

DIAMAN Sicav

Société d'Investissement à Capital Variable
Luxembourg

Sub-Fund “DIAMAN Sicav Zenit Dynamic Bond”

Sub-Fund “DIAMAN Sicav Mathematics”

Sub-Fund “DIAMAN Sicav Trend Follower”

Sub-Fund “DIAMAN Sicav Quant Bond”

Sub-Fund “DIAMAN Sicav Target Strategy”

INTRODUCTION

DIAMAN Sicav (the "Fund") is an open-ended investment company organized under the laws of the Grand Duchy of Luxembourg as a "Société d'Investissement à Capital Variable".

The Fund is offering shares (the "Shares") of several separate sub-funds (individually a "Sub-Fund", collectively the "Sub-Funds") on the basis of the information contained in this prospectus (the "Prospectus") and in the documents referred to herein. No person is authorised to give any information nor to make any representations concerning the Fund other than as contained in the Prospectus and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in the Prospectus shall be solely at the risk of the purchaser. Neither the delivery of the Prospectus nor the offer, sale or issue of Shares shall under any circumstances constitute a representation that the information given in the Prospectus is correct as at any time subsequent to the date hereof. An Addendum or updated Prospectus shall be provided, if necessary, to reflect material changes to the information contained herein.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his shareholder 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. 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 shareholder to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice on their rights before subscription.

The distribution of the Prospectus is not authorised unless it is accompanied by the most recent annual and semi-annual reports of the Fund, if any. Such report or reports are deemed to be an integral part of the Prospectus.

The Shares to be issued hereunder may be of several different classes which relate to several separate Sub-Funds of the Fund. For each Sub-Fund, the board of directors of the Fund (the "Board of Directors") may decide at any time to issue different classes of Shares (individually a "Class", collectively the "Classes") whose assets will be invested jointly according to the Sub-Fund's specific investment policy, but with specific features applicable to each class of Shares. Shares of the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the net asset value (the "Net Asset Value") per Share of the relevant class or Sub-Fund, as defined in the Articles of Incorporation of the Fund (the "Articles").

In accordance with the Articles, the Board of Directors may issue Shares in each Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which Sub-Fund best suits their specific risk and return expectations as well as their diversification needs.

The Fund has currently five Sub-Funds:

- DIAMAN Sicav Zenit Dynamic Bond
- DIAMAN Sicav Mathematics
- DIAMAN Sicav Trend Follower
- DIAMAN Sicav Quant Bond
- DIAMAN Sicav Target Strategy

These Sub-Funds offer various classes of Shares which will differ in the status of the investors, the fees level and the minimum investment as detailed under Part B of the Prospectus.

The valuation currency used for the Net Asset Value calculation may be different according to the class for each Sub-Fund and the consolidation of each Sub-Fund is in EUR.

The Board of Directors may, at any time, create additional Sub-Funds, whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds, the Prospectus will be updated accordingly. The same applies in case of creation of additional classes of Shares.

The distribution of the Prospectus and the offering of the Shares may be restricted in certain jurisdictions. The Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the Prospectus and of any person wishing to apply for Shares to inform himself or herself of and to observe all applicable laws and regulations of relevant jurisdictions.

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

Luxembourg - The Fund is registered pursuant to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended (the "Law of 2010"). However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorised and unlawful.

European Union ("EU") The Fund is an Undertaking for Collective Investment in Transferable Securities ("UCITS"), in particular to the provisions of Part I of the Law 2010, which relate specifically to the undertakings for collective investment as defined by the European Directive of 13 July 2009 (200/65/EEC) as amended ("UCITS Directive") and the Board of Directors of the Fund proposes to market the Shares in accordance with the UCITS Directive in certain Member States of the EU.

United States of America ("USA") - The Shares have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"); they may therefore not be publicly offered or sold in the USA, or in any of its territories subject to its jurisdiction or to or for the benefit of a U.S. Person as such expression is defined by Article 10 of the Articles and hereinafter.

The Shares are not being offered in the USA, and may be so offered only pursuant to an exemption from registration under the 1933 Act, and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the Fund been registered under the Investment Company Act of 1940, as amended (the "1940 Act"). No transfer or sale of the Shares shall be made unless, among other things, such transfer or sale is exempt from the registration requirement of the 1933 Act and any applicable state securities laws or is made pursuant to an effective registration statement under the 1933 Act and such state securities laws and would not result in the Fund becoming subject to registration or regulation under the 1940 Act. Shares may furthermore not be sold or held either directly by nor to the benefit of, among others, a citizen or resident of the USA, a partnership organized or existing in any state, territory or possession of the USA or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the laws of or existing in the USA or any state, territory or possession thereof or other areas subject to its jurisdiction (a "U.S. Person"). All purchasers must certify that the beneficial owner of such Shares is not a U.S. Person and is purchasing such Shares for its own account, for investment purposes only and not with a view towards resale thereof.

The Articles give powers to the Board of Directors of the Fund to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered and, in particular, by any U.S. Person as referred to above. The Fund may compulsorily redeem all Shares held by any such person.

The value of the Shares may fall as well as rise and a shareholder on transfer or redemption of Shares may not get back the amount he or she initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from, taxation may change. There can be no assurance that the investment objectives of the Fund will be achieved.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, conversion, redemption or disposal of the Shares of the Fund.

Shares of the various Sub-Funds must be subscribed solely on the basis of the information contained in the Prospectus and the Key Investor Information Document (“KIID”). The KIID is a pre-contractual document that contains key information for investors. It includes appropriate information about the essential characteristics of each Class of a particular Sub-Fund.

If you are considering subscribing for Shares, you should first read the KIID carefully together with the Prospectus and its appendices, which include in particular information on the various Sub-Funds’ investment policies, and you should also consult the Fund’s last published annual and semi-annual reports, copies of which are available from the following internet site www.fundsquare.net or <http://funds.degroof.lu/>, from local agents, if any, or from the entities marketing the Shares and may be obtained upon request, free of charge, at the Fund’s registered office.

Listing on Europeans Stock Exchange

Where Shares of individual Sub-Funds or Share Classes are listed on a Stock Exchange, the relevant Sub Fund information in the PART B of this Prospectus shall include a reference to this effect.

Data protection

Certain personal data of investors (including, but not limited to, the name, address and invested amount of each investor) may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Fund, the Custodian, the Administrative Agent, the Registrar and Transfer Agent, the Domiciliary Agent and any other person who provides services to the Fund from time to time and the financial intermediaries of such investors. In particular, such data may be processed for the purposes of account and distribution fee administration, anti-money laundering and terrorism financing identification, maintaining the register of shareholders, processing subscription, redemption and conversion orders and payments of dividends to shareholders and to provide client-related services tax identification, and the case may be by virtue of the savings directive or for compliance with the Foreign Account Tax Compliance Act.. Such information shall not be passed on to any unauthorised third persons.

The Fund may sub-contract to another entity (the “Processor”) (such as the Administrative, Registrar and Transfer Agent) the processing of personal data. The Fund undertakes not to transfer personal data to any third parties other than the Processor except if required by law or on the basis of a prior consent of the investors.

The Fund may be required as part of its compliance with the FATCA to disclose to the US tax authorities via the Luxembourg tax authorities personal information related to specified US persons, non-participating

foreign financial institutions (FFIs), and passive non-financial foreign entities (NFFEs) with one or more controlling person that is a specified US person.

Each investor has a right of access to his/her/its personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

By subscribing to the Shares, each investor consents to such processing of its personal data.

All references in the Prospectus to "EUR" are to the legal currency of the European Union Member States participating to the Economic Monetary Union.

All references in the Prospectus to "USD" are to the legal currency of the United States of America.

All references in the Prospectus to "Business Day" refer to any day on which banks are open for business in Luxembourg City.

DIRECTORY

Board of Directors:

Chairman

Mr. Daniele Bernardi, *Managing Director*, Diaman SCF S.r.l., Marcon Venezia

Directors

Mr. Jean-Luc Neyens, *Director*, Banque Degroof – Luxembourg S.A.

Mr. Massimo Scolari
Independent consultant

Mr. Régis Leoni, *Sous-Directeur*, Banque Degroof Luxembourg S.A

Registered Office:

12, rue Eugène Ruppert, L-2453 Luxembourg

Custodian:

Banque Degroof Luxembourg S.A.
12, rue Eugène Ruppert, L-2453 Luxembourg

Domiciliary and Corporate Agent, Administrative Agent, Paying Agent, Registrar and Transfer Agent:

Banque Degroof Luxembourg S.A.
12, rue Eugène Ruppert, L-2453 Luxembourg

Auditors:

Deloitte S.A.
560, rue de Neudorf, L-2220 Luxembourg

Management Company

Degroof Gestion Institutionnelle – Luxembourg
12, rue Eugène Ruppert, L-2453 Luxembourg

Investment Adviser:

Diaman SCF S.r.l.
Via R. Lombardi, 14/4, I-30020 Marcon Venezia

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PART A: FUND INFORMATION

INVESTMENT OBJECTIVES, POLICIES, TECHNIQUES AND INVESTMENT RESTRICTIONS

I. INVESTMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to manage the assets of each Sub-Fund for the benefit of their shareholders within the limits set forth under "Investment Restrictions". In order to achieve the investment objective, the assets of the Fund will be invested in transferable securities or other assets permitted by law.

Each Sub-fund may (a) use financial derivative instruments for investment, hedging and efficient portfolio management purposes, and (b) exploit the techniques and instruments relating to transferable securities and money market instruments for the purpose of efficient portfolio management, under the conditions and within the limits laid down by law, regulation and administrative practice, as well as under sections II "Investment Restrictions" and III "Techniques and Instruments relating to transferable securities and money market instruments".

Each Sub-Fund shall ensure that its global exposure relating to financial derivative instruments does not exceed the total net value of its portfolio. Global exposure is a measure designed to limit the leverage generated by each Sub-Fund through the use of financial derivative instruments. In order to calculate global exposure, each Sub-Fund will use the commitment approach, thereby aggregating the market value of the equivalent position of underlying assets.

The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objective of each Sub-Fund will be achieved.

The investment policies and structure applicable to the various Sub-Funds and Classes created by the Board of Directors are described hereinafter in Part B of the Prospectus. If further Sub-Funds and Classes are created the Prospectus will be updated accordingly.

II. INVESTMENT RESTRICTIONS

The Board of Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments of each Sub-Fund, the reference currency of each Sub-Fund and the course of conduct of the management and business affairs of the Fund.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund in Part B of the Prospectus, the investment policy shall comply with the rules and restrictions laid down hereafter.

