are members of EFA's board of directors;
- the Depositary delegates the custody of financial instruments of the Fund to a number of sub-custodians;
- the Depositary may provide additional banking services beyond the depositary services and/or act as counterparty of the Fund for over-the-counter derivative transactions.

The following circumstances should mitigate the risk of occurrence and the impact of conflicts of interests that might result from the above mentioned situations.

The staff members of the CM-CIC Group in EFA's board of directors do not interfere in the day-to-day management of EFA which rests with EFA's management board and staff. EFA, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.

The selection and monitoring process of sub-custodians is handled in accordance with the 2010 Law and is functionally and hierarchically separated from possible other business relationships that exceed the sub-custody of the Fund's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interests is further mitigated by the fact that, except with regards to one specific class of financial instruments, none of the sub-custodians used by Banque de Luxembourg for the custody of the Fund's financial instruments is part of the CM-CIC Group. The exception exists for units held by the Fund in French investment funds where, because of operational considerations, the trade processing is handled by and the custody is delegated to Banque Fédérative du Crédit Mutuel in France ("BFCM") as specialized intermediary. BFCM is a member of the CM-CIC Group. BFCM, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.

Additional banking services provided by the Depositary to the Fund are provided in compliance with relevant legal and regulatory provisions and rules of conduct (including best execution policies) and the performance of such additional banking services and the performance of the depositary tasks are functionally and hierarchically separated.

Where, despite the aforementioned circumstances, a conflict of interest arises at the level of the Depositary, the Depositary will at all times have regard to its duties and obligations under the depositary agreement with the Fund and act accordingly. If, despite all measures taken, a conflict of interest that bears the risk to significantly and adversely affect the Fund or the investors of the Fund, may not be solved by the Depositary having regard to its duties and obligations under the depositary agreement with the Fund, the Depositary will notify the Fund which shall take appropriate action.

As the financial landscape and the organizational scheme of the Fund may evolve over time, the nature and scope of possible conflicts of interests as well as the circumstances under which conflicts of interests may arise at the level of the Depositary may also evolve.

In case the organizational scheme of the Fund or the scope of Depositary's services to the Fund is subject to a material change, such change will be submitted to the Depositary's internal acceptance committee for assessment and approval. The Depositary's internal acceptance committee will assess, among others, the impact of such change on the nature and scope of possible conflicts of interests with the Depositary's duties and obligations to the Fund and assess appropriate mitigation actions.

Investors of the Fund may contact the Depositary at the Depositary's registered office to receive information regarding a possible update of the above listed principles.

7.4 Miscellaneous

The Depositary or the Fund may terminate the Depositary Agreement at any time upon not less than three (3) months' written notice (or earlier in case of certain breaches of the Depositary Agreement, including the insolvency of any party to the Depositary Agreement). As from the termination date, the Depositary will no longer be acting as the Fund's depositary pursuant to the Law of 2010 and will therefore no longer assume any of the duties and obligations nor be subject to the liability regime imposed by the 2010 Law with respect to any of the services it would be required to carry out after the termination date.

Up-to-date information regarding the list of third-party delegates will be made available to investors on <http://www.banquedeluxembourg.com/en/bank/corporate/legal-information>.

As Depositary, BANQUE DE LUXEMBOURG will carry out the obligations and duties as stipulated by the 2010 Law and the applicable regulatory provisions.

The Depositary has no decision-making discretion or any advice duty relating to the Fund's organization and investments. The Depositary is a service provider to the Fund and is not responsible for the preparation and content of this Prospectus and therefore accepts no responsibility for the accuracy and completeness of any information contained in this Prospectus or the validity of the structure and of the investments of the Fund.

Investors are invited to consult the Depositary Agreement to have a better understanding of the limited duties and liabilities of the Depositary.

8. Registrar and Transfer and Administrative Agent

Pursuant to an agreement dated 10th February 2014, and with the approval of the Fund, the Management Company with the approval of the SICAV has appointed EUROPEAN FUND ADMINISTRATION S.A. ("EFA" or the "*Administrative Agent*") as Administrative, Registrar and Transfer Agent to be responsible for all administrative duties required by Luxembourg laws and among others for handling the processing of subscriptions of Shares, dealing with requests for redemptions and transfer of Shares, for the safekeeping of the register of Shareholders, for the bookkeeping, the maintenance of accounting records, the calculation and determination of the net asset value per Share in each Sub-Fund as well as for the mailing of statements, reports, notice and other documents to the concerned Shareholders of the SICAV, in compliance with the provisions of, and as more fully described in, the relevant agreement above mentioned.

EFA is empowered to delegate, under its full responsibility, all or part of its duties as Administrative Agent to a third Luxembourg entity with the prior consent of the Management Company.

European Fund Administration S.A., is a société anonyme incorporated under the laws of Luxembourg and having its registered office at 2, rue d'Alsace, L-1122 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg RCS under number B 56.766. The Central Administrative Agent is a professional of the financial sector subject to the Luxembourg Law of 5th April 1993 on the financial sector, as amended.

The rights and duties of EFA as administrative agent are governed by the agreement above mentioned and each of the parties may terminate this agreement subject to three (3) months' notice.

The fees and expenses of the Administrative, Registrar and Transfer Agent are borne by the Fund and charge in accordance with common practice in Luxembourg."

INVESTMENT POLICY AND OBJECTIVES

The Fund's investment objective is long-term capital appreciation which it will seek to achieve by investing in transferable securities, money market instruments, investment funds, commodity linked products (such as Exchange Traded Commodities), financial derivatives instruments and structured products whether denominated in Euro or in any international currencies. There can be no assurance that the Fund's investment objectives will be achieved.

In the general pursuit of obtaining a high level of return and capital appreciation, efficient portfolio management techniques may be employed to the extent permitted by the investment and borrowing restrictions stipulated by the Board of Directors.

The Sub-Funds may from time to time also hold, on an ancillary basis, liquidity.

The historical performance of the Sub-Funds will be published in the KiiD for each Sub-Fund. Past performance is not necessarily indicative of future results.

The specific investment policy of each Sub-Fund is described in the Section Sub-Funds details to this Prospectus.

RISK FACTORS

Equity Risk

While equities have historically been a leading choice of long-term investors, the fluctuations in their prices can sometimes be exacerbated in the short-term.

Because equity securities represent ownership in their issuers, prices of these securities can suffer for such reasons as poor management, shrinking product demand and other business risks.

Many factors can affect equity market performance: economical, politic and business news can influence market-wide trends, over the short term as well as the long term.

Investing in Fixed Income Securities

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which react primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities, and it may be harder to buy and sell securities at an optimum time.

The volume of transactions effected in certain European bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Sub-Fund's investments in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Investment in Financial Derivative Instruments

SHAREHOLDERS SHOULD BE AWARE THAT THE USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES MAY ENTAIL CERTAIN RISKS WHICH MAY AFFECT THE NET ASSET VALUE OF THE SUB-FUNDS.

Investment in Warrants

It should be noted that the inherent volatility of warrants should not be overlooked and will directly affect the net assets of the sub-funds concerned. The reason is that, although the use of warrants may generate higher profits than when investing in conventional shares, it may also lead to heavy losses made worse by leverage.

Credit Default Swaps

Credit default swap transactions may entail particular risks.

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

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

Credit default swaps may present a risk of liquidity if the position must be liquidated before its maturity for any reason. The Fund will mitigate this risk by limiting in an appropriate manner the use of this type of transaction.

Finally, the valuation of credit default swaps may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts.

Futures and Options

The Fund may use options and futures on securities, indices and interest rates in order to achieve investment goals. Also, where appropriate, the Fund may hedge market and currency risks using futures, options or forward foreign exchange or currency contracts (for the risk related to the use of forward contracts please refer to the section below "*OTC Derivative Transactions*"). The Fund must comply with the limits set out below under Section *Investment and Borrowing 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.

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.

OTC Derivative Transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which forward and option contracts, credit default swaps, total return swaps and certain options on currencies and other derivative instruments are generally traded) than of transactions entered into on organised stock exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, the Sub-Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in

connection with such transactions through the receipt of letters of credit or collateral from certain counterparties.

In addition, as the OTC market may be illiquid, it might not be possible to execute a transaction or liquidate a position at an attractive price.

EU Regulation No 648/2012 of 4th July 2012 on OTC derivatives, central counterparties and trade repositories, known as European Market Infrastructure Regulation (“EMIR”) was designed to improve the stability of the OTC markets throughout the EU aiming at introducing uniform requirements in respect of OTC derivatives transactions by requiring certain “eligible” OTC derivatives transactions to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain detail of derivatives transactions to trade repositories.

Prospective investors and Shareholders should be aware that the regulatory changes arising from EMIR and similar regulatory regimes may adversely affect the Fund’s ability to achieve its investment objectives. In addition, the implementation and the compliance with the requirement laid down in EMIR may increase the overall costs borne by the Fund as further detailed in the Section Management and Fund charges.

Risks of relating to the use of SFTs

SFTs involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in SFTs is the risk of default by counterparty who has become insolvent or is otherwise unable or refuse to honour its obligation to return securities or cash to the Sub-Fund as required by the terms of the transaction: **Counterparty risk**.

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

The Fund and any of its Sub-Funds may also enter into securities lending transactions subject to the conditions and limits set out in the Section Techniques and Instruments. If the other party to a securities lending transaction should default, the Fund or the relevant Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Fund or the relevant Sub-Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Fund or the relevant Sub-Fund could suffer losses,

including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

Counterparty risk is generally mitigated by the transfer or pledge of collateral in favor of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral: SFTs also entail **Liquidity risk** due to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption request.

The Sub-Fund may also incur **Operational risk** such as non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligation under sales of securities, and **Legal risks** related to the documentation uses in respect of such transactions.

The Sub-Fund may enter into SFTs with other companies in the same group of companies as the Investment Manager. Affiliated counterparties, if any, will perform their obligations under any SFTs concluded with a Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transaction in accordance with best execution principles. However, investors should be aware that the Investment Manager may face conflicts between its role and its own interest or that of affiliated counterparties.

The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material impact on the Fund's or the relevant Sub-Fund's performance, the use of such techniques may have a significant effect, either negative or positive, on the Fund's or the relevant Sub-Fund's NAV.

In respect of margin lending transactions, the Fund and any of its Sub-Funds cannot extend credit and may only receive credit subject to the restrictions in the UCITS Directive and the Prospectus.

Risk of relating to the use of TRSs

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves **Counterparty risk**. If the Sub-Fund engages in OTC FDI, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the Fund and any of its Sub-Funds enters into TRSs on a net basis, the two payment streams are netted out, with Fund or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRSs is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund's or relevant Sub-Fund's risk of loss consists of the net amount of total return payments that the Fund or Sub-Fund is contractually entitled to receive.

Collateral Management risk

Counterparty risk arising from OTC FDI and SFTs is generally mitigated by the transfer of pledge of collateral in favor of the Sub-Fund. However, transactions may not be fully collateralized. Fees and returns due to the Sub-Fund may not be collateralized. If a counterparty default, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such case, the Sub-Fund could realise a loss due to inaccurate pricing or monitoring of the collateral, adverse movements, deterioration in the credit rating of issuers of the collateral may delay or restrict the ability of the Sub-Fund to meet redemption request.

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

Non-investment grade securities

Furthermore, for sub-funds whose policy allows for the investment in securities rated lower than BBB- by Standard & Poors (or Baa3 by Moody's, or its equivalent), investors are warned that these securities are below investment grade and carry more risk, including greater price volatility and a higher default risk on the repayment of principal and the payment of interest than for higher grade securities. Moreover, certain unlisted or undervalued fixed income securities are highly speculative and entail considerable risk, and may be disputed when principal and interest payments fall due. Securities with a rating below BBB- by Standard & Poors (or Baa3 by Moody's, or its equivalent), or comparable unlisted securities, are considered speculative and may be disputed when principal and interest payments fall due.

Investing in Emerging Countries

Investment in securities issued by issuers situated in or traded on markets situated in emerging countries involves risk factors and special considerations, including those which follow which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investments may be made, including expropriation, nationalisation or other confiscation could result in loss to the Fund. By comparison with more developed securities markets, most emerging countries securities markets are comparatively small, less liquid and more volatile. In addition, settlement, clearing and registration procedures may be under developed enhancing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply to major markets.

Interest Rate Risk

Investment in debt securities or money market instruments is subject to interest rate risk.

A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the risk that such movements in interest rates will negatively affect a security's value or, in a sub-fund's case, its net asset value. Fixed income securities with longer-term maturities tend to be more sensitive to interest changes than shorter-term securities. As a result, longer-term securities tend to offer higher yields for this added risk.

While changes in interest rates may affect a sub-fund's interest income, such changes may positively or negatively affect the net asset value of the sub-fund's shares on a daily basis.

Currency Risk

Since the securities held by a sub-fund may be denominated in currencies different from its base currency, the sub-fund may be affected favorably or unfavorably by changes in the exchange rates between such Reference Currency and other currencies. If the currency in which a security is denominated appreciates against the base currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security.

Although a sub-fund may use hedging or other techniques in seeking to minimize its exposure to currency risk, it may not be possible or desirable to hedge against all currency risk exposure, nor is it guaranteed that a hedging technique will perform as anticipated.

Credit Risk

Credit risk, related to all fixed income securities as well as money market instruments, is the risk that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or specific to an issuer, are all the factors that may have an adverse impact on an issuer's credit quality and security values.

Hedged Classes

In the case where shares are hedged against the Reference Currency of a particular sub-fund, such hedging may, for technical reasons or due to market movements, not be complete and not cover the entire foreign exchange rate risk. There can be no guarantee that hedging strategies will be successful. Moreover, in case of hedging, the investors will not take advantage of any possible positive evolution of the foreign exchange rate.

Counterparty Risk

Also known as "default risk", it is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk as a risk to both parties and should be considered when evaluating a contract.

The Fund is exposed to counterparty risk when entering into Over the Counter ("OTC") derivatives contracts or into cash deposits.

Liquidity Risk

This is the risk of losing a certain amount of money when liquidating one or more positions in a portfolio. The loss is generated by the difference between the price at which the financial asset is marked and the price at which it can be sold.

Liquidity risk arises from situations in which a party interested in trading an asset cannot do it because nobody in the market wants to trade that asset. Liquidity risk becomes particularly important to parties who are about to hold or currently hold an asset, since it affects their ability to trade.

Manifestation of liquidity risk is very different from a drop of price to zero. In case of a drop of an asset's price to zero, the market is saying that the asset is worthless. However, if one party cannot find another party interested in trading the asset, this can potentially be only a problem of the market participants with finding each other. This is why liquidity risk is usually found to be higher in emerging markets or low-volume markets.

INVESTMENT AND BORROWING RESTRICTIONS

The Articles of Incorporation provide that the Board of Directors shall, based upon the principle of spreading of risks, determine the corporate and investment policy of the Fund and the investment and borrowing restrictions applicable, from time to time, to the investments of the Fund.

In order for the Fund to qualify as a UCITS under the 2010 Law and the UCITS Directive, the Board of Directors has decided that the following restrictions shall apply to the investments of the Fund and, as the case may be and unless otherwise specified for a Sub-Fund in the Section Sub-Funds details of this Prospectus, to the investments of each of the Sub-Funds:

- I. (1) The Fund, for each Sub-Fund, may invest in:
- a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC or dealt in on another market which operates regularly and is recognised and open to the public in a Member State of the European Union ("EU") or any other state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania (an "Eligible Market");
 - b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
 - c) units of UCITS and/or other undertakings for collective investment ("other UCIs") within the meaning of Article 1, paragraph (2), points a) and b) of UCITS Directive, whether or not established in a Member State or not, provided that:
 - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Union law, and that cooperation between authorities is sufficiently ensured,
 - the level of protection for unitholders in such 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 such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - 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, in aggregate be invested in

units of other UCITS or other UCIs;

- d) 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 non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Union law;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
 - the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;
- f) money market instruments other than those dealt in on an Eligible Market, if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such 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 EU or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking any securities of which are dealt in on Eligible Markets, or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by European Union law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg regulator to be at least stringent as those laid down by Community law; or
 - issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority 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 EUR 10 million and which presents and publishes its annual accounts in accordance with 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) In addition, the Fund may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under I (1) above.

II. The Fund may hold ancillary liquid assets.

- III. a) (i) The Fund will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same body.
- (ii) The Fund may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) d) above or 5% of its net assets in other cases.

- b) Moreover, where the Fund holds, on behalf of a Sub-Fund, investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Fund may not combine for each Sub-Fund, where this would lead to investment of more than 20% of the Sub-Fund's assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body,
 - deposits made with that body, and/or
 - exposures arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its public local authorities, or by another state in Eastern and Western Europe, Asia, North and South America, Africa and Oceania or by public international bodies of which one or more Member States are members.
- d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity 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 repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by a single issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be combined and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III).

The Fund may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group.

- f) **Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more Member States are members, provided that the sub-fund's Shareholders benefit from sufficient protection and that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**

- IV.
 - a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. a) to e) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF provided that it is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
 - b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on regulated markets within the meaning of Directive 2009/65/EC and any other market which is regulated, operates regularly and is recognised and open to the public

("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.

- V.
- a) The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
 - b) The Fund may acquire no more than:
 - 10% of the non-voting shares of the same issuer;
 - 10% of the debt securities of the same issuer;
 - 25% of the units of the same UCITS or other UCI within the meaning of Article 2, paragraph (2) of the 2010 Law;
 - 10% of the money market instruments of the same issuer.

These limits under second, third and fourth indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

- c) The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States are members.

The provisions of this paragraph V. are also waived as regards:

- shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the third country complies with the limits laid down in paragraph III. a) to e), V. a) and b) and VI
- shares held by one or more investment companies in the capital of subsidiary companies, which carry on only the business of management, advice or marketing in the country where the subsidiary is established, in regard to the repurchase of units at the request of unitholders exclusively on its or their behalf.

- VI.
- a) The Fund may invest up to 100% of any of its sub-fund's net assets in units of UCITS and/or other UCIs ("Target Funds") referred to in paragraph I) (1) c), provided that no more than 20% of the sub-fund's net assets are invested in the units of a single Target Fund and subject to the limits set by the 2010 Law. For the purpose of the application of this investment limit, each compartment of a Target Fund with multiple compartments within the meaning of Article 181 of the 2010 Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
 - b) The underlying investments held by the Target Funds in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. a) to e) above.

- c) When the Fund invests in the shares / units of Target Funds that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the shares / units of such Target Funds.

In respect of a Sub-Fund's investments in Target Funds linked to the Fund as described in the preceding paragraph, the management fee (excluding any Performance Fee, if any) charged to such Sub-Fund and each of the Target Funds concerned shall not exceed a level as disclosed in each Sub-Funds specificities details in the Section Sub-Funds Details. The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the Target Funds in which such Sub-Fund has invested during the relevant period.

- d) The Fund may acquire no more than 25% of the units/shares of the same Target Fund. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a Target Fund with multiple compartments, this restriction is applicable by reference to all units/shares issued by the Target Sub-Funds.
- e) The Fund may not, in aggregate, invest more than 30% of any of its sub-fund's net assets in units of UCIs other than UCITS.

- VII. The Fund shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net value of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III. a) to e) above. When the Fund invests in index-based financial derivative instruments, these investments are not required to be combined to the limits laid down in paragraph III. a) to e).

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

- VIII. a) The Fund may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Fund may acquire foreign currencies by means of back to back loans;
- b) The Fund may not grant loans to or act as guarantor on behalf of third parties. This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.
- c) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.

- d) The Fund may only acquire movable or immovable property which is essential for the direct pursuit of its business, provided that such investment does not represent more than 10% of its assets.
 - e) Where the Fund is authorised to borrow under points a) and d), that borrowing shall not exceed 15% of its assets in total.
 - f) The Fund may not acquire either precious metals or certificates representing them.
- IX.
- a) The Fund needs not comply with the limits laid down in this Section when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.
 - b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Fund 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 interest of its shareholders.
 - c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III. a) to e), IV. and VI.
- X.
- The Management Company will apply a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio.

The Central Administration will employ a process for accurate and independent assessment of the value of OTC derivatives.

TECHNIQUES AND INSTRUMENTS

The Fund is authorised for each sub-fund, in consideration of the risks factors set out in the Section Risk Factors, to use techniques and instruments bearing on Transferable Securities, Money Market Instruments, currencies and other eligible assets, on the condition that any use of such techniques and instruments be carried out for the purpose of hedging and / or efficient management of the portfolio, altogether within the meaning of the Grand-ducal Regulation of 8th February 2008. If a sub-fund uses such techniques and instruments for investment purposes, detailed information on such techniques and instruments will be disclosed in the investment policy of the relevant sub-fund.

I. Financial derivative instruments

Each Sub-Fund may use financial derivative instruments (“**FDI**”) such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging or investment purposes, in accordance with the conditions set out in this Section and the investment objective and policy of the Sub-Fund, as set out in the Section Sub-Funds Details. The use of financial derivative instruments may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

Each sub-fund is therefore in particular authorised to carry out transactions involving FDI and other financial techniques and instruments. FDI may include, without limitation, the following categories of instruments:

- a) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of a certain underlying at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.
- b) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.
- c) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.
- d) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.
- e) Equity swap: an equity swap is an agreement which consist of paying out (or receiving) to (from) the swap counterparty:

- i) a positive or negative price return of one security, a basket of securities, a stock; exchange index, a benchmark or a financial index;
- ii) an interest rate, either floating or fixed;
- iii) a foreign exchange rate; or
- iv) a combination of any of the above.

Against the payment of an interest rate either floating or fixed. There is no exchange of principal in the equity swap and the Fund will not hold any security. The underlying asset category of the swap transactions entered into by the Fund will be indicated in the description of the investment policy of each Sub-Fund in the Section Sub-Funds Details to this prospectus.

The Fund may not enter into equity swap transactions unless:

- i) its counterpart is a recognized financial institution subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction;
- ii) it ensures that the level of its exposure to the equity swap is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions;
- iii) the underlying assets performance referred to under the equity swap agreement is in compliance with the investment policy of the relevant Sub-Fund entering into such transaction.

The total commitment arising from equity swap transactions of a particular Sub-Fund shall be the market value of the underlying assets used for such transactions at inception.

The net exposure of equity swap transactions in conjunction with all exposures resulting from the use of options, interest rate swaps and financial futures may not in respect of each Sub-Fund exceed at any time the Net Asset Value of such Sub-Fund.

The equity swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement. Typically investments in equity swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

- f) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.
- g) Credit default swaps: a credit default swap or “CDS” is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread.

The Fund may use CDS, where one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference price. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The *International Swaps and Derivatives Association, Inc.* (“ISDA”) have produced standardised documentation

for these transactions under the umbrella of its ISDA Master Agreement.

The Fund may use CDS in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection.

In addition, the Fund may, provided it is in its exclusive interest, buy protection under CDS without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with CDS purchased together with the amount of the aggregate of premiums paid relating to the purchase of options on transferable securities or on financial instruments for a purpose other than hedging, may not, at any time, exceed 15% of the net assets of the relevant Sub-Fund.

Provided it is in its exclusive interest, the Fund may also sell protection under CDS in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such CDS sold together with the amount of the commitments relating to the purchase and sale of futures and option contracts on any kind of financial instruments and the commitments relating to the sale of call and put options on transferable securities may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

The Fund will only enter into CDS with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA. Also, the Fund will only accept obligations upon a credit event that are within the investment policy of the relevant Sub-Fund.

The Fund will ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from credit default swaps and other techniques and instruments.

The aggregate commitments of all credit default swap transactions will not exceed 20% of the net assets of any sub-fund provided that all swaps will be fully funded.

- h) Total return swaps: a total return swap or “**TRS**” is an agreement, as further below described, in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses. Then TRS involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets. While the entry into TRSs is possible, it is currently not contemplated.

The Fund or any of its delegates will report the details of any TRSs concluded to a trade repository or ESMA, as the case may be in accordance with the SFTR. TRSs may be used in respect of any instrument that is eligible under article 50 of the UCITS Directive.

The maximum and expected proportion of assets that may be subject to TRS will be set out for each Sub-Fund in the Section Sub-Funds Details. If a Sub-Fund intends to make use of TRS, the Section Sub-Funds Details will include the disclosure requirements of the SFTR.