For best understanding, the following concepts are defined hereafter:

Group of Companies	Companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognized international accounting rules
Liquid Assets	Cash and short-term bank deposits
Member State	A member state of the European Union
Money Market Instruments	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time
Other Regulated Market	Market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognized by a state or by a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association; and (iv) on which the securities dealt are accessible to the public
Other State	Any State of Europe which is not a Member State, and any State of America, Africa, Asia, Australia and Oceania
Reference Currency	Currency denomination of the relevant Class or Sub-Fund

Regulated Market	A regulated market as defined in the Directive 2004/39/EEC of 21 April 2004 on investment services in the securities field ("Directive 2004/39/EEC"), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EEC
Regulatory Authority	The <i>Commission de Surveillance du Secteur Financier</i> or its successor in charge of the supervision of the undertakings for collective investment in the Grand-Duchy of Luxembourg
Transferable Securities	<ul style="list-style-type: none"> - Shares and other securities equivalent to shares; - bonds and other debt instruments; - any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments
UCI	Undertaking for collective investment.

A. Investments in the Sub-Funds may consist solely of:

(1) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;

(2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;

(3) Transferable Securities and Money Market Instruments admitted to official listing on a Regulated Market in an Other State or dealt in on an Other Regulated Market in an Other State;

(4) recently issued Transferable Securities and Money Market Instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market or on an Other Regulated Market as described under (1)-(3) above;
- such admission is secured within one year of issue;

(5) units of UCITS and/or other UCIs within the meaning of the first article, intends (2) letters (a) and (b) of the European Directive 2009/65/EEC, whether situated in a Member State or in an Other State, provided that:

- such other UCIs are authorized under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured; UCIs that have been authorized under the laws of any Member State of the European Union, of any Member State of the Organization for Economic Cooperation and Development or under the laws of Hong Kong, Guernsey, Jersey, the Isle of Man, Liechtenstein and Singapore are deemed to be subject to equivalent supervision. Such list is however subject to change from time to time.

- the level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders 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/EEC;

- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;

- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

(6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in Community law;

(7) financial derivative instruments, i.e. in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- (i) - the underlying consists of instruments covered by this Section A, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives;

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority; and

- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;

(ii) under no circumstances shall these operations cause the Fund to diverge from its investment objectives;

(8) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, to the extent that 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, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above; or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law; or
- issued by other bodies belonging to the categories approved by the Regulatory 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 ten million Euro (10,000,000 Euro) 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 securitization vehicles which benefit from a banking liquidity line.

B. Each Sub-Fund may however:

(1) Invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under A (1) through (4) and (8).

(2) Hold cash and cash equivalents on an ancillary basis.

Notwithstanding the above provision and if justified by exceptional market conditions, the Sub-Funds may invest up to 100% of their net assets in cash and cash equivalents, term deposits, debt securities and money market instruments dealt in on a Regulated Market and whose maturity does not exceed 12 months, monetary UCITS and UCIs. In general terms, the Sub-Funds will comply with the investment restrictions and the principle of risk spreading set forth under this Part A, Paragraph II. There is no restriction so as to the currency of these securities. Term deposits and liquid assets may not exceed 49% of the Sub-Funds' net assets; term deposits and liquid assets held by any counterparty including the Custodian may not exceed 20% of the Sub-Funds' net assets.

(3) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction.

(4) Acquire foreign currency by means of a back-to-back loan.

C. In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:

(a) Risk Diversification rules

For the purpose of calculating the restrictions described in (1) to (5) and (8) hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk spreading rules described under items (1) to (5), (7) to (9) and (12) to (14) hereunder.

- ***Transferable Securities and Money Market Instruments***

(1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

- (i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of one single issuer; or
- (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

(2) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

(3) The limit of 10% set forth above under (1)(i) may be increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(4) The limit of 10% set forth above under (1)(i) may be increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

(5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1) (ii).

(6) Notwithstanding the ceilings set forth above, each Sub-Fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other Member State of the Organization for Economic Cooperation and Development ("OECD") or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six

different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.

(7) Without prejudice to the limits set forth hereunder under (b), the limits set forth in (1) may be raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognized by the Regulatory Authority, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

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

(8) A Sub-Fund may not invest more than 20% of its assets in deposits made with the same body.

- ***Derivative Instruments***

(9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in A (6) above or 5% of its net assets in other cases.

(10) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (13) and (14). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (1) to (5), (8), (9), (13) and (14).

(11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A) (7) (ii) and (D) (1) above as well as with the risk exposure and information requirements laid down in the Prospectus.

- ***Units of Open-Ended Funds***

(12) No Sub-Fund may invest more than 20% of its assets in the units of a single UCITS or other UCI.

When a Sub-Fund invests in the units of other UCITS and/or other UCIs 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 Sub-Fund's investment in the units of such other UCITS and/or UCIs.

A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in Part B of the Prospectus the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends

to invest. In its annual report the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

- ***Combined limits***

(13) Notwithstanding the individual limits laid down in (1), (8) and (9) above, a Sub-Fund may not combine:

- investments in Transferable Securities or Money Market Instruments issued by the same entity,
- deposits made with, and/or
- exposures arising from OTC derivative transactions undertaken with

a single body in excess of 20% of its net assets.

(14) The limits set out in (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35% of the net assets of the Fund.

(b) Limitations on Control

(15) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable the Fund to exercise a significant influence over the management of the issuer.

(16) The Fund may not acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The ceilings set forth above under (15) and (16) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s); and
- shares in the capital of a company which is incorporated under or organized pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company

observes in its investments policy the restrictions set forth under C, items (1) to (5), (8), (9) and (12) to (16).

- shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

D. In addition, the Fund shall comply in respect of its net assets with the following investment restrictions per instrument:

(1) Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

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

(2) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.

E. Finally, the Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:

(1) No Sub-Fund may acquire commodities or precious metals or certificates representative thereof.

(2) No Sub-Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(3) No Sub-Fund may use its assets to underwrite any securities.

(4) No Sub-Fund may issue warrants or other rights to subscribe for Shares in such Sub-Fund.

(5) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non-fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A, items (5), (7) and (8).

(6) The Fund may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under A, items (5), (7) and (8).

F. Notwithstanding anything to the contrary herein contained:

(1) The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to securities in such Sub-Fund's portfolio.

(2) If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.

The Board of Directors has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the Fund are offered or sold.

III. TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS

Save as otherwise described in the investment policy of any Sub-Fund (Part A “Investment objectives, policies, techniques and investment restrictions”), the Fund may employ the techniques and instruments available in the context of securities investments for the purpose of efficient asset management such as securities lending and borrowing, repurchase agreements, reverse repurchase agreements and “réméré” transactions, under the conditions and within the limits laid down by law, regulation and administrative practice and in accordance with the provisions of CSSF Circular 13/559, CSSF Circular 14/592 relating to the Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues (ESMA/2014/937), and as described hereafter.

The risk exposure to a counterparty to securities lending transactions and borrowing, sale with right of repurchase and/or repurchase transactions must be taken into account when calculating the combined limit of maximum 20% of the net assets of each Sub-Fund in a single issuer as set forth in chapter II *Investment Restrictions*, Section C, *Combined Limits*, pursuant to point 2 of Box 27 of ESMA Guidelines 10-788. Each Sub-Fund may take into account a guarantee conforming to the requirements set out under Section C below in order to reduce the counterparty risk in securities lending and borrowing, in sale with right of repurchase and/or reverse repurchase and repurchase transactions.

All the revenues arising from the techniques and instruments transactions net of direct and indirect operational costs/fees will be returned to the relevant Sub-Fund.

A. Securities lending and borrowing

Each Sub-Fund may enter into securities lending and borrowing transactions subject to the following restrictions:

- Each Sub-Fund may only lend securities through a standardised lending system organised by a recognised clearing institution or through a financial institution that are subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those prescribed by Community law and specialised in this type of transactions.

Each borrower must also be subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those prescribed by Community law. In case the aforementioned financial institution acts on its own account, it is to be considered as counterparty in the securities lending agreement.

- As the Sub-Funds are open-ended, each Sub-Fund must be in a position to terminate outstanding loans and to recall securities lent out at all times. Should this not be the case, each Sub-Fund must ensure that securities lending transactions will be maintained at a level such that it is, at all times, able to meet its obligations to redeem Shares.

Each Sub-Fund must receive, previously or simultaneously to the transfer of securities lent, a guarantee which complies with the requirements expressed under Section C below. At maturity of the securities lending transaction, the guarantee will be remitted simultaneously or subsequently to the restitution of the securities lent.

- Each Sub-Fund may borrow securities only under the following specific circumstances in connection with the settlement of a sale transaction: (a) during a period over which the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; and (c) to avoid a failed settlement when the Custodian fails to make delivery.

B. Repurchase agreements, reverse repurchase agreements and “réméré” transactions

- Each Sub-Fund may enter into “réméré” transactions which consist in the purchase and sale of securities with a clause reserving the seller the right to repurchase from the buyer the securities sold at a price and term specified by the two parties in a contract.
- Each Sub-Fund may enter into repurchase or reverse repurchase agreements which consist in the purchase and sale of securities with a simultaneous agreement to repurchase from the seller/buyer the securities sold at a price and term specified by the two parties in a contract.
- Each Sub-Fund may act either as buyer or seller in “réméré” transactions and repurchase or reverse repurchase agreements.
- Each Sub-Fund may only enter into “réméré” transactions and repurchase or reverse repurchase agreements with financial institutions subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those prescribed by Community law and specialised in these types of transactions.
- Securities which are delivered to each Sub-Fund under a “réméré” transaction or a repurchase or reverse repurchase agreement may belong to any of the following categories of eligible assets:
 - a. Short-term bank certificates or Money Market Instruments as set forth under II. A. (1) to (4) and (8), or
 - b. Bonds issued and/or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings of a community, regional or worldwide nature, or
 - c. Bonds issued by non-governmental issuers offering an adequate liquidity, or
 - d. Shares or units of other money-market UCIs, provided that their Net Asset Value is calculated daily and that such investment funds have a triple-A rating or any other form of rating considered as equivalent, or
 - e. Equities admitted to official listing or negotiated 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 conditions that these equities are included in a main index
- During the life of a “réméré” transaction, a repurchase or reverse repurchase agreement, and where the Sub-Fund acts as a buyer, it may not sell or pledge/give as securities the

securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the term of the contract has expired.