- i) Contracts for differences: a contract for differences or “**CFD**” is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends.

A. OTC Financial Derivative Instruments

Each Sub-Fund may invest into FDI that are traded *over-the-counter* (“**OTC**”) including, without limitation, TRS or other FDI with similar characteristics, in accordance with its investment objective and policy and the conditions set out in this section of the Prospectus.

The counterparties to OTC FDI will be selected among recognized financial institutions subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction. The identity of the counterparties will be disclosed in the annual report of the Fund.

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

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under OTC FDI, the Sub-Fund may receive cash or other assets as collateral, as further specified in the paragraph II. C. below entitled “*Collateral management and policy for EPM Techniques*”.

B. Financial indices

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

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

II. Efficient portfolio management techniques

Each Sub-Fund may opt to employ techniques and instruments (within the meaning of, and under the conditions set out in applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to, CSSF circulars 08/356 and 14/592, ESMA guidelines 2014/937 and SFTR, provided that such techniques and instruments are used for the purposes of efficient portfolio management (“**EPM**”). The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

The efficient portfolio management techniques (“**EPM Techniques**”) that may be employed by the Sub-Funds in accordance with the below, include, without limitation, securities lending, repurchase agreements and reverse repurchase agreements as described below, which are also qualified as SFTs.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under a securities lending, repurchase or reverse repurchase transaction, the Sub-Fund will receive cash or other assets as collateral, as further specified in paragraph C below “*Collateral management and policy for EPM Techniques*”.

When investing in SFT and FDI relating to transferable securities and money market instruments, each

Sub-Fund shall comply with applicable restrictions and in particular with CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, CSSF circulars 11/512 and 14/592, ESMA Guidelines 2014/937 and the Section Investment and Borrowing Restrictions.

The Fund's annual report should furthermore contain details of the following:

- the exposure obtained through EPM Techniques;
- the identity of the counterparty(ies) to these EPM Techniques;
- the type and amount of collateral received by the Fund to reduce counterparty exposure; and
- the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred;
- the use of SFTs pursuant to the SFTR (if applicable), meaning: global data, concentration data, aggregate transaction data for each type of SFTs and TRS separately to be broken down as specified by the regulation (EU) 2015/2365, safekeeping of collateral received by the collective investment undertaking as part of SFTs and TRS, safekeeping of collateral granted by the collective investment undertaking as part of SFTs and TRS, data on return and cost for each type of SFTs and TRS, and data on reuse of collateral.

Reuse means the use by a receiving counterparty, in its own name and on its own account or on the account of another counterparty, including any natural person, of financial instruments received under a collateral arrangement, such use comprising transfer of title or exercise of a right of use in accordance with Article 5 of Directive 2002/47/EC on financial collateral arrangements but not including the liquidation of a financial instrument in the event of default of the providing counterparty.

The Fund's semi-annual report should also contain details of the use of SFTs pursuant to the SFTR (if applicable) as specified for the annual report.

The use of FDI will cause a risk due to leverage. Considering the maximum of 10% of its net assets that a sub-fund may borrow, as indicated under Section “*Investment Restrictions*” VIII. a) above, the overall exposure of any sub-fund must not exceed 210% of the sub-fund’s net assets.

The investor's attention is further drawn to the increased risk of volatility generated by sub-funds using FDI and other EPM Techniques and instruments for other purposes than hedging. If the Investment Managers forecast incorrect trends for securities, currency and interest rate markets, the affected sub-fund may be worse off than if no such strategy had been used.

All the revenues arising from EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs), net of direct and indirect operational costs and fees, will be returned to the Fund.

Each Sub-Fund may incur costs and fees in connection with EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs). In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary or the Investment Manager to the extent permitted under applicable laws and regulations, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary or the Investment Manager, if applicable, will be available in the annual report. The annual report of the Fund will contain also all details on the revenues arising from EPM Techniques (including, for the avoidance of doubt, SFTs and TRSs), for the entire reporting period.

These operational costs may reach a maximum of 50 % of revenues arising from efficient portfolio management techniques and do not include hidden revenues.

The counterparties to the SFTs will be selected through a credit assessment tailored to the intended activity, which may include *inter alia*, a review of the management, liquidity, credit history, profitability, and corporate structure, regulatory framework in the relevant jurisdiction, capital adequacy, and asset quality.

Approved counterparties will typically have a public rating of A- or above. While there won't be predetermined legal status applied in the selection of the counterparties, this element will typically be taken into account in the selection process.

In any case, the Fund, and relevant Sub-Fund will only enter into SFTs with such counterparties that are considered as creditworthy and subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the board of directors of the Management Company, and that are based on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, unless otherwise disclosed in the Section Sub-Funds Details to this prospectus for a specific Sub-Fund.

The risks linked to the use of SFTs as well as risks linked to collateral management, such as operational, liquidity, counterparty and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in the Section Risk Factors.

Assets subject to SFTs will be safe-kept by the Depositary of the Fund.

The maximum and expected proportion (i) of assets that may be subject to SFTs and (ii) for each type of assets that are subject to SFTs will be set out for each Sub-Fund in the Section Sub-Funds Details. If a Sub-Fund intends to make use of SFTs, the Section Sub-Funds Details will include the disclosure requirements of the SFTR.

The Fund and any of its Sub-Funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFTs for investment purposes will be in line with the risk profile and risk diversification rules applicable to the Fund and any of its Sub-Funds. SFTs include in particular the following transactions:

(i) "securities lending" or "securities borrowing" means a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;

(ii) "buy-sell back transaction" or "sell-buy back transaction" means a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities, or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities, or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy-sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse-repurchase agreement within the meaning of item (iii) below;

(iii) "repurchase transaction" means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;

(iv) "margin lending transaction" means a transaction in which a counterparty extends credit in

connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities.

A. Securities lending and securities borrowing transactions

The Fund may enter into securities lending and borrowing transactions in accordance with the following provisions of CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, of CSSF circular 11/512, CSSF circular 14/592 and ESMA Guidelines 2014/937:

- (i) The Fund may only lend or borrow securities within a standardised system organised by a recognised securities clearing institution or by a highly rated financial institution specialised in this type of transaction. The counterparty must further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.
- (ii) In relation to its lending transactions, the Fund shall receive a guarantee of a value which, at the conclusion and during the lifetime of the agreement, must be at least equal to 90% of the global valuation (interests, dividends and other eventual rights included) of the securities lent.
- (iii) Such guarantee is given in the form of cash and/or securities issued or guaranteed by a Member State of the OECD, by its regional authorities or by supranational institutions and organisations with EU, regional or global scope, and is frozen in an account in the name of the Fund until the lending contract expires. More specifically, the guarantee could take the form of:
 - Liquidity and Cash deposits (defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC) or financial instruments equivalent to cash
 - Bond issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope as well as bonds issued by non-governmental issuers offering an adequate liquidity with a minimum rating of BBB+ by Standard & Poors or Baa1 by Moody's (Investment Grade), or its equivalent, at the time of purchase.
 - Shares and convertible bonds which are comprised in a main index
 - Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent, at the time of purchase.
- (iv) Securities lending transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the sub-fund concerned. This limit does not apply when the Fund has the right to terminate the contract at any time and obtain restitution of the securities lent.
- (v) Securities borrowing transactions may not be for a period exceeding 30 days, nor exceed 50% of the aggregate market value of the securities in the portfolio of the sub-fund concerned.

- (vi) The Fund may only engage in securities borrowing transactions in the following exceptional circumstances: (x) when the Fund is engaged in the sale of portfolio securities at a time when said securities are being registered with a government authority and therefore are not available; (y) when securities which have been lent are not returned on time; and (z) in order to avoid default of a promised delivery of securities if the Depositary fails to perform its obligation to deliver the securities in question.
- (vii) The net exposures (i.e. the exposures of the Fund less the collateral received by the Fund) to a counterparty arising from securities lending transactions or reverse repurchase/repurchase agreement transactions (as described below under point “*Repurchase Transactions*”) shall be taken into account in the 20% limit provided for in Article 43(2) of the 2010 Law pursuant to point 2 of Box 27 of ESMA Guidelines 10-788.
- (viii) When entering into a securities lending agreement, the Fund should ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement.

B. Repurchase Transactions

The Fund may enter into sale with right of repurchases transactions as well as reverse repurchase and repurchase agreement transactions in accordance with the provisions of CSSF Circulars 08/356, 11/512 and 14/592, ESMA Guidelines 2014/937 and the Section Investment and Borrowing Restrictions on an ancillary basis and in order to tweak its performance, enter into repurchase agreements which consist in the purchase and sale of securities whereby the terms of the agreement give the seller the right or the obligation to repurchase the securities from the purchaser at a price and a time agreed by the two parties at the conclusion of the agreement.

The Fund may act as either purchaser or seller in repurchase transactions. However, its entering into such agreements is subject to the following rules:

- (i) The Fund may only purchase or sell securities if its counterparty in the repurchase transaction is a highly-rated financial institution specialised in this type of transaction. The counterparty must further be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Community Law.
- (ii) Throughout the duration of a repurchase agreement, the Fund may not sell the securities that are the subject of the agreement before the counterparty has exercised its right to repurchase the securities, or before the deadline for repurchase has expired.
- (iii) It must maintain the incidence of repurchase agreements at a level that shall allow it at all times to meet its repurchase commitments.
- (iv) The net exposures (i.e. the exposures of the Fund less the collateral received by the Fund) to a counterparty arising from securities lending transactions or reverse repurchase/repurchase

agreement transactions (as described above under point A. “*Securities lending and securities borrowing transactions*”) shall be taken into account in the 20% limit provided for in Article 43(2) of the 2010 Law pursuant to point 2 of Box 27 of ESMA Guidelines 10-788.

When entering into a reverse repurchase agreement, the Fund should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the relevant Sub-Fund. When entering into a repurchase agreement, the Fund should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

C. Collateral management and policy for EPM Techniques

The Fund shall comply with the requirements provided by the provisions laid down in the CSSF Circular 14/592 and set out below when entering into management of collateral for OTC FDI and EPM Techniques ((and which modify the Box 26 of the existing guidelines on Risk Measurement and Calculation of Global Exposure and Counterparty Risk for UCITS (Ref. CESR/10-788)) as well as the provisions laid down in SFTR:

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of the UCITS Directive.

All assets received by the Sub-Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria laid down in paragraph below.

Where a Sub-Fund enters into OTC FDI and EPM Techniques, the Sub-Fund will only accept the following assets as collateral:

- (i) Liquid assets including cash, short term bank certificates and money market instruments as defined within the UCITS Directive. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty is considered as equivalent to liquid assets.
- (ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
- (iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
- (iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items (v) and (vi) below.
- (v) Bonds issued or guaranteed by first class issuers offering an adequate liquidity.
- (vi) Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

For the purpose of the above paragraph, all assets received by a Sub-Fund in the context of EPM Techniques should be considered as collateral.

Furthermore, all collateral used to reduce counterparty risk exposure should comply with the following criteria at all times:

a) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the UCITS Directive.

b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. As the Fund will accept only highly liquid securities as collateral, Mark-to-Market methodology will be used for the valuation of transferable securities and/or money market instruments listed on a regulated market/multilateral trading facility with transparent pricing, which is based on the last known quotation on the Valuation Day. Shares or units in underlying open-ended investment funds are valued at their last available Net Asset Value reduced by any applicable charges.

c) Issuer credit quality – collateral received should be of high quality (as above described).

d) Correlation – the collateral received by the Sub-Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

e) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

By way of derogation from this sub-paragraph, a UCITS may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value. UCITS that intend to be fully collateralized in securities issued or guaranteed by a Member State should disclose this fact in the prospectus of the UCITS. UCITS should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.

f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

g) Where there is a title transfer, the collateral received should be held by the depositary of the Sub-Fund. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

The collateral eligibility requirements set out above stem from the ESMA Guidelines 2014/937 and CSSF circular 14/592.

Cash collateral received by a Sub-Fund should only be:

- placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- invested in high-quality government bonds;
- used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

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

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

Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depositary. Collateral posted in favour of a Sub-Fund under a security interest arrangement (e.g., a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Collateral management risks are further described in the Section Risks Factors of the Prospectus.

D. Haircut Policy

For each of these financial instruments, the following discount rates will be applied (the Management Company reserves the right to vary this policy at any time):

- Cash in a currency other than the currency of exposure: **10%**
- Shares and shares of a UCI : **20%**
- Debt instruments at least investment grade : **15%**
- Non-investment grade debt securities and corporate bonds: **40%**.

The Risk Management makes sure that the collateral used to mitigate counterparty risk is not sold, reinvested or pledged.

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

- Design of stress test scenario analysis including calibration, certification & sensitivity analysis;
- Empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- Reporting frequency and limit/loss tolerance threshold; and

- Mitigation actions to reduce loss including haircut policy and gap risk protection.

A Sub-Fund should have in place a clear haircut policy adapted for each class of assets received as collateral.

When devising the haircut policy, a Sub-Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

The prospectus should also clearly inform investors of the collateral policy of the Fund. This should include permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, re-investment policy (including the risks arising from the re-investment policy).

DEALING BY THE FUND IN ITS OWN SHARES

Pursuant to Article 181 (8) of the 2010 Law, any sub-fund of the Fund may, subject to the conditions provided for in the Articles of Incorporation, subscribe, acquire and/or hold securities to be issued or issued by one or more sub-funds of the Fund without the Fund being subject to the requirements of the 1915 Law, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the conditions however that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
- no more than 10% of the assets that the target Sub-Funds whose acquisition is contemplated may be invested pursuant to the Articles of Incorporation in shares of other target Sub-Funds of the Fund; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- there is no duplication of management, subscription or repurchase fees between those at the level of the Sub-Fund of the Fund having invested in the target Sub-Fund, and this target Sub-Fund.

RISK MANAGEMENT PROCESS

The Management Company, on behalf of the Fund, will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

As part of the RMP within the meaning of the applicable CSSF Circular 11/512 and the ESMA Guidelines 10-788, the Management Company will calculate the global exposure of each Sub-Fund on a daily basis despite of NAV frequency. This global exposure, depending on the risk profile of each sub-fund could be calculated using the Commitment Approach or the Value at Risk Approach (the “VaR Approach”), either relative or absolute.

The Commitment approach is defined as the sum of the absolute value of the individual commitments of financial derivatives instruments, after taking into account possible effects of netting and hedging.

The VaR approach quantifies the maximum potential loss that a UCITS could suffer within a certain time horizon and a given level of confidence under normal market conditions. The Management Company shall use a one month (20 days) Historical VaR with one year of history and a confidence level of 99%.

The risk profile will be evaluated by the Risk Management department of the Management Company, the result of this evaluation will be communicated to the Board of the Fund that will confirm the approach chosen or propose a new one. More specifically, the selection of the approach will result from the investment policy and strategy of each Sub-Fund (including its use of financial derivative instruments). The approach chosen for each Sub-Fund could be found in Appendix II – Sub-Funds Specific Risk Details of the present prospectus. In case of a VaR approach, the expected level of leverage as well as the benchmark or the appropriate mix of assets (if managed with a relative VaR approach) will be indicated. The expected level of leverage will be calculated as the sum of notionals but could be completed by the commitment approach.

SHARES

Within the meaning of Article 181 of the 2010 Law, the Fund may issue within each Sub-Fund one or more classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned but may differ, inter alia, in respect of specific sales and redemption charge structure, management charge structure, distribution policy, hedging policy or any other features as the Board of Directors shall from time to time determine in respect of each Sub-Fund.

Currently, the Board of Directors may decide to issue within each Sub-Fund, the three following Classes of shares as further described in Appendix I – Sub-Funds features to this Prospectus.

- Class R: available to retail investors ;
- Class I: available to Institutional Investors ;
- Class P: available to both retail and institutional investors specifically authorized by the Board of Directors.

In accordance with the above, the Shares are further sub-divided into two categories, Distribution Shares and Accumulation Shares, as further described under section ***Distribution Policy*** and detailed in Appendix I – Sub-Funds features to this Prospectus.

DISTRIBUTION POLICY

The Board of Directors may also decide to issue within the same class of Shares or Sub-Fund, two categories of Shares, being Distribution Shares and Accumulation Shares.

There may be tax implications in investing in one or the other of the categories of Shares.

Distribution Shares

The Distribution Shares will have that portion of the Sub-Fund's net investment income, which is attributable to such Shares, distributed by way of dividend.

The general meeting of holders of Distribution Shares in the Sub-Funds shall decide upon the proposals made by the Board of Directors on this matter. Should the Board of Directors decide to propose the payment of a dividend to the general meeting, such dividend shall be calculated in accordance with the legal and statutory limits for this purpose.

As far as Distribution Shares are concerned, the Board will propose the distribution of a dividend within the limits of their available assets. This dividend may include, besides the net investment income, the realised and unrealised capital gains after deduction of realised and unrealised capital losses. The Board of Directors may also decide the payment of an interim dividend of the previous or the current year in accordance with the legal provisions applicable.

Registered Shareholders are paid by bank transfer sent to the address indicated in the Shareholders' register according to their instructions.

Each Shareholder is offered the possibility to reinvest his dividend free of charge up to the available Share unit.

Dividends not claimed within five years after their payment shall no longer be payable to the beneficiaries and shall revert to the Fund.

All dividend payment notices may be published in a Luxembourg newspaper and/or sent to the shareholders by way of regular mail, as required by law or if deemed appropriate by the Board of Directors.

Accumulation Shares

The Accumulation Shares will have that portion of the Sub-Fund's net investment income, which is attributable to such Shares, retained within the Sub-Fund thereby accumulating value in the price of the Accumulation Shares. The income will be reinvested.

Categories of Shares issued by the relevant Sub-Funds and available for subscription are detailed in the Appendix to the Prospectus.

ISSUE, REDEMPTION AND CONVERSION OF SHARES

"Late Trading" is to be understood as the acceptance of a subscription, conversion or redemption orders after the cut-off time on the relevant Valuation Day and the execution of such orders at the price based on the net asset value per share applicable to such Valuation Day. To deter such practice, the Board of Directors takes the necessary measures to prevent that subscriptions, conversions or redemptions be accepted after the cut-off time in Luxembourg and that the net asset value per share is calculated after the cut-off time ("forward pricing").

The repeated purchase and sale of shares designed to take advantage of pricing inefficiencies in the Fund – also known as "Market Timing"- may disrupt portfolio investment strategies and increase the Fund's expenses and adversely affect the interests of the Fund's long term Shareholders. To deter such practice, the Board of Directors reserve the right, in case of reasonable doubt and whenever an investment is suspected to be related to Market Timing, which the Board of Directors shall be free to appreciate, to suspend, revoke or cancel any subscription, redemption or conversion order placed by investors who have been identified as doing frequent subscriptions and redemptions in and out of the Fund.

The Board of Directors, as safeguard of the fair treatment of all investors, may take necessary measures to ensure that (i) the exposure of the Fund to Market Timing activities is adequately assessed on an ongoing basis, and (ii) sufficient procedures and controls are implemented to minimise the risks of Market Timing in the Fund.

1. Issue of Shares

Initial offer details for new Sub-Funds are disclosed in the Section Sub-Funds details and in the Appendix I – Sub-Funds features to this Prospectus.

Unless otherwise provided for a Sub-Fund in the Section Sub-Funds Details to this Prospectus and in Appendix I – Sub-Funds details to this Prospectus, subscriptions for shares in each Sub-Fund can be made on any Bank Business Day. Applications for subscriptions will normally be satisfied, if accepted, on a Valuation Day, provided that the application is received by 4.00 p.m. (Luxembourg time) the Bank Business Day preceding such Valuation Day.

Applications notified after this deadline will be satisfied on the next following Valuation Day.

The subscription price is payable in the currency of the relevant share class within three Bank Business Days following the applicable Valuation day.

Applications for subscriptions must be sent in writing, fax or swift to the Administrative Agent or with any other appointed agent (if sent by fax or by electronic means to be followed promptly by the original

by post only for the first subscription and with the mention “already faxed”).

For each sub-fund shares are in registered form and may be held through accounts maintained with clearing houses. Each sub-fund may issue fractional Shares (thousandth).

Shares must be fully paid-up and are issued with no par value. There is no restriction with regard to the number of shares which may be issued.

The inscription of the shareholder’s name in the shareholders' register evidences his right to ownership of such registered shares. The shareholders' register is kept at the registered office of the Registrar and Transfer Agent.

Applications for subscription may, at the subscriber's choice, pertain to a number of shares to be subscribed or to an amount to be invested in the Fund. Only in this latter case, fractional shares might be issued.

The rights attached to the shares are those provided for in the 1915 Law, unless superseded by the 2010 Law.

All shares of the Fund have an equal voting right, whatever their value (except that portion of a share that is a fractional share). That is to say one share is entitled to one vote. Fractional Shares shall not be entitled to vote.

The shares of the Fund have an equal right to the liquidation proceeds of the Fund.

The countries where the Fund is distributed may decide to apply minimum subscription amounts as described in the local documents in force.

The minimal initial subscription in any Sub-Fund is specified in Appendix I – Sub-Funds features to this Prospectus. The holding value in each Sub-Fund may only fall below such minimum as a result of a decrease of the net asset value per share of the Sub-Fund concerned.

Shares shall be allotted at the net asset value per share dated as of the Valuation Day following the Bank Business Day on which the application has been accepted.

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

Subscription payments will be made in the currency of the relevant Share Class.

Shares may be subscribed against contributions in kind considered acceptable by the Board of Directors on the basis of the investment policy of the relevant Sub-Fund and will be valued in an auditor's report as required by Luxembourg law. The relevant fees will be paid by the subscriber.

The Fund reserves the right to:

- accept or refuse any application in whole or in part and for any reason;
- repurchase, at any time, shares held by persons not authorised to buy or own the Fund's shares.

The Fund may also limit the distribution of shares of a given Sub-Fund to specific countries.

The Fund has delegated to the Management Company the administration and marketing services in respect of all the sub-funds. Pursuant to such delegation, the Management Company or its delegates will monitor the prevention of anti-money laundering measures. Measures aimed at the prevention of money laundering may require an applicant for shares to certify its identity to the Management Company or its delegates. Depending on the circumstances of each application, verification may not be required where the applicant makes the payment from an account held in the applicant's name at a recognised financial institution, or the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is established within a country recognised by Luxembourg as having equivalent anti-money laundering regulations. Thus, for the subscription to be valid and acceptable by the Fund, shareholders shall attach the following documents to the application forms, as well as any additional documents as requested from time to time by the Transfer and Registrar Agent in compliance with the applicable laws and regulation in Luxembourg:

- if the investor is a *physical person*, a copy of one of his/her identification documents (*passport or ID card*), or
- if the investor is a *legal entity*, a copy of its corporate documents (*such as the articles, published balances, excerpt of the Trade Register, ...*) and the copies of the identification documents of its economic eligible parties (*passport or ID card*).

These documents shall be certified true copies of the originals by a public authority.

This requirement is mandatory, except if:

- the application form is sent through another professional of the financial sector established in a State member of the FATF and that this professional has already ascertained the identity of the applicant in a manner equivalent to that required by Luxembourg law, and
- a delegation contract of the identification obligations has been signed between such professional and the Administrative, Registrar and Transfer Agent.

Further documentation could be required on a case by case basis.

Shareholders are informed that their personal data or information given in the subscription documents or otherwise in connection with an application to subscribe for shares, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the Data Protection Law. In particular, such process of personal data or information implies that subscribing the Fund, Shareholders consent that their personal data or any information relating to them be disclosed (i) to any entity of the promoter's group and any affiliate, (ii) to the Administrative Agent or (iii) to any

authority in any country when required by law or regulation.

The Fund shall normally issue confirmations of shareholding to the holder of shares but the Fund will not issue share certificates, unless specifically decided by the Board of Directors.

Confirmation of completed subscriptions will be mailed at the risk of the investor, to the address indicated in the subscription form within seven Bank Business Days following the issue of the shares.

Issue of shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per share of such Sub-Fund is suspended by the Fund as provided for under Section "*General Information*".