- As the Sub-Funds are open-ended, each Sub-Fund must be in a position to terminate outstanding “réméré” transactions, repurchase or reverse repurchase agreements and to recall securities purchases and sold in such conditions out at all times. Should this not be the case, each Sub-Fund must ensure that the value of purchased securities subject to a repurchase or a reverse repurchase obligation or under a “réméré” transaction will be maintained at a level such that is, at all times, able to meet its obligations to redeem Shares.

- Securities which are delivered to each Sub-Fund under a “réméré” transaction, a repurchase or reverse repurchase agreement must belong to one of the categories of assets eligible for investment by each Sub-Fund as per II A. and Part B of the Prospectus. When complying with the investment restrictions defined under II. C., each Sub-Fund will take into consideration securities held direct or through “réméré” transactions and repurchase or reverse repurchase agreements.

C. Collateral management

As part of securities lending transactions or when entering into “réméré” transactions or repurchase agreements and reverse repurchase agreements, each Sub-Fund must receive collateral, the value of which must be at the conclusion of and constantly during the contract be at least equal to 90% of the value of securities lent and of the counterparties’ risk exposure.

The collateral must be blocked in the favour of the Fund and must be given in the form of either:

- a. Cash, other acceptable forms of liquid assets and Money Market Instruments as set forth under II. A. (1) to (4) and (8) , or
- b. Bonds issued and/or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings of a community, regional or worldwide nature, or
- c. Bonds issued or guaranteed by first-class issuers offering an adequate liquidity, or
- d. Equities admitted to official listing or negotiated on a regulated market of a Member State of the European Union, Switzerland, Canada, Japan or the United States and which are included in a main index, or
- e. Shares or units of other money-market UCIs, provided that their Net Asset Value is calculated daily and that such investment funds have a triple-A rating or any other form of rating considered as equivalent, or
- f. Shares or units of other UCITS, provided that such investment funds invests primarily in instruments listed under c. and d. hereabove.

The Fund reserves the right to re-invest the collateral received in the form of cash in any of the following assets:

- a. Short-term bank deposits, or
- b. Money Market Instruments as set forth under II. A. (1) to (4) and (8), or
- c. Short-term bonds issued and/or guaranteed by a Member State of the European Union, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings of a community, regional or worldwide nature, or
- d. Bonds issued or guaranteed by first-class issuers offering an adequate liquidity, or

- e. Reverse repurchase agreement transactions as described hereabove, or
- f. Shares or units of other money-market UCIs, provided that their Net Asset Value is calculated daily and that such investment funds have a triple-A rating or any other form of rating considered as equivalent.

For the avoidance of doubt, both cash and non-cash collateral received will not be sold, pledged or reinvested.

D. Haircut Policy and Stress Test policy

Shall the SICAV enter into any of the afore-mentioned efficient portfolio management techniques, the SICAV will apply its haircut policy in respect of each class of assets received as collateral in respect of the SICAV / Sub-Fund(s). Any such haircut policy will take into account of the characteristics of the relevant asset class, including the credit stranding of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The haircut is a percentage deducted from the market value of the securities received as collateral. It aims to reduce the risk of loss when the borrower defaults.

- a) In the event that the SICAV (or any of its Sub-Fund(s)) receives collateral for at least 30% of the net assets, a stress testing policy may be implemented to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to the relevant collateral.
- b) Points a) and b) hereinabove will also be applicable to any collateral received by the SICAV (or any of its Sub-Fund(s)) within the framework of operations relating to financial derivative instruments dealt in over-the-counter (within the meaning and purpose of this document).
- c) The following haircuts are applied by the SICAV (the SICAV reserves the right to vary this policy at any time in which case this Prospectus will be updated accordingly):

Asset class	Minimum rating accepted	Haircut	Maximum by issuer
1/ cash and other acceptable forms of liquid assets	/	100%-110%	20%
2/ securities issued and/or guaranteed by a member state of the OECD or by their local authorities or by supranational institutions and undertakings of a community, regional or worldwide nature	AA-	100%-110%	20 %
3/ interest-bearing securities and convertible bonds, provided that such instruments are issued or guaranteed by first class institutions and are sufficiently liquid	AA-	100%-110%	20%
4/ equities admitted to official listing on a stock exchange of a member state of the European Union, Switzerland, Canada, Japan or the United States	/	100%-110%	20%
5/ shares or units of other UCITS or	UCITS - AAA	100%-	20%

UCIs, provided that such investment funds invest in money-market instruments and liquid assets, and have a triple-A rating or any other form of rating considered as equivalent,		110%	
6/ shares or units of other UCITS or UCIs, provided that such investment funds invest primarily in instruments listed under (3) and (4) hereabove	/	100%- 110%	20%

MANAGEMENT COMPANY

The Fund is managed by the Board of Directors which has the overall responsibility for the management and administration of the Fund, its Sub-Funds and Classes, for authorizing the establishment of Sub-Funds and Classes, and for setting and monitoring their investment policies and restrictions.

For the implementation of the investment policy of each Sub-Fund and the management of their assets, the administration and the marketing of the Fund, the Board of Directors has appointed a management company established under the Chapter 15 of the Law of 2010, DEGROOF GESTION INSTITUTIONNELLE – LUXEMBOURG (the “Management Company”). For this purpose, the Fund and the Management Company have entered into a Collective Portfolio Management Agreement which is dated 4 October 2006.

The Management Company is a company incorporated in Luxembourg as a société anonyme on 20 December 2004. Its corporate capital amounts to EUR 2 million. Its registered office is at 12, rue Eugène Ruppert, L-2453 Luxembourg. The main purpose of the Management Company is the management of UCITS and other UCIs including the investment management, the administration and the marketing of UCITS and other UCIs.

For the purpose of a more efficient conduct of its duties, the Management Company may delegate to third parties, on its behalf and under its responsibility, the power to carry out one or more of its functions. If one or more of the Management Company’s functions are so delegated, it will be specified in Part B of the Prospectus.

Its Board of Directors is composed as follows:

- Mr. Geert De Bruyne, Chairman
- Mrs. Sandra Reiser , Director
- Mr. John Pauly, Director
- Mr. Patrick Wagenaar, Director
- Mr. Jean-Michel Gelhay, Director
- Mr. Vincent Planche, Director
- Mr. Benoît Daenen, Director

THE SHARES

The Fund may issue Shares of different classes reflecting the various Sub-Funds which the Board of Directors may decide to open. Within a Sub-Fund, classes of Shares may be defined from time to time by the Board of Directors so as to correspond to (i) a specific distribution policy, such as entitling to distributions or not entitling to distributions, and/or (ii) a specific sales and redemption charge structure, and/or (iii) a specific management or advisory fee structure, and/or (iv) a specific distribution fee structure, and/or (v) specific types of investors entitled to subscribe the relevant classes of Shares, and/or (vi) a specific currency, and/or (vii) any other specific features applicable to one class.

The availability of such classes of Shares in each Sub-Fund shall be disclosed in Part B of the Prospectus for each Sub-Fund individually.

As set forth in this Part A in the section “Determination of the Net Asset Value” sub 1) “Calculation and Publication”, each Sub-Fund shall only be responsible for the liabilities which are attributable to such Sub-Fund.

Shares in any Sub-Fund may be issued on a registered or bearer dematerialized basis at the request of the shareholders, provided however that the Board of Directors may decide in relation to one or several Sub-Fund(s) and/or class(es) of Shares to issue only registered Shares. This will be indicated in the specific information concerning the relevant Sub-Fund(s) contained in Part B of the Prospectus.

The inscription of the shareholder's name in the register of shareholders evidences his or her right of ownership of such registered Shares.

Unless a Share certificate is requested, a holder of registered Shares shall receive a written confirmation of his or her shareholding.

A holder of bearer dematerialized Shares will have its Shares deposited on a securities account in the name of its beneficiary.

A holder of bearer dematerialized Shares requesting the exchange of his or her Shares for registered Shares or a holder of registered Shares requesting the exchange of his or her registered Shares for bearer dematerialized Shares shall bear the costs for such exchange.

All Shares must be fully paid-up; they are of no par value and carry no preferential or preemptive rights. Each Share of the Fund to whatever Sub-Fund it belongs is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles.

Fractional registered Shares may be issued to one thousandth of a Share, and such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the net results and in the proceeds of liquidation attributable to the Shares in the relevant Sub-Fund on a pro rata basis.

Shares may be offered to investors by means of savings plans in the countries where the SICAV is registered for distribution, in compliance with the legislation of those countries.

In regard to the offer in countries other than Luxembourg, an investor who subscribes, converts or redeems Shares in the Fund through authorised intermediaries could also be charged with the costs of these agents in the jurisdiction in which the offer is made.

If the Shares of a Sub-Fund are listed on the Luxembourg Stock Exchange or on another European Stock Exchange, it will be specified in Part B of the Prospectus.

PROCEDURE FOR SUBSCRIPTION, CONVERSION AND REDEMPTION¹

Subscription of Shares

After the Initial Subscription Period of a class of Shares, if any, of a Sub-Fund (as defined in Part B of the Prospectus), the subscription price per Share in the relevant class of Shares or Sub-Fund (the "Subscription Price") is the total of the Net Asset Value per Share and the sales charge as stated in Part B of the Prospectus. The Subscription Price is available for inspection at the registered office of the Fund.

Subscriptions in any class of Shares or in any Sub-Fund may be subject to a minimum investment amount and/or a minimum holding requirement as stated in Part B of the Prospectus, as the case may be.

Investors whose applications are accepted will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the Valuation Day (as defined in this Part A in the section "Determination of the Net Asset Value" sub 1) "Calculation and Publication") following receipt of the subscription form provided that such application is received by the Fund within the relevant time limit as stated in Part B of the Prospectus. Applications received by the Fund after the relevant time limit will be dealt with on the following Valuation Day.

Investors may be required to complete a purchase application for Shares or other documentation satisfactory to the Fund, indicating that the purchaser is not a U.S. Person or nominee thereof. Subscription forms containing such representation are available from the Fund.

Payments for Shares will be made in the Reference Currency of the relevant class of Shares or Sub-Fund.

Payments for subscriptions must be made within the time limits set out for each Sub-Fund in Part B of the Prospectus.

The Fund may agree to issue Shares as consideration for a contribution in kind of securities or other permitted assets, in compliance with the conditions set forth by Luxembourg law, in particular the obligation for the Auditors of the Fund to deliver a valuation report and provided that such securities comply with the investment policy and restrictions of the relevant Sub-Fund. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant shareholders.

The Fund reserves the right to reject any application in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant as soon as practicable or to suspend at any time and without prior notice the issue of Shares in one, several or all of the Sub-Funds.

Certificates or written confirmations of shareholding (as appropriate) will be sent to shareholders within the time period set out for each Sub-Fund in Part B of the Prospectus.

¹ For the Italian market only, the Paying Agent may group the subscription, conversion and redemption requests and forward such requests to the Fund on a cumulative basis, in the name of the Local Paying Agent and on behalf of the investors. In this case, the Shares will be registered in the Fund Shareholder Register in the name of the Local Paying Agent, with the diction « on behalf of third party » or the equivalent. In the application form, the investors will grant to the Local Paying Agent the relevant mandate.

No Shares in any Sub-Fund will be issued during any period when the calculation of the Net Asset Value per Share in such Sub-Fund is suspended by the Fund, pursuant to the powers reserved to it by Article 12 of the Articles.

In the case of suspension of dealings in Shares, the application will be dealt with on the first Valuation Day following the end of such suspension period.

Money Laundering Prevention

In order to contribute to the fight against money laundering and terrorist financing, the Fund will at all times comply with any obligations imposed by any applicable laws, rules, regulations and circulars with respect to the prevention of money laundering and terrorist financing obliging investors to prove their identity to the Fund. Subscriptions will be considered valid and acceptable by the Fund only if the subscription form is sent together with:

- in the case of natural persons, a copy of an identification document (passport or identity card), or
- in the case of corporate entities, a copy of the corporate documents (articles of incorporation and a recent extract from the trade register, authorized signatures list, list of shareholders holding directly or indirectly more than 25% of the share capital or the voting rights of the investor, directors' list,...) and a copy of the identification documents (passport or identity card) of the beneficiaries and of the persons authorized to give instructions to the Registrar and Transfer Agent.

Such documents must be duly certified by a public authority (public notary, police, consulate, embassy) of the country of residence.

Such obligation is absolute, unless

- a) the subscription form is sent (i) by a financial intermediary residing in any of the Member States of the European Union, the European Economic Area or any other country which impose equivalent requirements to those laid down by the Law of 12 November 2004 on the fight against money laundering and terrorist financing as amended, or (ii) by a branch or a subsidiary of financial intermediaries located in another country, if the parent company of this branch or subsidiary is located in any of these countries and if both the legislation of these countries and the parent company internal rules impose the application of rules relating to anti-money laundering and terrorist financing to this branch or subsidiary.
- b) The subscription form is sent directly to the Fund and the subscription is paid by :
 - 1) a wire transfer from a financial intermediary residing in any of these countries,
 - 2) a cheque drawn on the subscriber's personal account in a bank residing in one of these countries or a bank cheque issued by a bank residing in one of these countries

However, the Board of Directors must obtain from its distributors, financial intermediaries or directly from the subscriber, at first demand, a copy of the identification documents as indicated above.

Before accepting a subscription, the Fund may undertake additional investigations in accordance with national and international rules in force concerning anti-money laundering and terrorist financing.

Conversion of Shares

Shareholders have the right, subject to the provisions hereinafter specified, to convert Shares from one Sub-Fund for Shares of another Sub-Fund and to convert Shares of a given class of Shares to Shares of another class of Shares (if applicable). The Board of Directors may refuse to accept a conversion application if it is detrimental to the interests of the Fund, the Sub-Funds and the classes of Shares concerned or the relevant shareholders.

The rate at which Shares of any class of Shares or Sub-Fund shall be converted will be determined by reference to the respective Net Asset Value of the relevant classes of Shares or Sub-Funds, calculated as of the Valuation Day following receipt of the documents referred to below.

Conversions of Shares in any class of Shares or Sub-Fund may be subject to a fee based on the respective Net Asset Value of the relevant Shares as stated in Part B of the Prospectus, as the case may be. However, this amount may be increased if the subscription fee applied to the original class of Shares or Sub-Fund was less than the subscription fee applied to the class of Shares or Sub-Fund in which the Shares will be converted. In such cases, the conversion fee may not exceed the amount of the difference between the subscription rate applied to the class of Shares or Sub-Fund in which the Shares will be converted and the subscription rate applied to the initial subscription. This amount will be payable to the sales agents.

Shares may be tendered for conversion on any Valuation Day.

All terms and notices regarding the redemption of Shares shall equally apply to the conversion of Shares.

No conversion of Shares will be effected until the following documents have been received at the registered office of the Fund from the shareholder:

- a duly completed request for conversion of Shares;
- if applicable, the relevant bearer Share certificate.

Fractions of registered Shares will be issued on conversion to one thousandth of a Share.

Bearer certificates will be issued on conversion only for any whole number of Shares.

Certificates or written confirmations of shareholding (as appropriate) will be sent to shareholders within the time period set out for each Sub-Fund in Part B of the Prospectus, together with the balance resulting from such conversion, if any.

In converting Shares of a class of Shares or Sub-Fund for Shares of another class of Shares or Sub-Fund, a shareholder must meet the applicable minimum initial investment requirements imposed by the acquired Sub-Fund, if any.

If, as a result of any request for conversion, the investment held by any shareholder in a class of Shares or Sub-Fund would fall below the minimum amount, if any, indicated in Part B of the Prospectus in the section "Minimum Investment" under the specific information for each Sub-Fund, the Fund may treat such request as a request to convert the entire shareholding of such shareholder.

Shares in any class of Shares or Sub-Fund will not be converted in circumstances where the calculation of the Net Asset Value per Share in the relevant classes of Shares or Sub-Funds is suspended by the Fund pursuant to Article 12 of the Articles.

In the case of suspension of dealings in Shares, the request for conversion will be dealt with on the first Valuation Day following the end of such suspension period.

Redemption of Shares

Each shareholder of the Fund may at any time request the Fund to redeem on any Valuation Day all or any of the Shares held by such shareholder in any of the classes of Shares or Sub-Funds.

Shareholders desiring to have all or any of their Shares redeemed should apply in writing to the registered office of the Fund.

Redemption requests should contain the following information (if applicable): the identity and address of the shareholder requesting the redemption, the number of Shares to be redeemed, the relevant class of Shares or Sub-Fund, whether the Shares are issued with or without a Share certificate, the name in which such Shares are registered and details as to whom payment should be made. Share certificates in proper form (if any) and all necessary documents to complete the redemption should be enclosed with such request.

Shareholders have to take due care and bear responsibility that the certificates of the Shares to be redeemed are received in proper form at the registered office of the Fund.

Shareholders whose requests for redemption are accepted will have their Shares redeemed on any Valuation Day provided that the requests have been received by the Fund within the relevant time limit as stated in Part B of the Prospectus. Requests received by the Fund after the relevant time limit will be dealt with on the following Valuation Day.

Shares will be redeemed at a price based on the Net Asset Value per Share in the relevant class of Shares or Sub-Fund determined on the first Valuation Day following receipt of the redemption request, potentially decreased by a redemption fee, as stated in Part B of the Prospectus, as the case may be.

The redemption price shall be paid within the time limits set out for each Sub-Fund in Part B of the Prospectus.

Payment will be made by transfer bank order to an account indicated by the shareholder, at such shareholder's expense and risk.

Payment of the redemption price will be made in the Reference Currency of the relevant class of Shares or Sub-Fund.

The redemption price may be higher or lower than the price paid at the time of subscription or purchase.

Shares in any class of Shares or Sub-Fund will not be redeemed if the calculation of the Net Asset Value per Share in such class of Shares or Sub-Fund is suspended by the Fund pursuant to Article 12 of the Articles.

Notice of any such suspension shall be given in all the appropriate ways to the shareholders who have made a redemption request which has been thus suspended. In the case of suspension of dealings in Shares, the request will be dealt with on the first Valuation Day following the end of such suspension period.

If as a result of any request for redemption, the investment held by any shareholder in a class of Shares or Sub-Fund would fall below the minimum amount indicated in Part B of the Prospectus, if any, the Fund may treat such request as a request to redeem the entire shareholding of such shareholder in such class of Shares or Sub-Fund.

Furthermore, if on any Valuation Day redemption requests pursuant to Article 8 and conversion requests pursuant to Article 9 of the Articles relate to more than 10 percent of the net assets of a specific Sub-Fund, the Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred proportionally for such period as the Board of Directors considers to be in the best interests of the Sub-Fund. On the Valuation Days during such period, these redemption and conversion requests will be met in priority to later requests.

Under special circumstances including, but not limited to, default or delay in payments due to the relevant Sub-Fund from banks or other entities, the Fund may, in turn, delay all or part of the payment to shareholders requesting redemption of Shares in the Sub-Fund concerned. The right to obtain redemption is contingent upon the Sub-Fund having sufficient liquid assets to honour redemptions.

The Fund may also defer payment of the redemption of a Sub-Fund's Shares if raising the funds to pay such redemption would, in the opinion of the Board of Directors, be unduly burdensome to such Sub-Fund. The payment may be deferred until the special circumstances have ceased; redemption could be based on the then prevailing Net Asset Value per Share.

If the value of the net assets of any Sub-Fund on a given Valuation Day has decreased to an amount of EUR 10 million or the equivalent in any other Reference Currency, or in case of a significant change of the economical or political situation or in order to proceed to an economical rationalization, the Board of Directors may, at its discretion, elect to redeem all, but not less than all, of the Shares of such Sub-Fund then outstanding at the Net Asset Value per Share in such Sub-Fund (taking into account actual realization prices of investments and realization expenses), calculated on the Valuation Day at which such decision shall take effect. The Fund shall provide at least 30 days' prior written notice of redemption to all holders of the Shares to be so redeemed. Redemption proceeds corresponding to Shares not surrendered at the date of the compulsory redemption of the relevant Shares by the Fund may be kept with the Custodian (as defined hereinafter) during a period not exceeding nine months as from the date of such compulsory redemption; after this delay, these proceeds shall be kept in safe custody at the *Caisse de Consignation*. In addition, if the net assets of any Sub-Fund do not reach or fall below the above mentioned level at which the Board of Directors considers management possible, the Board of Directors may decide the merger of one Sub-Fund with one or several other Sub-Funds of the

Fund in the manner described in this Part A in the section "General Information" sub 4) "Dissolution and Merger of Sub-Funds".

The Articles contain at Article 10 provisions enabling the Fund to compulsorily redeem Shares held by U.S. persons.

Protection against Late Trading and Market Timing practices

The Fund respectively the Central Administration ensures that the practices of Late Trading and Market Timing will be eliminated in relation to the distribution of Shares of the Fund. The cut-off times mentioned under the sections "Subscriptions and Subscription Fee", "Redemptions" and "Conversions" set out for each Sub-Fund in Part B of the Prospectus will be observed rigidly. The investors do not know the Net Asset Value per Share at the time of their request for subscription, redemption or conversion.