2. Conversion of Shares

Subject to any suspension of the determination of the net asset values concerned and to compliance with any eligibility conditions, Shareholders have the right to convert all or part of the shares they hold in any Sub-Fund/Class of shares into shares of another existing Sub-Fund/Class of shares by making a request in writing, by fax to the Administrative, Registrar and Transfer Agent indicating the number and the reference name of the shares to be converted.

The conversion request must be received by 4.00 p.m. (Luxembourg time) the Bank Business Day preceding the applicable Valuation Day, unless otherwise described in the Section headed "*Sub-Funds Details*", and must be accompanied, as the case may be, by a duly filled out transfer form, or by any document vouching for the transfer.

Requests received after this deadline will be satisfied on the next following Valuation Day.

Shares will be cancelled and issued on the same day and the number of shares issued upon conversion will be based upon the respective net asset values of the shares of the two Sub-Funds concerned on the common Valuation Day following the Bank Business Day on which the conversion request is accepted.

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

If the net asset values concerned are expressed in different currencies, the conversion will be calculated by using the exchange rate applicable on the relevant Valuation Day on which the conversion is to be effected.

Under the responsibility of the Board of Directors and with the approval of the Shareholders concerned, conversions may be effected in kind by transfer of a representative selection of the original Sub-Fund's/Class of shares' holding in securities and cash pro rata to the number of shares converted, to the receiving Sub-Fund/Class of shares having a compatible investment policy as certified by the auditor of the Fund.

Any expenses incurred in the transfers shall be borne by the Shareholders concerned.

The number of shares allocated in the new sub-fund or class of Shares shall be established as follows:

$$A = \frac{(B \times C \times D)}{E} \pm X_p$$

Where:

- A number of shares allotted in the new sub-fund/class;
- B number of shares presented for conversion in the original sub-fund/class;
- C net asset value, on the applicable Valuation day, of the shares of the original sub-fund/class, presented for conversion;
- D exchange rate applicable on the day of the operation between the currencies of both classes of shares;
- E net asset value on the applicable Valuation day of the shares allotted in the new sub-fund/class;
- Xp balance, applied or not, at the choice of the Shareholder. It may be inapplicable and, in such case, reimbursed to the shareholder.

On the other hand, it may be considered to be a fraction for which the shareholder has to pay - within the time limits provided for the payment of subscriptions - the difference in relation to the net asset value of the new sub-fund so as to obtain a full number of shares. Finally, it may represent a fraction of a share.

After the conversion, the Fund shall inform the shareholders of the number of new shares obtained at conversion as well as their price.

In addition, if, as a result of a conversion, the value of a Shareholder's remaining holding in the original Sub-Fund/Class of shares would become less than the minimum holding referred to for each Sub-Fund/Class of shares in Appendix I – Sub-Funds features to this Prospectus, the relevant Shareholder will be deemed to have requested the conversion of all of his shares.

3. Redemption of Shares

Any Shareholder may present to the Administrative, Registrar and Transfer Agent his request for redemption by number of shares or by amount to be redeemed. The redemption can be done in part or whole on any Valuation Day.

Redemption requests received until 4.00 p.m. (Luxembourg time) the Bank Business Day preceding a Valuation Day (the “Cut-off time”), unless otherwise described in the Section headed “*Sub-Funds Details*”, will be executed at the net asset value per share dated as of that Valuation Day. Redemption requests received after the Cut-off time will be executed on the following Valuation Day.

In certain countries, investors may be charged with additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

Redemption payments will be made in the Denomination Currency of the relevant Share Class at the latest on the third Bank Business Day following the applicable Valuation Day.

Under the responsibility of the Board of Directors and with the approval of the Shareholders concerned redemptions may be effected in kind. Shareholders are free to refuse the redemption in kind and to insist upon cash redemption payment in the Denomination Currency of the relevant Share Class. Where Shareholders agree to accept redemption in kind they will, to the extent possible, receive a representative selection of the Sub-Fund's holding in securities and cash pro rata to the number of shares redeemed. The value of the redemption in kind will be certified by an auditor's certificate drawn up in accordance with the requirements of Luxembourg law. Any expenses incurred for redemptions in kind shall be borne by the Shareholders concerned.

If, as a result of a redemption, the value of a Shareholder's holding in a Sub-Fund would become less than the minimum holding referred to for each Class of shares in Appendix I – Sub-Funds Details to this Prospectus, the relevant Shareholder will be deemed (if so decided from time to time by the Board of Directors) to have requested redemption of all of his shares. Also, the Board of Directors may, at any time, decide to compulsorily redeem all shares from Shareholders whose holding in a Sub-Fund is less than the minimum holding referred to above. In case of such compulsory redemption, the Shareholder concerned will receive a one month prior notice so as to be able to increase his holding above the minimum holding at the applicable net asset value.

Where redemption requests received for one Sub-Fund on any Valuation Date exceed 10% of the net assets thereof, the Board of Directors may decide to:

- (i) Either totally or partially defer such redemption request until the next Valuation Date. On the next Valuation Date, or Valuation Dates until completion of the redemption requests received in excess of the 10% of the net assets, deferred redemption requests will be dealt in priority to any redemption requests received later on, as the case may be;
- (ii) Or delay the date of the payment of such redemption request until the closest next Bank Business Day on which liquidity has been made available.

The Board of Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares as of any Valuation Day at which redemptions are deferred.

In normal circumstances the Board of Directors will maintain adequate level of liquid assets in order to meet redemption requests.

Redemption of shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per share of such Sub-Fund is suspended by the Fund as provided for under Section “*General Information*”.

A Shareholder may not withdraw his request for redemption of shares of any one Sub-Fund except in the event of a suspension of the determination of the net asset value of the shares of such Sub-Fund and, in such event, a withdrawal will be effective only if written notification is received by the Administrative Agent before the termination of the period of suspension. If the request is not withdrawn, the Fund shall proceed to redemption on the first applicable Valuation Day following the end of the suspension of the determination of the net asset value of the shares of the relevant Sub-Fund.

The redemption price for shares of the Fund may be higher or lower than the purchase price paid by the

shareholder at the time of subscription due to the appreciation or depreciation of the net assets.

MANAGEMENT AND FUND CHARGES

The Management Company will receive a **Management Fee** and a **Performance Fee** for each Sub-Fund as described in the Section Sub-Funds Details and in Appendix I – Sub-Funds features to this Prospectus. The management fee per annum is calculated on the net assets of the Sub-Fund for the provision of the Management Company services. The Management Company will remunerate the Investment Manager out of the management fee.

The Management Company will also receive an **Administration Fee**, out of which the Management Company will remunerate the Administrative Agent, of a maximum of 0,20% per annum payable monthly and based on the average net assets of the Sub-Fund during each month with a minimum of EUR 16'500 per annum and per Sub-Fund.

The Management Company will invoice the Fund for marketing expenses, web-site development, legal and distribution support or other services requested by the Fund, as further disclosed in the Fund Management Agreement. When acting as Investment Manager, the Management Company will invoice the Fund for **Middle Office fees and Pre-Matching fees**, with a minimum of EUR 12'500 per annum per Sub-Fund.

The Management Company will receive a **Domiciliation Fee** of Euro 5'000 per annum per Sub-Fund.

The Depositary will receive remuneration as follow:

- A **Custodian fee up to 0,06%** maximum per annum payable monthly based on the average net assets of the Fund and with a **minimum of EUR 10'000 per annum per Sub-Fund**;
- a **Depositary fee up to 0,01%** maximum per annum payable monthly based on the average net assets of each Sub-Fund; and
- an additional fixed amount up to **EUR 400** maximum per month per Sub-Fund **for the cash flow monitoring**.

Such fees do not include brokerage fees, settlement fees and sub-custody fees, commissions charged by banks, brokers and prime brokers and other customary fees arising from transactions relating to securities and investment instruments in the Fund portfolio. The amounts effectively paid will be disclosed in the Fund's financial reports.

The Fund bears its operational costs including but not limited to the cost of buying and selling portfolio securities, settlement fees, all costs and expenses incurred in connection with the due-diligence to be implemented by the Management Company on any delegates or agents of the Fund, governmental fees, taxes, fees and out-of-pocket expenses of its Directors, including their insurance cover, legal and auditing fees, publishing and printing expenses, marketing expenses and website development and up-dating, the cost of preparing the explanatory memoranda, financial reports and other documents for the Shareholders, postage, telephone and telex. The Fund also pays advertising expenses and the costs of the preparation of this Prospectus and any other registration fees. In addition, the Fund shall bear all

expenses connected to the authorisation of the Fund, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred by the implementation and compliance with regulatory requirements). All expenses are taken into account in the determination of the net asset value of the shares of each Sub-Fund.

All recurring expenses will be charged first to the Fund's income, then to realised capital gains, then to the Fund's assets

Fees and expenses set forth under section headed "Management and Fund charges" shall be deemed to exclude VAT. Where applicable, VAT may additionally be charged.

The organisation expenses of the Fund shall be amortised over the first 5 (five) accounting years. These expenses will be paid pro-rata on the net assets of the Sub-Funds in existence at the time of incorporation of the Fund. In case where further Sub-Funds are created in the future, these Sub-Funds will bear their own formation expenses which may also be amortised over 5 (five) accounting years.

In the case where any asset, liability, fees and expenses of the Fund cannot be considered as being attributable to a particular Share Class, such asset or liability shall be allocated to all the Share Classes pro rata to the Net Asset Value per Share of the relevant Share Classes or in such other manner as determined by the Board of Directors acting in good faith. Each Sub-Fund shall only be responsible for the liabilities which are attributable to such Sub-Fund.

TAXATION

1. Taxation of the Fund

In accordance with the law in force and current practice, the Fund is not liable to any Luxembourg tax on income and capital gains.

However, the Fund is subject to an annual tax in Luxembourg corresponding to 0.05% of the value of the net assets. This tax is payable quarterly on the basis of the Fund's net assets calculated at the end of the relevant quarter. The rate of this tax may be reduced to 0.01% of the value of the net assets for Sub-Funds or Classes of shares reserved to Institutional Investors. To the extent that the assets of the Fund are invested in investment funds established in Luxembourg, no such tax is payable.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund. Although the Fund's realised capital gains, whether short- or long-term, are not expected to become taxable in another country, the shareholders must be aware and recognise that such a possibility, though quite remote, is not totally excluded. The regular income of the Fund from some of its securities as well as interest earned on cash deposits in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered.

2. Taxation of the Shareholders

As of the date of the registration of the Fund, Shareholders are not subject to any such tax in Luxembourg on capital gains, income, donations or inheritance, nor to withholding taxes, subject to the EU Tax Considerations below or with the exception of shareholders having their domicile, residence or permanent establishment in Luxembourg, and certain Luxembourg ex-residents, owning more than 10% of the Fund's capital.

The provisions above are based on the law and practices currently in force and may be amended.

3. European Union Tax Considerations

The law passed by parliament on 21st June 2005 (the "2005 Law") has implemented into Luxembourg law, Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (referred to as "Savings Directive"). Under the Savings Directive, Member States of the EU will be required to provide the tax authorities of another EU Member State with information on payments of interest or other similar income paid by a paying agent (as defined by the Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. Switzerland, Monaco, Liechtenstein, Andorra and San Marino and the Channel Islands, the Isle of Man and the

dependent or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax.

Dividends, if any, distributed by a Sub-Fund of the Fund will be subject to the Savings Directive and the 2005 Law if more than 15% of the relevant Sub-Fund's assets are invested in debt claims (as defined in the 2005 Law) and proceeds realised by shareholders on the disposal of shares will be subject to the Savings Directive and the Law if more than 25% of the relevant Sub-Fund's assets are invested in debt claims.

On 25th November 2014, Luxembourg enacted a law relating to the automatic exchange of information on interest payments from savings income (the “Exchange of Information Law”) modifying the 2005 Law. The Exchange of Information Law abolished the transitional period during which Luxembourg was entitled to levy a withholding tax on interest payments.

As from 1st January 2015, Luxembourg applied the automatic exchange of information on interest payment made by a Luxembourg paying agent to individuals resident in other Member States.

The foregoing is only a summary of the implications of the Savings Directive and the Law, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice. Potential subscribers should inform themselves and, if necessary, take advice on the laws and regulations (such as those on taxation and exchange control) applicable to the subscription, purchase, holding and sale of their shares in the country of respectively their citizenship, residence or domicile.