DETERMINATION OF THE NET ASSET VALUE

1) Calculation and Publication

The Net Asset Value per Share of each class of Shares in respect of each Sub-Fund shall be determined in the Reference Currency of that class of Shares or Sub-Fund.

The Net Asset Value per Share of each class of Shares in a Sub-Fund shall be calculated as of any Valuation Day (as defined hereinafter) by dividing the net assets of the Fund attributable to such class of Shares in that Sub-Fund (being the value of the portion of assets less the portion of liabilities attributable to such class of Shares on any such Valuation Day) by the total number of Shares in the relevant class of Shares then outstanding.

If, since the time of determination of the Net Asset Value per Share on the relevant Valuation Day (as defined hereinafter), there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Sub-Fund are dealt in or quoted, the Fund may, in order to safeguard the interests of the shareholders and the Fund, cancel the first valuation and carry out a second valuation. All subscription, redemption and conversion requests shall be treated on the basis of this second valuation.

The Net Asset Value per Share of each class of Shares of the various Sub-Funds is determined on the day specified for each Sub-Fund in Part B of the Prospectus (the "Valuation Day") on the basis of the value of the underlying investments of the relevant Sub-Fund, determined as follows:

- (a) The value of any cash on hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

- (b) The value of each security or other asset which is quoted or dealt in on a stock exchange will be based on its last available price in Luxembourg on the stock exchange which is normally the principal market for such security.
- (c) The value of each security or other asset dealt in on any other regulated market that operates regularly, is recognized and is open to the public (a "Regulated Market") will be based on its last available price in Luxembourg.
- (d) In the event that any assets are not listed nor dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange or on any other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.
- (e) Units or shares of undertakings for collective investment will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis.
- (f) The liquidating value of futures, spot, forward or options contracts not traded on stock exchanges nor on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, spot, forward or options contracts traded on stock exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on stock exchanges and Regulated Markets on which the particular futures, spot, forward or options contracts are traded by the Fund; provided that if a futures, spot, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable. Swaps will be valued at their market value.
- (g) The value of money market instruments not traded on stock exchanges nor on other Regulated Markets and with a remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 days or less will be valued by the amortized cost method, which approximates market value.
- (h) Interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve(i) All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

The net proceeds from the issue of Shares in the relevant Sub-Fund are invested in the specific portfolio of assets constituting such Sub-Fund.

The Board of Directors shall maintain for each Sub-Fund a separate portfolio of assets. As between shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

As regard relations among the shareholders themselves and between the shareholders and third parties, each Sub-Fund shall be considered as a separate entity and shall only be responsible for the liabilities which are attributable to such Sub-Fund.

The value of all assets and liabilities not expressed in the Reference Currency of a class of Shares or Sub-Fund will be converted into the Reference Currency of such class of Shares or Sub-Fund at the rate of exchange ruling in Luxembourg on the relevant Valuation Day.

The Board of Directors, in its discretion, may permit some other methods of valuation to be used if it considers that such valuation better reflects the fair value of any assets.

The Net Asset Value per Share and the issue, redemption and conversion prices for the Shares in each Sub-Fund may be obtained during business hours at the registered office of the Fund, and will be published in such newspapers as determined for each Sub-Fund in Part B of the Prospectus, as the case may be.

2) Temporary Suspension of the Calculation

In each Sub-Fund, the Fund may temporarily suspend the calculation of the Net Asset Value per Share and the issue, redemption and conversion of Shares:

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

b) during the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Fund attributable to such Sub-Fund would be impracticable;

c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund;

d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realisation 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;

e) when for any other reason the prices of any investments owned by the Fund attributable to such Sub-Fund cannot promptly or accurately be ascertained;

f) upon the publication of a notice convening a general meeting of shareholders for the purpose of resolving the winding-up of the Fund.

g) during any period when the market of a currency in which a substantial portion of the assets of the Fund is denominated is closed otherwise than for ordinary holidays, or during which dealings therein are suspended or restricted;

h) during any period when political, economical, military, monetary or fiscal circumstances which are beyond the control and responsibility of the Fund prevent the Fund from disposing of the assets, or determining the Net Asset Value of the Fund in a normal and reasonable manner;

i) during any period when the calculation of the net asset value per unit or share of a substantial part of undertakings for collective investment the Fund is investing in, is suspended and this suspension has a material impact on the Net Asset Value per Share in a Sub-Fund.

Notice of the beginning and of the end of any period of suspension shall be given by the Fund to all the shareholders by way of publication and may be sent to shareholders affected, i.e. having made an application for subscription, redemption or conversion of Shares for which the calculation of the Net Asset Value has been suspended.

Any application for subscription, redemption or conversion of Shares is irrevocable except in case of suspension of the calculation of the Net Asset Value per Share in the relevant Sub-Fund, in which case shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Fund, such application will be dealt with on the first Valuation Day following the end of the period of suspension.

DISTRIBUTION POLICY

The Annual General Meeting of shareholders shall, upon proposal from the Board of Directors and within the limits provided by law and the Articles, declare, or authorize the Board of Directors to declare distributions of the Shares in the various sub-funds and classes concerned. The amounts paid out may not reduce the share capital of the Fund to below a minimum capital of 1,250,000 EUR.

The Board of Directors may decide, in each sub-fund and class, to pay interim dividends in compliance with the conditions set forth by law.

The dividend and interim dividends shall be paid on the dates and in the places determined by the Board of Directors.

Dividends not claimed within five years of their due date will lapse and revert to the relevant Sub-Fund.

No interest shall be paid on a dividend declared by the Fund and kept by it at the disposal of its beneficiary.

CHARGES AND EXPENSES

General

The Fund pays out of the assets of the relevant Sub-Fund all expenses payable by the Fund which shall include but not be limited to formation expenses, fees payable to its Management Company, Investment Managers and Advisers, including performance fees and additional variable fees, if any, fees and expenses payable to its Auditors and accountants, Custodian and correspondents, Prime Brokers, Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer

Agent, Listing Agent, any Paying Agent, any permanent representatives in places of registration, as well as any other agent employed by the Fund, the remuneration (if any) of the Directors and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with Board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, translating, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, share certificates, and the costs of any reports to shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank and brokerage charges. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateable for yearly or other periods.

In the case where any liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such liability shall be allocated to all the Sub-Funds prorata to their Net Asset Value or in such other manner as determined by the Board of Directors acting in good faith.

Expenses incurred in connection with the incorporation of the Fund including those incurred in the preparation and publication of the first Prospectus, as well as the taxes, duties and any other publication expenses, are estimated at EUR 12,750 and may be amortized over a maximum period of five years.

Expenses incurred in connection with the creation of any additional Sub-Fund shall be borne by the relevant Sub-Fund and will be written off over a period of five years. Hence, the additional Sub-Funds shall not bear a pro rata of the costs and expenses incurred in connection with the creation of the Fund and the initial issue of Shares, which have not already been written off at the time of the creation of the new Sub-Funds.

Fees of the Management Company

The Management Company is entitled to receive from the relevant Sub-Fund a fee payable quarterly in arrears as determined in Part B of the Prospectus.

Fees of the Custodian

The Custodian is entitled to receive out of the assets of each Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg as a percentage per annum of the average quarterly Net Asset Value thereof during the relevant quarter and payable quarterly in arrears.

They are actually paid at the following rates:

Mathematics Sub-Fund

up to 0.11% per annum
and increased by any VAT payable thereon.

Zenit Dynamic Bond ,Trend Follower, Target Strategy and Quant Bond Sub-Funds:

up to 0.11% per annum
with a minimum of EUR 10,000
and increased by any VAT payable thereon.

Fees of the Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent

The Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent is entitled to receive from the Management Company at the charge of the Fund, out of the assets of each Sub-Fund, a remuneration calculated in accordance with customary banking practice in Luxembourg and expressed basically as flat fees payable yearly or quarterly in arrears.

They are actually paid at the following rates:

- domiciliation: EUR 10,000 per annum for the Fund as a whole
- administrative agency: EUR 1,700 per month for the Zenit Dynamic Bond, Quant Bond, Mathematics, Target Strategy and Trend Follower Sub-Funds; with a minimum of 20,000 EUR for each Sub-Fund
- registrar and transfer agency: EUR 1,250 per annum per Sub-Fund + EUR 25 per transaction

In addition, the Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements.

CUSTODIAN

The Board of Directors has appointed Banque Degroof Luxembourg S.A. as custodian (the "Custodian") of the assets of all the Sub-Funds of the Fund.

The Custodian carries out the usual duties regarding custody, cash and securities deposits.

In particular, and upon the instructions of the Board of Directors, it will execute all financial transactions and provide all banking facilities.

The Custodian will further, in accordance with the Law of 2010:

- a) ensure that the sale, issue, redemption and cancellation of Shares effected by the Fund or on its behalf are carried out in accordance with the law or the Articles;
- b) ensure that in transactions involving the assets of the Fund, the consideration is remitted to it within the customary time limits;
- c) ensure that the income of the Fund is applied in accordance with the Articles.

The Custodian may entrust all or part of the assets of the Fund, in particular securities traded abroad or listed on a foreign stock exchange or admitted to a clearing system, to such clearing system or to such correspondent banks as may be determined by the Custodian from time to time (the "Correspondents").

The Fund's assets will be deposited with the Custodian and/or Correspondents chosen in good faith under the supervision of the Custodian. Unless the Custodian has been negligent in the

performance of its duties, the Custodian shall not be liable to the Fund for the Correspondents failure to perform their obligations and, unless the Custodian has been negligent in the selection and supervision of any such Correspondent, the Custodian shall not be liable to the Fund for losses resulting from bankruptcy or insolvency of a Correspondent. In such case the Custodian shall be liable to the Fund only to the extent that the Correspondents are liable to the Custodian and the Custodian shall be obliged to credit to the Fund only such assets as will be returned to the Custodian by the Correspondents with which the assets have been deposited.

The Custodian's liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to a third party.

The Custodian shall in addition be responsible for the payment of the redemption price of the Shares by the Fund.

The rights and duties of Banque Degroof Luxembourg S.A. as Custodian are governed by an agreement entered into for an unlimited period of time on 4 October 2006 and which may be terminated at any time by the Fund or the Custodian on giving a six months' prior written notice. However, the Custodian shall continue to act as Custodian pending replacement and until all assets of the Fund have been transferred to the successor custodian.

The Custodian is a company in the form of a "Société Anonyme" under the laws of Luxembourg and having its registered office at 12, rue Eugène Ruppert, L-2453 Luxembourg. It has engaged in banking activities since its incorporation and as at 30 September 2014, its regulatory own funds (tier 1) amounts to EUR 213.325.329 .

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

The Management Company has appointed Banque Degroof Luxembourg S.A. as the domiciliary and corporate agent (the "Domiciliary and Corporate Agent") for the Fund. In such capacity, it will be responsible for all corporate agency duties required by Luxembourg law, and in particular for providing and supervising the mailing of statements, reports, notices and other documents to the shareholders, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

The Management Company has appointed Banque Degroof Luxembourg S.A. as the administrative agent (the "Administrative Agent") for the Fund. In such capacity, it will be responsible for all administrative duties required by Luxembourg law, and in particular for the bookkeeping and the calculation of the Net Asset Value per Share of any class of Shares within each Sub-Fund, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

The Management Company has appointed Banque Degroof Luxembourg S.A. as the registrar (the "Registrar") and transfer agent (the "Transfer Agent") for the Fund, which will be responsible for handling the processing of subscriptions for Shares, dealing with requests for redemptions and conversions and accepting transfers of funds, for the safekeeping of the register of shareholders of the Fund, the delivery of Share certificates, if requested, the safekeeping of all non-issued Share certificates of the Fund, for accepting Share certificates tendered for replacement, redemption or conversion, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

The rights and duties of the Domiciliary and Corporate Agent, Administrative Agent, Paying Agent, Registrar and Transfer Agent are governed by an agreement entered into for an unlimited period of time on 4 October 2006 and which may be terminated at any time by the Management Company or Banque Degroof Luxembourg S.A. on giving a six months' prior written notice.

INVESTMENT MANAGER AND INVESTMENT ADVISER

In order to carry out the policy of any Sub-Fund, the Management Company may delegate the investment management function to one or more investment managers for each Sub-Fund, as specified in Part B of the Prospectus (individually the “Investment Manager” and collectively the “Investment Managers”).

The Investment Manager provides the Management Company with advice, reports and recommendations in connection with the management of the assets of the relevant Sub-Fund(s) and shall advise the Management Company as to the selection of the securities and other assets constituting the portfolios of the relevant Sub-Fund(s) and has discretion, on a day-to-day basis and subject to the overall control and responsibility of the Management Company, to purchase and sell securities and otherwise to manage the relevant Sub-Fund's portfolio.

In addition, the Management Company and/or the Investment Manager(s) may be assisted by one or more investment advisers for each Sub-Fund, as specified in Part B of the Prospectus (individually the “Investment Adviser” and collectively the “Investment Advisers”). An Investment Adviser may so be designated to provide investment advice on any particular category of assets of any Sub-Fund when it is considered that such an investment adviser has specific knowledge and skills in the contemplated assets. The Management Company and the Investment Manager as the case may be, will never be bound by the advice provided by the Investment Adviser.

The appointment of an Investment Manager and/or of an Investment Adviser will be indicated in the specific information concerning the relevant Sub-Fund(s) contained in Part B of the Prospectus.

PRIME BROKER

The Management Company may, if and when it deems it opportune, appoint one or more prime brokers for any Sub-Fund (individually the “Prime Broker” and collectively the “Prime Brokers”) who will be paid by the Fund.

The appointment of a Prime Broker and the related services will be indicated in the specific information concerning the relevant Sub-Fund(s) contained in Part B of the Prospectus.

DISTRIBUTORS

The Management Company may decide to appoint at any time distributors and/or nominees (the “Distributors”) to assist it in the distribution and the placement of Shares of the Fund.

The Distributors will carry out activities of marketing, placement and sale of Shares of the Fund. They will intervene in the relationship between the investors and the Fund in collecting subscription orders of Shares. They will be authorised to receive subscription and redemption orders from investors and shareholders on behalf of the Fund, and to offer Shares at a price based on the applicable Net Asset Value per Share.

The Distributors shall transmit to the Registrar and Transfer Agent of the Fund any application for the issue and/or redemption of Shares.

The Distributors will also be entitled to receive and execute the payment of the issue and redemption orders of Shares.

In the context of Distributors acting as nominees on behalf of investors, each Distributor shall be entered into the register of shareholders held by the Fund and not the clients who have invested in the Fund. The terms and conditions of the distribution agreements will provide, among others, that a client who has invested in the Fund through a Distributor shall at all times be entitled to require the transfer of the legal title to the Shares to be registered in such client's own name, whereupon that client shall be entered in the register of shareholders upon receipt of proper instructions from the Distributor.

Investors shall nevertheless retain the possibility to invest directly in the Fund, without investing via the Distributor.

The Management Company shall be responsible for the remuneration of the Distributors, the related payments to be deducted from the investment management fees payable by the Management Company to the Investment Manager.

The Management Company will conclude distribution agreements with Distributors provided that they are professionals in the financial sector and established in any of the Member States of the European Union, the European Economic Area or any other country which impose equivalent requirements within the meaning of the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended. The Distributors so appointed will be mentioned in the annual and semi-annual reports of the Fund.

TAXATION

The following summary is based on the law and practice currently applicable in the Grand Duchy of Luxembourg and is subject to changes therein.

A. Taxation of the Fund in Luxembourg

The Fund is not liable to any Luxembourg tax on profits or income. The Fund is, however, liable in Luxembourg to a tax of 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Funds at the end of the relevant calendar quarter. However, this tax is reduced to 0.01% per annum for the net assets attributable to the Class I Institutional Shares, intended for institutional investors. No stamp duty or other tax is payable in Luxembourg on the issue of Shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Fund. The portion of assets which are invested in units or shares of UCIs shall be exempt from such tax as far as those UCIs are already submitted to this tax in Luxembourg.

General

Dividends and interest received by the Fund on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

The Fund was liable to an initial capital tax of EUR 1,250 which was paid upon incorporation.

B. Luxembourg Taxation of shareholders

Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments (hereinafter the “Directive”)

The Directive stipulates that with effect from 1st July 2005, paying agents (within the meaning of the Directive) established in a Member State of the European Union (or in certain dependent or associated territories of Member States) which make interest payments to natural persons (or to residual entities within the meaning of the Directive) residing in another Member State, must, depending on the country in which they are established, communicate information relating to the payment and the beneficiary to the tax authorities or deduct withholding tax. If such a payment is subject to withholding tax, the beneficiary can avoid such withholding tax by submitting a certificate of exemption or an authorisation to exchange information, depending on the options proposed by the paying agent and the country of establishment.

In accordance with the provisions of the Directive, dividend payments made by a sub-fund of the Fund shall fall within the scope of the Directive if more than 15% of the sub-fund’s net assets are invested in debt claims as defined in the Directive. Payments made by a sub-fund of Fund in the event of the repurchase of shares in a sub-fund (or any transaction treated as a repurchase) shall fall within the scope of the Directive if more than 25% of the Sub-Fund’s net assets are invested in such debt claims

When payment is subject to withholding tax, the said withholding tax shall apply in principle, provided that the paying agent is in possession of such information, to the part of the payment corresponding to interest income within the meaning of the Directive. The withholding tax is currently 35% (as defined in the Directive) provided that the paying agent has information on the interest comprised in the distribution or repurchase payment.

The Directive was transposed into the laws of Luxembourg by the law of 21 June 2005 as amended.

For interest payments made on or after 1 January 2015, in accordance with the Directive applying to interest payments made after December 31, 2014, the paying agent when located in Luxembourg, is required to forward the following information to the competent authority in Luxembourg: a) the identity and residence of the beneficial owner; b) the name or the name and address of the paying agent; c) the account number of the beneficial owner or, failing that, the identification of the debt interest; d) the total amount of interest or income or the total amount of the proceeds of the sale, repurchase or redemption. This information will be forwarded by the competent Luxembourg tax authorities of the country of tax residence of the beneficial owner. When an individual (or a residual entity within the meaning of the Directive) resident in another Member State is entered in the register of shareholders of the Company, the paying agent shall be deemed the Company or its delegate in charge of the payment of dividends or payment made by a Sub-Fund in relation to a redemption of shares.

C. FOREIGN ACCOUNT TAX COMPLIANCE ACT (« FATCA »)

The Foreign Account Tax Compliance Act (**FATCA**), which forms part of the US Hiring Incentives to Restore Employment (**HIRE**) Act, was enacted in the US in 2010 and took effect on

1 July 2014. The Act requires that foreign financial institutions (**FFIs**), that is financial institutions established outside of the US, report information on financial accounts held by specified US persons or non-US entities with one or more controlling person that is a specified US person (together referred to as "**US reportable accounts**") to the US tax authorities (Internal Revenue Service, **IRS**) every year. A withholding tax of 30% is also levied on revenue from a US source paid to FFIs that do not comply with the requirements of FATCA ("**non participating FFIs**").

On 28 March 2014, the Grand Duchy of Luxembourg signed an intergovernmental agreement with the US ("**Luxembourg IGA**"). Funds that are considered FFIs are required to comply with the Luxembourg IGA as introduced into national law following its ratification rather than comply directly with the FATCA regulations as issued by the US government.

Pursuant to the Luxembourg IGA, funds are required to collect specific information identifying their investors and all intermediaries (nominees) acting on behalf of such investors. Funds will be required to report information they have about US reportable accounts and non-participating FFIs to the Luxembourg tax authorities, which will in turn relay that information automatically to the IRS.

Funds must comply with the provisions of the Luxembourg IGA as introduced into national law following its ratification in order to be considered compliant with FATCA and to be exempt from the 30% withholding tax levied on US investments, whether real or considered as such. To guarantee such compliance, the fund or any authorised agent may

- a. seek information or additional documentation, including US tax forms (Forms W-8 / W-9) and a GIIN (Global Intermediary Identification Number), where necessary, or any other documentary evidence of the identification of a shareholder, intermediary, or their respective status pursuant to FATCA, and
- b. prohibit the sale or transfer of units/shares to specified US persons, non-participating FFIs and passive non-financial foreign entities (**passive NFFEs**) with one or more substantial US Owners.

The fund may also, by decision of its board of directors,

- c. report information specifically related to a shareholder and its account to the Luxembourg tax authorities if it is considered a US reportable account pursuant to the Luxembourg IGA, or if the account is believed to be held by a non-participating FFI pursuant to FATCA, and
- d. where required, arrange for the deduction of US withholding tax applicable to payments made to certain shareholders, in accordance with FATCA.