4. COMMON REPORTING STANDARD CONSIDERATIONS

The Organisation for Economic Cooperation and Development (the **OECD**) developed a common reporting standard (**CRS**) to achieve a comprehensive and multilateral automatic exchange of information (**AEOI**) in the future on a global basis. The CRS will require Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis. Shareholders may therefore be reported to the Luxembourg and other relevant tax authorities under the applicable rules.

On this basis, a Council Directive 2014/107/EU amending the Council Directive amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the **Euro-CRS Directive**) has been adopted on 9 December 2014 in order to implement the CRS among the EU Member States. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 within the limit of the EU Member States for the data relating to calendar year 2016.

In addition, Luxembourg tax authorities signed the OECD’s multilateral competent authority agreement (**Multilateral Agreement**) to automatically exchange information under the CRS. In that respect, the Luxembourg law of 18 December 2015 relating to the automatic exchange of information in tax matters (the 2015 Tax Law) has been published in the Official Journal on 24 December 2015. The 2015 Tax Law

transposes Euro-CRS Directive and entered into force on 1 January 2016.

Under the 2015 Tax Law, the first exchange of information is expected to be applied by 30 September 2017 for information related to the year 2016. Accordingly, the Fund may be required to run additional due diligence process on its Shareholders and to report the identity and residence of financial account holders (including certain entities and their controlling persons), account details, reporting entity, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of residency of the foreign investors to the extent that they are resident of another EU Member State or of a country for which the Multilateral Agreement is in full force and applicable.

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

The Fund has elected for the status of “Reporting Financial Institution” for CRS purposes.

As part of its reporting obligations, the Fund and/or the Management Company (or its delegates, including in particular, the Administrative, Registrar and Transfer Agent) may be required to disclose certain confidential information (including, but not limited to, the Shareholder’s name, address, tax identification number, if any, and certain information relating to the Shareholder’s investment in the Fund self-certification or other documentation) that they have received from (or concerning) their investors and automatically exchange information with the Luxembourg taxing authorities or other authorized authorities as necessary to comply with CRS or other applicable law or regulation.

5. FATCA

a) General Rules and Legal background

FATCA is part of the U.S. Hiring Incentives to Restore Employment Act. It is designed to prevent U.S. tax payers from avoiding U.S. tax on their income by investing through foreign financial institutions and offshore funds.

FATCA applies to so-called Foreign Financial Institutions (“**FFIs**”), which notably include certain investment vehicles (“Investment Entities”), among which UCITS.

According to the FATCA Rules, FFIs, unless they can rely under ad-hoc lighter or exempted regimes, need to report to the IRS certain holdings by/ and payments made to a/ certain U.S. investors b/ certain U.S. controlled foreign entity investor, c/ non U.S. financial institution investors that do not comply with their obligations under FATCA and d/clients that are not able to document clearly their FATCA status.

On March 28th, 2014, the Luxembourg and U.S. governments entered into a Model I IGA which aims to coordinate and facilitate the reporting obligations under FATCA with other U.S. reporting obligations of Luxembourg financial institutions (the “Luxembourg IGA” or the “IGA”).

According to the terms of the IGA, Reporting Luxembourg FFIs will have to report to the Luxembourg tax authorities instead of directly to the IRS. Information will be communicated onward by the Luxembourg authorities to the IRS under the general information exchange provisions of the U.S. Luxembourg income tax treaty.

The Luxembourg law of 24 July 2015 transposing the Luxembourg IGA was published on 29 July 2015.

b) Other parties

Additional intergovernmental agreements similar to the IGA have been entered into or are under discussion by other jurisdictions with the U.S. Investors holding investments via distributors or custodians that are not in Luxembourg or in another IGA country should check with such distributors or custodians as to the distributor's or custodian's intention to comply with FATCA. Additional information may be required by the Company, custodians or distributors from certain investors in order to comply with their obligations under FATCA or under an applicable IGA.

The foregoing is only a summary of the implications of FATCA, is based on the current interpretation thereof and does not purport to be complete in all respects.

Shareholders and prospective investors should contact their own tax adviser regarding the application of FATCA to their particular circumstances.

c) FATCA Status

The Fund has elected for the FATCA status of "Sponsored Investment Entity" under the Luxembourg IGA and has appointed the Management Company as its "Sponsoring Entity". The Fund will hence qualify as "Non-Reporting/Deemed-compliant FFI" under the terms of the IGA and will not need to register with the IRS/obtain a GIIN number unless "US reportable accounts" are identified.

As registered "Sponsoring Entity" towards the IRS, the Management Company will act as "Sponsoring entity" for the Fund and will perform on its behalf all due diligence, withholding, reporting and other requirements that the Fund would have been required to perform in order to comply with the Luxembourg IGA as implemented into Luxembourg national law and regulation.

As part of its reporting obligations, the Fund/the Management Company (or its delegates) may be required to disclose certain confidential information (including, but not limited to, the investor's name, address, tax identification number, if any, and certain information relating to the investor's investment in the Company self-certification, GIIN number or other documentation) that they have received from (or concerning) their investors and automatically exchange information with the Luxembourg taxing authorities or other authorized authorities as necessary to comply with FATCA, related IGA or other applicable law or regulation.

The Fund will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA, as transposed in Luxembourg law, places upon it.

GENERAL INFORMATION

1. Organisation

The Fund is an investment company organised as a société anonyme under the laws of the Grand-Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable* (SICAV) in accordance with Part I of the 2010 Law. The Fund has been incorporated in Luxembourg on 23th April 2013 for an unlimited period under the name of “ARCAM SICAV” with an initial share capital of EUR 31’000. Its Articles of Incorporation have been published in the *Recueil Electronique des Sociétés et Associations* (formerly Mémorial C.) on 4th May 2013. The Articles have been amended for the last time on 9th January 2018 and will be published in the *Recueil Electronique des Sociétés et Associations* on 19th February 2018. The Fund is registered with the Registre de Commerce et des Sociétés, Luxembourg, under number B 176.839.

The Articles of Incorporation and a legal notice in respect of the issue and sale of shares by the Fund have been filed with the Registre de Commerce et des Sociétés of Luxembourg.

The minimum capital of the Fund required by Luxembourg law is EUR 1’250’000.

2. The Shares

The shares in each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to each Sub-Fund concerned. The rules governing such allocation are set forth under section 5 "*Allocation of Assets and Liabilities among the Sub-Funds*" thereafter. The shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights and each one is entitled to one vote at all meetings of Shareholders. Shares redeemed by the Fund become null and void.

The Fund may restrict or prevent the ownership of its shares by any person, firm or corporation, if such ownership is such that it may be against the interests of the Fund or of the majority of its Shareholders. Where it appears to the Fund that a person who is precluded from holding shares, either alone or in conjunction with any other person, is a beneficial owner of shares, the Fund may proceed to compulsory redemption of all shares so owned.

3. Meetings

The annual general meeting of Shareholders is held each year at the Fund's registered office or at any other place in Luxembourg specified in the convening notice.

The annual general meeting of Shareholders shall be held within four months following the financial year end, in accordance with any applicable Luxembourg Law.

Convening notices for all, ordinary and extraordinary, general meetings shall be addressed by registered letters to the shareholders to their address indicated in the shareholders' register, at least eight days before the meeting.

These notices shall indicate the time and place of the general meeting, the conditions for admission, the agenda and the prescriptions of the Luxembourg law regarding quorum and majority.

Such notices may be published in the *Recueil Electronique des Sociétés et Associations* and in any newspaper(s) as deemed necessary by the Board or required by any applicable laws and regulations of the countries where the Shares of the Fund are registered for sale.

The Shareholders of the Class or Classes issued in respect of any Sub-fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-fund.

In addition, the Shareholders of any Class may hold, at any time, general meetings to decide on any matters which relate exclusively to such Class.

Each share confers the right to one vote. Any change in the Articles of Incorporation affecting the rights of a Sub-Fund must be approved by a resolution of both the general meeting of the Fund and the Shareholders of the Sub-Fund concerned.

4. Reports and Accounts

Every year, the Fund publishes a detailed audited report on its activities and the management of its assets, including the balance sheet and consolidated profit and loss accounts and the report of the independent auditor, as well as with a semi-annual report.

Furthermore, at the end of each half-year, it shall establish a report including *inter alia*, the composition of the portfolio, the number of shares outstanding and the number of shares issued and redeemed since the last publication.

The reports shall be made available at the registered offices of the Fund and the Depositary during ordinary office hours and if required they may be sent to registered shareholders. The Fund's accounting year ends on 31st December of each year.

The Accounting Currency of the Fund is the Euro ("EUR"). The aforesaid reports will comprise consolidated accounts of the Fund expressed in EUR as well as individual information on each Sub-Fund expressed in the Reference Currency of each Sub-Fund.

5. Allocation of assets and liabilities among the Sub-Funds

For the purpose of allocating the assets and liabilities between the Sub-Funds, the Board of Directors has established a pool of assets for each Sub-Fund in the following manner:

- (a) the proceeds from the issue of each share of each Sub-Fund are to be applied in the books of the Fund to the pool of assets established for that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto are applied to such pool subject to the provisions set forth hereafter;
- (b) where any asset is derived from another asset, such derivative asset is applied in the books of the Fund to the same pool as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value is applied to the relevant pool;
- (c) where the Fund incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool;
- (d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability is allocated to all the pools in equal parts or, if the amounts so justify, pro rata to the net asset values of the relevant Sub-Funds;

If there have been created within each Sub-Fund different classes of shares, the rules shall mutatis mutandis apply for the allocation of assets and liabilities amongst Classes.

6. Determination of the Net Asset Value of Shares

Unless otherwise disclosed in the Section Sub-Funds Details and in the Appendix I – Sub-Funds features to this Prospectus, the net asset value of the shares of each Sub-Fund is determined every day in its Reference Currency. It shall be determined by dividing the net assets attributable to each Sub-Fund by the number of outstanding shares of such Sub-Fund as of the Valuation Day. Where a Valuation Day falls on a public holiday (legal or bank) in Luxembourg, the Valuation Day is the following Luxembourg Bank Business Day. The net assets of each Sub-Fund are made up of the value of the assets attributable

to such Sub-Fund less the total liabilities attributable to such Sub-Fund calculated at such time as the Board of Directors shall have set for such purpose.

The value of the assets of the Fund shall be determined as follows:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Fund may consider appropriate in such case to reflect the true value thereof;
- (b) the value of securities and/or financial derivative instruments which are quoted or dealt in on any stock exchange shall be based on the previous day closing prices and, if appropriate, on the average price on the stock exchange which is normally the principal market of such securities and/or financial derivative instruments, and each security and/or financial derivative instrument traded on any other regulated market shall be valued in a manner as similar as possible to that provided for quoted securities and/or financial derivative instruments;
- (c) for non-quoted securities or securities not traded or dealt in on any stock exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are not representative of the fair market value, the value thereof shall be determined prudently and in good faith on the basis of foreseeable sales prices;
- (d) shares or units in open-ended investment funds shall be valued at their last available calculated net asset value;
- (e) liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis as determined by the Board of Directors. All other assets, where practice allows, may be valued in the same manner;
- (f) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in accordance with market practice;
- (g) swaps are valued at their fair value based on the underlying securities.

The Fund is authorized to apply other adequate valuation principles for the assets of the Fund and/or the assets of a given Sub-Fund if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

If the Board of Directors considers that the net asset value calculated as of a given Valuation Day is not representative of the true value of the Fund's shares, or if, since the calculation of the net asset value, there have been significant fluctuations on the stock exchanges concerned, the Board of Directors may

decide to actualise the net asset value on that same day. In these circumstances, all subscription, redemption and conversion requests received for that day will be handled on the basis of the actualised net asset value with care and good faith.

The value of assets denominated in a currency other than the Reference Currency of a Sub-Fund shall be determined by taking into account the previous day closing rate of exchange.

The net asset value per share of each Class in a Sub-Fund and the issue and redemption prices thereof are available at the registered office of the Fund.