The Fund's compliance with the Luxembourg IGA, as it may be introduced into national law following its ratification, can only be guaranteed if units/shares that are not directly recorded in the Register of Members by end-investors are recorded through an intermediary that is considered a participating FFI or considered as such pursuant to a ratified IGA, a registered deemed compliant FFI, a non registering local bank or a restricted distributor, acting as nominee. Thus the fund prohibits the sale or transfer of its units/shares to specified US persons, non-participating FFIs and passive NFFEs with one or more substantial US owners.

All distributors and intermediaries, acting in accordance with FATCA, undertake to notify the fund in the event of a change in their status pursuant to the FATCA within 90 calendar days following this change in status. All unitholders must immediately inform the fund should their status change and they are no longer eligible as outlined above.

Distributors who are not recognised as nominees within the meaning of FATCA shall have their distribution contract terminated in advance within 90 calendar days following the date on which the distributor issued notification of its change of status to the fund. The Fund shall buy back, recover directly in its register, or transfer to another nominee the units/shares issued through this

distributor within six months following the date on which the change in status of the latter occurred.

Moreover, the units/shares issued directly by the fund must be bought back or transferred by the fund itself rather than sold by investors on the secondary market.

The board of directors has the power to enforce the buyback of units/shares in accordance with these provisions.

Notions and terms related to FATCA should be interpreted and understood with reference to the definitions of the Luxembourg IGA and the texts ratifying this agreement under national law, and solely on a secondary basis according to the provisions of the FATCA Final Regulations issued by the US government (www.irs.gov).

The Fund may be required as part of its compliance with the FATCA to disclose to the US tax authorities via the Luxembourg tax authorities personal information related to specified US persons, non-participating foreign financial institutions (FFIs), and passive non-financial foreign entities (NFFEs) with one or more controlling person that is a specified US person.

In the event of doubt concerning their status under FATCA or the implications of FATCA or the IGA in terms of their personal situation, investors are recommended to consult their financial, legal or tax advisor before subscribing for units/shares in the fund.

The above provisions are based on current law and practices and are subject to change.

The Fund recommends to potential shareholders that they should obtain information and, if necessary, advice regarding the laws and regulations applying to the subscription, purchase, holding, redemption and sale of Shares in their country of origin, residence or domicile.

The above information is not exhaustive and does not constitute legal or tax advice. Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, converting, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

GENERAL INFORMATION

1) Corporate Information

The Fund was incorporated for an unlimited period of time on 4 October 2006 and is governed by the Luxembourg law of 10 August 1915 on commercial companies, as amended, and by the Law of 2010.

The registered office of the Fund is established at 12, rue Eugène Ruppert, L-2453 Luxembourg.

The Fund is recorded at the "Registre de Commerce et des Sociétés" with the District Court of Luxembourg under the number B 119.895.

The Articles were published in the "Mémorial C, Recueil des Sociétés et Associations" (the "Mémorial") of 20 October 2006, and have been filed with the Chancery of the District Court of Luxembourg together with the "Notice légale" on the issue and sale of Shares. Any interested

person may inspect these documents on the Chancery of the District Court of Luxembourg website www.rcsl.lu; copies are available on request at the registered office of the Fund.

The minimum capital of the Fund as provided by law, which must be achieved within 6 months from the date on which the Fund has been authorized as an undertaking for collective investment under Luxembourg law, is EUR 1,250,000. The capital of the Fund is represented by fully paid-up Shares of no par value. The initial capital of the Fund has been set at EUR 31,000 divided into 310 fully paid-up Shares of no par value.

The Fund is open-ended which means that it may, at any time on the request of the shareholders, redeem its Shares at prices based on the applicable Net Asset Value per Share of the relevant Sub-Fund.

In accordance with the Articles, the Board of Directors may issue Shares in each Sub-Fund. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds.

The Board of Directors of the Fund may from time to time decide to create further Sub-Funds; in that event, the Prospectus will be updated and amended so as to include detailed information on the new Sub-Funds.

The share capital of the Fund will be equal, at any time, to the total value of the net assets of all the Sub-Funds.

The Articles, at Article 10, contain provisions enabling the Fund to restrict or prevent the ownership of Shares by U.S. persons.

2) Meetings of, and Reports to, shareholders

Notice of any general meeting of shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Fund or of any Sub-Fund) shall be mailed to each registered shareholder at least eight days prior to the meeting and shall be published to the extent required by Luxembourg law in the *Mémorial* and in any Luxembourg and other newspaper(s) that the Board of Directors may determine. Such notices will indicate the date and time of the meeting as well as the agenda, the quorum requirements and the conditions of admission.

If all the Shares are only issued in registered form, convening notices may be mailed by registered mail to each registered shareholder without any further publication.

If the Articles are amended, such amendments shall be filed with the Chancery of the District Court of Luxembourg and published in the *Mémorial*.

The Fund publishes annually a detailed audited report on its activities and on the management of its assets; such report shall include, inter alia, the combined accounts relating to all the Sub-Funds, a detailed description of the assets of each Sub-Fund and a report from the Auditors.

The Fund shall further publish semi-annual unaudited reports, including, inter alia, a description of the investments underlying the portfolio of each Sub-Fund and the number of Shares issued and redeemed since the last publication.

The aforementioned documents will be available within four months for the annual reports and two months for the semi-annual reports of the date thereof and copies may be obtained free of charge by any person at the registered office of the Fund.

The accounting year of the Fund commences on the first of January and terminates on the thirty first of December of the same year.

The annual general meeting of shareholders takes place in Luxembourg City at a place specified in the notice of meeting on the last Thursday in the month of April at 11.00 a.m.. If such day is not a Business Day in Luxembourg, the annual general meeting shall be held on the next following Business Day in Luxembourg.

The shareholders of any Sub-Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund.

The combined accounts of the Fund shall be maintained in EUR being the currency of the share capital. The financial statements relating to the various separate Sub-Funds shall also be expressed in the relevant Reference Currency for the classes of Shares or Sub-Funds.

3) Dissolution and Liquidation of the Fund

The Fund may at any time be dissolved by a resolution of the general meeting of shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital indicated in Article 5 of the Articles, the question of the dissolution of the Fund shall be referred to a general meeting of shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by the simple majority of the votes of the Shares represented at the meeting.

The question of the dissolution of the Fund shall also be referred to a general meeting of shareholders whenever the share capital falls below one-fourth of the minimum capital set by Article 5 of the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by shareholders holding one-fourth of the votes of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty days as from ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

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.

The net proceeds of liquidation corresponding to each class of Shares in each Sub-Fund shall be distributed by the liquidators to the holders of Shares of the relevant class of Shares in such Sub-Fund in proportion to their holding of such Shares.

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the Law of 2010. Such law specifies the steps to be taken to enable 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 liquidation.

Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

4) Dissolution and Merger of Sub-Funds

In the event that for any reason the value of the net assets in any Sub-Fund has decreased to an amount below EUR 10 million or the equivalent in any other Reference Currency, being the amount determined by the Board of Directors to be the minimum level for such Sub-Fund to be operated in an economically efficient manner, or if a change in the economical or political situation relating to the Sub-Fund concerned would have material adverse consequences on the investments of that Sub-Fund or in order to proceed to an economical rationalization, the Board of Directors may decide to compulsorily redeem all the Shares issued in such Sub-Fund at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Day at which such decision shall take effect. The Fund shall serve a notice to the holders of the relevant Shares at least thirty days prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of the redemption operations: registered holders shall be notified in writing and the Fund shall inform holders of bearer Shares by publication of a notice in newspapers to be determined by the Board of Directors. Unless it is otherwise decided in the interests of, or to keep equal treatment between the shareholders, the shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the effective date for the compulsory redemption.

Any proceeds of liquidation not claimed by the shareholders will be deposited in escrow at the *Caisse de Consignation* to the persons entitled thereto within nine months following the decision of the liquidation.

All redeemed Shares shall be cancelled.

Under the same circumstances as provided in the first paragraph of this section, the Board of Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Fund or to another undertaking for collective investment organized under the provisions of Part I of the Law of 2010 or to another sub-fund within such other undertaking for collective investment (the "New Sub-Fund") and to redesignate the Shares of the Sub-Fund concerned as Shares of another Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to shareholders). Such decision will be published in the same manner as described in the first paragraph of this section (and, in addition, the publication will contain information in relation to the New Sub-Fund), one month before the date on which the merger becomes effective in order to enable shareholders to request redemption or conversion of their Shares, free of charge, during such period.

PART B: SPECIFIC INFORMATION

I. SUB-FUND DIAMAN Sicav ZENIT DYNAMIC BOND

1. Name

The name of the Sub-Fund is "DIAMAN Sicav Zenit Dynamic Bond" (or "Zenit Dynamic Bond").

2. Specific Investment Policy and Investment Restrictions

Investment Policy

The **Zenit Dynamic Bond** Sub-Fund will invest in bonds or other fixed income transferable securities issued by corporations, by countries' treasuries and/or government agencies and/or by supranational organizations (such as, but not limited to, EBRD or the World Bank or the EIB).

The **Zenit Dynamic Bond** Sub-Fund will have no constraint on the average portfolio duration.

As a general guideline the portfolio of the **Zenit Dynamic Bond** Sub-Fund will be diversified according to the following criteria:

- At least 20% in Government or Supranational bonds or AAA rated bonds.
- Not more than 60% in non investment grade bonds, including bonds issued in emerging countries.
- Not more than 10% in equities and equity related securities.
- UCITS and/or UCIs.

Should a bond not be rated by one of the major credit rating agencies, the rating of similar issues of the same issuer will be used as representative.

Under the risk-diversification principle, the **Zenit Dynamic Bond** Sub-Fund will invest in various types of transferable securities such as fixed and floating rate bonds, indexed bonds (i.e. bonds the performance of which is linked to an index of transferable securities) and subordinated bonds and up to 25% of its net assets in convertible and cum warrants bonds (to the extent that such warrants are on transferable securities).

The **Zenit Dynamic Bond** Sub-Fund may invest up to 10% of its net assets in UCITS and/or other UCIs.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees charged both to the Sub-Fund and to the other UCITS and/or other UCIs may not exceed 5%.

If the Sub-Fund invests in shares or units of UCITS or UCIs managed by the Promoter's group or the Investment Manager, no subscription or redemption fees will be charged for investments by the Sub-Fund into other investment funds of the Promoter's group or the Investment Manager's.

On an ancillary basis, the Sub-Fund may hold liquid assets such as cash and short-term deposits.