7. Temporary Suspension of Issues, Redemptions and Conversions

The determination of the net asset value of shares of one or several Sub-Funds may be suspended during:

- a) during any period when any of the principal stock exchanges, Regulated Market or any Other Regulated Market in a Member State or in a non Member State on which a substantial part of the Fund's investments attributable to such Sub-Fund is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund is denominated, are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended; or
- b) when political, economic, military, monetary or other emergency events beyond the control, liability and influence of the Fund make the disposal of the assets of any Sub-Fund impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders of the Fund; or
- c) during any breakdown in the means of communication network normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any market or stock exchange in respect of the assets attributable to such Sub-Fund; or
- d) during any period where the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or
- e) during any period when for any other reason the prices of any investments owned by the Fund, including in particular the financial derivative instruments and repurchase transactions entered into by the Fund in respect of any Sub-Fund, cannot promptly or accurately be ascertained; or
- f) following a decision to merge, liquidate or dissolve the Fund or, if applicable, one or several Sub-Fund(s); or

- g) following the suspension of (i) the calculation of the net asset value per share/unit, (ii) the issue, (iii) the redemption and/or (iv) the conversion of the shares/units issued at the level of a master in which the Sub-Fund invests in its quality as feeder within the meaning of the 2010 Law; or
- h) during any period when the Board of Directors so decides, provided all Shareholders are treated on an equal footing and all relevant laws and regulations are applied as soon as an extraordinary general meeting of Shareholders of the Fund or of a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the Fund or a Sub-Fund; or
- i) during a period where the relevant indices underlying the derivative instruments which may be entered into by the Sub-Funds of the Fund are not compiled or published; or
- j) upon the order of the Luxembourg supervisory authority; or
- k) in any case, at the Board of Directors' discretion when it is in the best interest of the Shareholders.

The Board of Directors has the power to suspend the issue, redemption and conversion of shares in one or several Sub-Funds for any period during which the determination of the net asset value per share of the concerned Sub-Fund(s) is suspended by the Fund by virtue of the powers described above. Any redemption/conversion request made or in abeyance during such a suspension period may be withdrawn by written notice to be received by the Fund before the end of such suspension period. Should such withdrawal not be effected, the shares in question shall be redeemed/converted on the first Valuation Day following the termination of the suspension period. In the event of such period being extended, notice may be published in newspapers in the countries where the Fund's shares are publicly sold. Investors who have requested the issue, redemption or conversion of shares shall be informed of such suspension when such request is made.

8. Merger or Liquidation of Sub-Funds

Closure of Sub-Funds and/or Share Classes

1. In the event that for any reason the value of the net assets in any Sub-Fund or Class has decreased to an amount determined by the Board of Directors to be the minimum level for such Sub-Fund or Class to be operated in an economically efficient manner, or if a change in the economical, political or monetary situation relating to the Sub-Fund or Class concerned would have material adverse consequences on the investments of that Sub-Fund or if the Board of Directors otherwise considers it to be in the best interest of the Shareholders of the relevant Sub-Fund and/or Class, the Board of Directors may decide to compulsorily redeem all the Shares of the relevant Class or Share Classes issued in such Sub-Fund or the relevant Class at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), determined as of the Valuation Day at which such decision shall take effect and therefore close the relevant Sub-Fund or Class. The Fund shall serve a notice to the Shareholders of the relevant Class or Share Classes prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of

their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

2. Notwithstanding the powers conferred to the Board of Directors by the paragraph above, the general meeting of Shareholders of any Sub-Fund or Class within any Sub-Fund may, upon a proposal from the Board of Directors, redeem all the Shares of the relevant Class within the relevant Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) determined as of the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

3. Assets which may not be distributed to the relevant beneficiaries upon the implementation of the redemption will be deposited with the Depositary for the period required by Luxembourg law; after such period, the assets will be deposited with the “*Caisse de Consignation*” on behalf of the persons entitled thereto.

4. All redeemed Shares shall be cancelled.

5. The liquidation of the last remaining Sub-Fund of the Fund will result in the liquidation of the Fund under the conditions of the 2010 Law.

Mergers of Sub-Funds and Amalgamation of Share Classes

1. The Board of Directors may decide to proceed with a merger of any Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- another new or existing Luxembourg or foreign UCITS; or
- another new or existing Sub-Fund within the Fund or within another Luxembourg or foreign UCITS

In the case the last, or unique Sub-Fund involved in a merger is the absorbed UCITS (within the meaning of the 2010 Law) and, hence, ceases to exist upon completion of the merger, the general meeting of the Shareholders, rather than the Board of Directors, has to approve, and decide on the effective date of, such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes validly cast at such meeting. As a consequence of the Merger, the Shares of the Sub-Fund will be redesignated as shares of the receiving UCITS, or of the relevant sub-fund thereof as applicable.

In addition when the interest of the shareholders so require, the Board of Directors may also decide on the closing of one or several Sub-Funds through contribution to one or several other Sub-Funds in the Fund or to one or several sub-funds of another UCITS incorporated under Luxembourg law and subject to the provisions of Part I of the 2010 Law.

2. The general meeting of the Shareholders of a Sub-Fund may also decide to proceed with a merger of the relevant Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- any new or existing Luxembourg or foreign UCITS ; or
- any new or existing Sub-Fund within the Fund or within another Luxembourg or foreign UCITS,

by a resolution adopted with a presence quorum requirement of at least 50% of the Shares in issue; and a majority requirement of at least two third of the Shares present or represented and voting at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

Shareholders will be entitled to request, without any charge other than those retained by the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their Shares or, where possible, the conversion of those Shares into Shares of other classes within the same Sub-Fund or into Shares of same or other classes within another Sub-Fund pursuant to the provisions of the 2010 Law.

Holders of Shares shall be notified in writing.

3. In the event that for any reason the value of the net assets in any Class of Shares has decreased below the minimum level under which the Sub-Fund may no longer operates in an economically efficient manner, or as a matter of economic rationalisation or for any reason determined by the Board of Directors, the Board of Directors may decide to allocate the assets of any Class to those of another existing Class within the Fund and to redesignate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). The Fund shall send a written notice to the Shareholders of the relevant Class as required by any applicable law. The decision of the Board of Directors will be subject to the right of the relevant Shareholders to request, without any charges, other than those retained by the Sub-Fund to meet disinvestment costs the repurchase or redemption of their Shares or, where possible, the conversion of those Shares into Shares of other Classes within the same Sub-Fund or into Shares of same or other Classes within another Sub-Fund.

Split of Sub-Funds

In the event that the Board of Directors believes it would be in the interests of the Shareholders of the relevant Sub-Fund or in the event of a change in the economic or political situation which would have material consequences on the relevant Sub-Fund, the Board of Directors may decide to reorganise a Sub-Fund by splitting it into two or more Sub-Funds. Such a decision will be notified and/or published as required by any applicable law

9. Merger of the Fund

1. The Board of Directors may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

- another new or existing Luxembourg or foreign UCITS; or
- a sub-fund thereof.

In case the Fund is the receiving UCITS (within the meaning of the 2010 Law), solely the Board of Directors will decide on the merger and effective date thereof.

In case the Fund is the absorbed UCITS (within the meaning of the 2010 Law), and hence ceases to exist, the general meeting of the Shareholders of the Fund has to approve, and decide on the effective date of

such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes validly cast at such meeting. As a consequence of the Merger, the Shares of the Fund will be redesignated as shares of the receiving UCITS, or of the relevant sub-fund thereof as applicable.

2. The general meeting of the Shareholders may decide to proceed with a merger of the Fund, either as receiving or absorbed UCITS, with:

- another new or existing Luxembourg or foreign UCITS; or
- a sub-fund thereof.

The merger decision shall be adopted by the general meeting of Shareholders with a presence quorum requirement of at least 50% of the Shares in issue; and a majority requirement of at least two thirds of the Shares present or represented and voting at such meeting.

Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders.

Shareholders will be entitled to request, without any charge other than those retained by the Fund to meet disinvestment costs, the repurchase or redemption of their Shares pursuant to the provisions of the 2010 Law.

Holders of Shares shall be notified in writing.

10. Liquidation of the Fund

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, appointed by the general meeting of Shareholders which shall determine their powers and their compensation.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out pursuant to the provisions of the 2010 Law. Such law specifies the steps to be taken to enable the Shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the *Caisse de Consignation* at the time of the close of the liquidation. Liquidation proceeds available for distribution to Shareholders in the course of the liquidation that are not claimed by Shareholders will at the close of the liquidation be deposited at the *Caisse de Consignation* in Luxembourg pursuant to article 146 of the 2010 Law, where the proceeds will be held at the disposal of the Shareholders entitled thereto until the end of the statutory limitation period.

11. Material Contracts

The following material contracts have been entered into:

- (a) A Fund Management Agreement entered into between the Fund and CASA4FUNDS SA pursuant to which the latter acts as the Management Company of the Fund. This Agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.
- (b) A Depositary Agreement entered into between the Fund, Casa4Funds SA and BANQUE DE

LUXEMBOURG pursuant to which the latter was appointed Depositary. The Agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.

- (c) An Administrative Agent, Registrar and Transfer Agent Agreement entered into between the Management Company, the Fund and EFA, pursuant to which the latter acts as Administrative, Transfer and Registrar Agent of the Fund.
- (d) A Domiciliary Agreement entered into between the Fund and CASA4FUNDS SA pursuant to which the latter acts as Domiciliary Agent of the Fund.

12. Documents

Copies of the contracts mentioned above are available for inspection, and copies of the Articles of Incorporation of the Fund, the current Prospectus, the KiiD and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Fund in Luxembourg.

13. Official Language

The original versions of this Prospectus and of the Articles of Incorporation are in English. However, the Board of Directors of the Fund may consider that these documents must be translated into the languages of the countries in which the shares are offered and sold. In case of any discrepancies between the English text and any other language into which the Prospectus and the Articles of Incorporation are translated, the English text will prevail.

14. Informing shareholders

The Fund shall make public the NAV price of its shares each time the Fund, respectively its Sub-Funds, issue their shares, and at least twice a month.

In addition, information on changes to the Fund shall be published on the Management Company website : www.casa4funds.com and may be published in a Luxemburg newspaper, and in any other newspapers deemed appropriate by the Board of Directors, in countries in which the Fund markets its shares.

SUB-FUNDS DETAILS

ARCAM SICAV – GLOBAL TREND

ARCAM SICAV – GLOBAL ABSOLUTE RETURN

ARCAM SICAV – GLOBAL TREND

Information contained herein should be read in conjunction with the full text of the Prospectus.

1. Reference Currency

EUR

2. Performance Fee

Applicable to all Share classes

The Sub-Fund will also be subject to a Performance Fee equal to 15% of the return per annum of the relevant category of shares that exceeds the High Watermark.

For the purpose of the first calculation of the Performance fee, the Net Asset Value per share at launching date has to be considered as the initial Reference NAV or HWM.

The Performance Fee is calculated taking into account movements on the capital and applying the "crystallization" principle so that the Performance Fee is calculated on the basis of the Net Asset Value after deduction of all expenses, liabilities, and Management Fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions.

On each Valuation Day of the reference period, an accrual is made when appropriate, this on the basis of the number of shares of the relevant category currently outstanding.

The Performance Fee entails a mechanism that ensures that the fee can only be charged if the cumulative difference since the sub-fund's launch date, calculated by the aforementioned method, has reached a new high ("high watermark" principle).

Payment of the Performance Fee, which is calculated for the quarter and accrued daily, is made at the beginning of the following quarter.

3. Fee Schedule, available Share Classes and main features

See Appendix I – Sub-Funds features

4. Investment Policy

The Sub-Fund seeks an investment return with moderate relative volatility and correlation to traditional markets.

To achieve its investment objectives, and under normal conditions, the Sub-Fund will be mainly invested in:

- Equity securities, equity linked securities which qualify as eligible transferable securities as per article 41(1) of the 2010 Law and equity derivatives through long positions (including notably futures, options, Contracts For Difference, Swaps, Warrants)

AND/OR

- Bond and bond derivatives through long positions (including notably options, futures))

AND/OR

- Money market instruments

AND/OR

- ETCs.

Investment in a single commodity Index is not allowed.

The Sub-Fund may secondarily invest in Investment Grade bonds, including fixed or floating rates, convertible bonds, zero-coupons, government and treasury bonds, as well as money market instruments.

The Sub-Fund may further achieve its investment objective by investing up to 10% of its total net assets in units/shares of Target Funds.

In addition, the Sub-Fund may invest in ETNs.

Under exceptional circumstances and in the best interest of the shareholders, the Sub-Fund may be invested up to 100% of its net assets in cash, liquid assets or money market instruments on a temporary basis.

The Sub-Fund' investments are neither subject to currency nor geographical constraints.

To comply with the investment policy, the sub-fund may use financial derivative instruments, subject to the provisions of Section 7. "Investments restrictions", for the purposes of hedging currency risks, interest rate risk and market risk but also for investment purposes to meet the sub-fund's investment objective.

Financial derivative instruments used by the Sub-Fund may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked securities, swap contracts and other fixed income, currency and credit derivatives

dealt on a regulated market or OTC (“Over the counter”).

The maximum proportion of assets under management of the Sub-Fund that can be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

The current expected proportion of assets under management of the Sub-Fund that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

5. Investment Strategy

In order to achieve its objectives, the Sub-Fund bases its investment decisions mostly on systematic quantitative strategies where trend following strategies play a major role. Such alternative strategies are widely diversified and are based on the identification of market trends. These strategies are also known as managed futures and are free to deploy the same approach on any asset class. The Sub-Fund uses mostly a systematic approach in order to avoid the emotional aspects of trading. A fundamental component of the strategies is the observation that markets do not behave in a completely efficient way and present patterns which tend to repeat themselves over time, such that the Sub-Fund tries to exploit inefficiencies in relative prices. Cash is mainly invested in corporate and government bonds, money market instruments and fixed-income UCIs. The directional exposure will be mainly obtained through the use of exchange traded derivatives and foreign exchange. The investment approach includes predetermined limited concentrations on each instrument. The Sub-Fund does not have a specific benchmark, in order to have the greatest flexibility in the asset allocation, and to quickly react to the changes in market trends.

6. Profile of Typical Investor

The Sub-Fund is suitable for investors having a medium tolerance for risk, looking for long term capital growth and seeking to participate in the opportunities offered by financial markets, with limited correlation to both equity and bond markets.

7. Risk Profile

The risks pertaining to an investment in the sub-fund are primarily: specific and market risk related to equity investments, interest rate and credit risk related to bond investments, currency risk related to investments made in currencies which are different from the reference currency and commodity risk related to investments in ETCs.

The value of investments and income can go down as well as up (this may partly be the result of volatility risks or exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not get back the full amount invested. The sub-fund's performance may be adversely affected by variations in the relative strength of individual world currencies or if the Euro strengthens against other currencies.

A more detailed description of the relevant risk factors is set out under Appendix I – Risk factors.

8. Specific Risk Details

See Appendix II – Sub-Funds specific risk details

ARCAM SICAV – GLOBAL ABSOLUTE RETURN

Information contained herein should be read in conjunction with the full text of the Prospectus.

1. Reference Currency

EUR

2. Performance Fee

Applicable to all Share classes

The Sub-Fund will also be subject to a Performance Fee equal to 10% of the return per annum of the relevant category of shares that exceeds the High Watermark.

For the purpose of the first calculation of the Performance fee, the Net Asset Value per share at launching date has to be considered as the initial Reference NAV or HWM.

The Performance Fee is calculated taking into account movements on the capital and applying the "crystallization" principle so that the Performance Fee is calculated on the basis of the Net Asset Value after deduction of all expenses, liabilities, and Management Fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions.

On each Valuation Day of the reference period, an accrual is made when appropriate, this on the basis of the number of shares of the relevant category currently outstanding.

The Performance Fee entails a mechanism that ensures that the fee can only be charged if the cumulative difference since the sub-fund's launch date, calculated by the aforementioned method, has reached a new high ("high watermark" principle).

Payment of the Performance Fee, which is calculated for the quarter and accrued daily, is made at the beginning of the following quarter.

3. Fee Schedule, available Share Classes and main features

See Appendix I – Sub-Funds features

4. Investment Policy

The Sub-Fund's objective is to obtain a moderately volatile return, possibly uncorrelated to traditional markets, without currency nor geographical constraints (emerging markets included), both in capital gains and interest, by means of a dynamic portfolio with a view to medium to long-term (3 to 5 years) capital appreciation. For that purpose, the Sub-Fund will set up, in the investors' interest, a flexible asset allocation depending on the financial markets and the economical environment.

To achieve its investment objective, and under normal conditions, the Sub-Fund will invest mainly in:

- Debt securities, including fixed or floating rates bonds, convertible bonds, zero-coupons, government and treasury bonds, and money market instruments without limits of duration, issuer, country, currency and grade ;

AND/OR

- Units/shares of Target Funds provided that the management fee applying to the Target Funds shall not exceed 3% (three percent) each of the Sub-Fund's net asset value;

The Sub-Fund may secondarily invest:

- Up to 25% of its net assets in ETCs provided that there is no embedded derivatives as per the meaning of article 10 of the Directive 2007/16/EC;

Investment in a single commodity Index is not allowed.

AND/OR

- Up to 30% of its net assets in Equity securities and equity-linked securities (including notably warrants, certificates, American Depositary Receipts (ADR), Global Depositary Receipts (GDR)) which qualify as eligible transferable securities as per article 41(1) of the 2010 Law without any geographical limitation.

Under exceptional circumstances and in the best interest of the shareholders, the Sub-Fund may be invested up to 100% of its net assets in cash, liquid assets or money market instruments on a temporary basis.

To comply with the investment policy, the Sub-Fund may use financial derivative instruments, dealt in on a regulated market or not, subject to the provisions of the Section "Investments and Borrowing Restrictions", for the purposes of hedging currency risks, interest rate risk and market risk and for efficient portfolio management, therefore including investment purposes, to meet the sub-fund's investment objective.

Financial derivative instruments used by the Sub-Fund may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked securities (including notably structured notes, credit notes, Euro Medium Term Notes (EMTM)), swap contracts and other fixed income, currency and credit derivatives (including notably bonds, futures, options, Credit Default Swaps (CDS), swaps) dealt on a regulated market or OTC ("Over the counter").

The fund may also invest in structured products, generally taking the form of certificates, notes or bonds, with different underlyings.

The maximum proportion of assets under management of the Sub-Fund that can be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

The current expected proportion of assets under management of the Sub-Fund that will be subject to SFTs and TRS is as follows:

Securities lending	0%
Securities borrowing	0%
Repurchase agreements	0%
Total Return Swaps	0%

5. Investment Strategy

In order to meet its investment objectives, the Sub-Fund holds both fixed income securities and a balanced portfolio across all major highly liquid absolute return and hedge fund strategies, such as long/short, relative value, event driven and CTA/global macro. The latter part of the portfolio will in fact be mostly a fund of funds where the portfolio manager's experience in selecting fund managers will be a major value driver. Each fund will be analyzed rigorously and at each point in time we will manage the (moderate) risk budget of the fund very cautiously: in particular, the absolute return strategies will be mixed with a well-diversified portfolio of money market instruments, government and corporate bonds, including high yield bonds and bonds from emerging countries. To benefit from investment opportunities, both parts of the portfolio will be actively managed, for example by over- or underweighting absolute return strategies to steer the exposure towards those investment models which we believe to have the chances to perform better in a given environment. Indicatively, the exposure to alternative strategies will be below 3/4 of the portfolio and the rest will be held in cash, fixed income securities or fixed income funds. The fund does not have a specific benchmark but orientates the management of its absolute return exposure to broadly diversified global hedge funds indices in EUR.

6. Profile of Typical Investor

- Investors who want to participate in some of the opportunities presented by bond and equities markets.
- Investors who are comfortable with a medium level of risk.
- Investors who plan to maintain their investment over the long term.

7. Risk Profile

Investment in the Sub-Fund is subject to normal market risks and there can be no formal guarantee that the Sub-Fund's investment objective may be achieved.

In general, for investments in bonds, the value of the underlying investments will depend upon interest rates and the credit quality of the issuer.

The Sub-Fund may have further risks linked to investments in equities.

The value of investments and income from them can go down as well as up (this may partly be the result of volatility risks or exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not get back the full amount invested.

The Sub-Fund's performance may be adversely affected by variations in the relative strength of individual world currencies or if the EUR strengthens against other currencies.

Risk ratings can and do change over time and should be taken only as an indication of risk.

DISCLAIMER: Past performance is not indicative of future results. The price of the Shares may fall as well as rise. Accordingly there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the Sub-Fund will achieve its objectives.

Investors should refer to the section "Risk Factors" in the main part of the Prospectus.

There can neither be a guarantee against losses resulting from an investment in this Sub-Fund, nor can there be any assurance that the Sub-Fund's investment objectives will be reached in respect of its overall performance. Shareholders should therefore ensure (prior to any investment being made) that they are satisfied with the risk profile of the overall objectives disclosed.

Potential investors are made aware of the fact that this Sub-Fund can invest in developing (emerging) countries, and therefore may be subject to a higher degree of risk than for those in developed countries. The economies and markets of these countries are traditionally more volatile and the respective currencies suffer from significant fluctuations. Apart from the inherent risk for any securities investment, investors must be conscious of the political risks, and changes in currency controls and tax regimes, which can directly affect the value and liquidity of the portfolio.

8. Specific Risk Details

See Appendix II – Sub-Funds specific risk details

APPENDIX I – SUB-FUNDS FEATURES

Sub-Funds	Class	Denominated currencies	Currency Hedged Share Class	Targeted investors	Shares' Form	Category	Management Fees ¹	Performance Fees	NAV Frequency	Subscription Fee ^{2&4}	Redemption Fee ²	Conversion Fee ²	Initial Issue Price	Minimum Initial Investment ³	Minimum Holding Amount ³
ARCAM SICAV – GLOBAL TREND	R	EUR	N/A	Retail	Registered and through clearing institutions	Accumulation	2%	YES	daily	N/A	Up to 3%	N/A	100	100	100
		CHF	YES												
		USD	YES												
	I	EUR	N/A	Institutional			1%	YES		N/A	Up to 3%	N/A	100	100	100
		CHF	YES												
		USD	YES												
	P	EUR	N/A	Retail and Institutional Investors specifically authorised by the Board			1,5%	YES		N/A	Up to 3%	N/A	100	100	100
		CHF	YES												
		USD	YES												
ARCAM SICAV – GLOBAL ABSOLUTE RETURN	R	EUR	N/A	Retail	Registered and through clearing institutions	Accumulation	1.5%	YES	daily	N/A	Up to 3%	N/A	100	100	100
		CHF	YES												
		USD	YES												
	I	EUR	N/A	Institutional			0,5%	YES		N/A	Up to 3%	N/A	100	100	100
		CHF	YES												
		USD	YES												
	P	EUR	N/A	Retail and Institutional Investors specifically authorised by the Board			1%	YES		N/A	Up to 3%	N/A	100	100	100
		CHF	YES												
		USD	YES												

¹ per annum, payable monthly on the value of the average net assets of the Sub-Fund during the relevant month.

² percentage of the net asset value of the shares subscribed/redeemed/converted

³ the Board of Directors is authorised to waive any requirements relating to the initial minimum investment or to the subsequent minimum amount in its reasonable discretion and by taking into consideration the best interest of the Fund.

⁴ Subscription fees may remunerate the distributors, and any other financial intermediaries involved in the distribution, placing and marketing of the Shares through a regular agreement.

APPENDIX II – SUB-FUNDS SPECIFIC RISK DETAILS

	Global Exposure approach used	Relative benchmark¹	Expected level of leverage (Sum of Notionals)	Higher leverage¹ Levels (Sum of Notionals)	Expected level of leverage (Commitment)	Higher leverage¹ levels (Commitment)
ARCAM SICAV – GLOBAL TREND	Absolute VaR	N/A	200%	400%	N/A	N/A
ARCAM SICAV – GLOBAL ABSOLUTE RETURN	Commitment	N/A	N/A	N/A	N/A	N/A

¹ If the VAR approach is used. The level of leverage may vary over time. Investors must be aware of the possibility of higher leverage levels under certain circumstances.

The Commitment approach is based on the sum of notionals of Financial Derivatives Instruments (“FDI”) applying Netting and Hedging techniques. The FDI could be used for leverage or hedging as well as to create synthetic positions on securities that could not be bought directly on the market.