Notwithstanding the above provisions and if justified by exceptional market conditions, the **Zenit Dynamic Bond** Sub-Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and money market instruments dealt on a Regulated Market and whose maturity does not exceed 12 months, monetary UCITS and UCIs. In general terms, the Sub-Fund will comply with the investment restrictions and the principle of risk spreading set forth under Part A, Paragraph II. There is no restriction so as to the currency of these securities. Term deposits and liquid assets may not exceed 49% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Custodian may not exceed 20% of the Sub-Fund's net assets.

Risk Profile

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

As the Zenit Dynamic Bond Sub-Fund may invest part of its assets in lower rated bonds, the investors' attention is drawn to the fact that such bonds may be considered speculative and that they tend to be more volatile than higher rated bonds. In addition, investment in lower rated bonds is subject to greater risk of loss of principal and interest (including the risk of default) than higher rated bonds.

Profile of targeted investors

This Sub-Fund is suitable for experienced investors wishing to attain defined investment objectives and who understand and are ready to accept the risks involved, as described hereabove under "Risk Profile". Experience with capital market products is recommended. The investor must be able to accept moderate temporary losses, thus this Sub-Fund is suitable to investors who can afford to set aside the capital for at least 2-3 years.

This Sub-Fund is designed for the investment objective of building up capital. For an investor's portfolio, it can play the role of a core position.

Techniques and instruments

The **Zenit Dynamic Bond** Sub-Fund may engage in various portfolio strategies to attempt to reduce certain risks of its investments. These strategies currently include the use of options, forward currency exchange contracts and futures contracts and options thereon, as described under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the Prospectus. Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the **Zenit Dynamic Bond** Sub-Fund would not be subject in the absence of the use of these strategies. Besides those techniques and instruments described in Part A of the Prospectus for hedging purposes, the **Zenit Dynamic Bond** Sub-Fund will use government bond futures contracts and futures on interest rates for investment purposes to actively manage the portfolio duration. However the **Zenit Dynamic Bond** Sub-Fund will not engage in such portfolio strategies to an extent which would have a priori a negative influence on the assets of the **Zenit Dynamic Bond** Sub-Fund.

The **Zenit Dynamic Bond** Sub-Fund shall ensure that its global exposure relating to financial derivative instruments does not exceed the total net assets of that Sub-Fund. The Sub-Fund's global exposure shall consequently not exceed 200% of its total net assets. In addition, this global exposure may not be increased by more than 10% by means of temporary borrowing, so that the

Sub-Fund's overall risk exposure may not exceed 210% of any Sub-Fund's total net assets in any circumstances.

In its financial reports, the Fund must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for such financial reports.

3. **Distribution Policy**

Since the **Zenit Dynamic Bond** Sub-Fund's principal investment objective is the capital growth, no dividend is expected to be paid to the shareholders.

However, the distribution of dividends may be proposed by the Board of Directors to the general meeting of shareholders at any time.

4. **Form and classes of Shares**

The Sub-Fund offers three classes of Shares:

- Class I Institutional Shares, intended for institutional investors
- Class P Private Shares, intended for all types of investors subscribing through regulated European Stock Exchange
- Class R Retail Shares, intended for direct distribution to retail investors

The difference between these classes of Shares relates to the status of the investors the fees level and the minimum investment.

Shares in each Class are issued in registered form only. Written confirmations of shareholding will be sent to shareholders within five Business Days following the relevant Valuation Day.

Certain classes of Shares may not be offered for subscription by the Fund in certain countries where the Fund is registered for public distribution. In such case, the investors wishing to subscribe for a class of Shares which is not offered for subscription by the Fund may apply to the Registrar and Transfer Agent in Luxembourg in order to subscribe for the relevant class of Shares.

5. **ISIN codes**

Class I Shares	LU0277560420
Class P Shares	LU0277562558
Class R Shares	LU0277560859

6. **Minimum Investment**

The minimum initial investment and holding requirement per investor in the **Zenit Dynamic Bond** Sub-Fund is different and related to the relevant class of Shares:

	Initial subscription	Subsequent subscription
Class I Shares	EUR 100,000	EUR 500
Class P Shares	EUR 10	EUR 10
Class R Shares	EUR 100	EUR 100

7. Subscriptions and Subscription Fee

The subscription price corresponds to the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day, which may be increased by a sales charge of a maximum of 1% of the applicable Net Asset Value per Share and which shall revert to the sales agents.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day and must be accepted. Subscription forms received after this time and date will take effect on the next following Valuation Day.

Payment shall be received by the Fund no later than three Business Days following such Valuation Day for the account of the Fund referencing the **Zenit Dynamic Bond** Sub-Fund and the relevant class of Shares.

The corresponding Shares will be issued only upon receipt of the payment.

The Investment Manager and the Investment Adviser are not entitled to accept payments relating to the subsequent subscriptions.

In regard to the offer in countries other than Luxembourg, an investor who subscribes, converts or redeems Shares in the Fund through authorised intermediaries could also be charged with the costs of these agents in the jurisdiction in which the offer is made.

8. Redemptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day. Redemption requests received after this time and date will take effect on the next following Valuation Day.

The redemption price shall be based on the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No redemption fee shall be levied.

The redemption price shall be paid three Business Days following the applicable Valuation Day.

The Investment Manager and the Investment Adviser are not entitled to make payments relating to the redemptions.

9. Conversions

The Shares of the **Zenit Dynamic Bond** Sub-Fund may be converted into Shares of another Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

The conversion list will be closed under the same terms and conditions as applicable to redemptions in the **Zenit Dynamic Bond** Sub-Fund.

10. Reference Currencies of Zenit Dynamic Bond

The Net Asset Value per Share of each class of Shares of the **Zenit Dynamic Bond** Sub-Fund will be calculated in EUR.

The Sub-Fund is denominated in EUR.

11. Frequency of the Net Asset Value (NAV) calculation and Valuation Day

The Net Asset Value per Share of the **Zenit Dynamic Bond** Sub-Fund will be determined in Luxembourg under the overall responsibility of the Board of Directors on each Business Day ("Valuation Day").

The calculation of the Net Asset Value per Share will be executed on the next following Business Day before 5 p.m. on the basis of the closing prices published by the relevant Stock Exchanges on the Valuation Day.

12. Management Company Fees

A management fee is payable to the Management Company by the **Zenit Dynamic Bond** Sub-Fund in remuneration for its services. Such fee is payable quarterly in arrears and calculated on the average of the net assets of the **Zenit Dynamic Bond** Sub-Fund for the relevant quarter as follows:

0.075% per annum on the first EUR 10 million of average net assets
0.050% per annum on the average net assets over EUR 10 million
with a minimum of EUR 5,000.

A marketing fee is also payable to the Management Company by the **Zenit Dynamic Bond** Sub-Fund in remuneration for its services. Such fee is different for each class of Shares, payable quarterly in arrears and calculated on the average of the net assets of the **Zenit Dynamic Bond** Sub-Fund in the respective class of Shares for the relevant quarter as follows:

Class I Shares	0% per annum
Class P Shares	Up to 0.30% per annum
Class R Shares	Up to 0.70% per annum

13. Investment Adviser

In accordance with an agreement entered into with the Management Company the Investment Adviser, terminable by either party giving not less than three months' prior notice to the other party, Diaman SCF S.r.l. is acting as Investment Adviser.

Diaman SCF S.r.l. located at Via R. Lombardi, 14/4 in Marcon Venezia is an advisory company specialized in support for management and asset allocation. Its capital at 31 December 2013 amounts to EUR 100,000.

14. Investment Advisory Fee

An advisory fee is payable to Diaman SCF S.r.l. in its quality as Investment Adviser by the Management Company at the charge of the **Zenit Dynamic Bond** Sub-Fund, in compensation for its services. Such fee is payable monthly in arrears at the annual rate of 0.60% calculated on the average of the net assets of the **Zenit Dynamic Bond** Sub-Fund for the relevant month.

15. Additional Variable Fee

In addition, the Investment Adviser is entitled to receive from the Management Company an additional variable fee, at the charge of **Zenit Dynamic Bond** Sub-Fund. The additional variable fee represents 0.007% of the total Net Asset Value of the **Zenit Dynamic Bond** Sub-Fund (net of any liabilities other than the additional variable fee) for any 100 basis point of return realised by the Sub-Fund. The Sub-Fund's return is equal to the annualised increase, in percent, of the Sub-Fund's Net Asset Value per Share (net of any liabilities other than the additional variable fee), it is calculated on the last Business Day of the month and compared with the Net Asset Value per Share calculated on the corresponding Business Day of the previous quarter. Payment of the additional variable fee, if applicable, is effected on a monthly basis.

16. Listing on European Stock Exchange

The Shares of the **Zenit Dynamic Bond** Sub-Fund are listed on the Luxembourg Stock Exchange and the Class P on the Stock Exchange in Italy.

The Stock Exchange in Italy is denominated Borsa Italiana S.p.A.. Borsa Italiana S.p.A. is part of London Stock Exchange Group and is responsible for the organisation and management of the Italian stock exchange.

On 1st December 2014 Borsa Italiana S.p.A. has opened a segment called The ETFplus. ETFplus segment is dedicated to funds which differ from ETFs such as open-end UCITS funds as defined by the European Directive 2009/65/EEC. Thus, the listing of the Shares on ETFPlus doesn't entail a modification of the **Zenit Dynamic Bond** Sub-Fund to an UCITS ETF as defined by the guidelines ESMA/2014/937.

17. Publication of the NAV

The Net Asset Value per Share and the issue, redemption and conversion prices of the Shares will be available at the registered office of the Fund and will be available on Reuters, Bloomberg and on Borsa Italiana S.p.A..

18. Taxation

The **Zenit Dynamic Bond** Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter, this tax is reduced to 0.01% per annum for the net assets attributable to the Class I Institutional Shares, intended for institutional investors. However the portion of assets which are invested in units or shares of UCI shall be exempt from such tax as far as those UCIs are already submitted to this tax in Luxembourg.

II. SUB-FUND DIAMAN Sicav MATHEMATICS

1. Name

The name of the Sub-Fund is "DIAMAN Sicav Mathematics" (or "Mathematics").

2. Specific Investment Policy and Investment Restrictions

Investment Policy

The objective of the **Mathematics** Sub-Fund is to obtain the maximum return offered by stock market in positive trend and consistent reduction of volatility and possible drawdown in negative phase or in not directional market.

The principal characteristics of the investment strategy are:

- weekly re-asset of one cluster of stocks
- weekly and daily decision as to the use of index futures and index options for hedging the portfolio and for the purpose of efficient asset management
- currency: EUR for European stock, hedging policy if other currency in portfolio

The **Mathematics** Sub-Fund will invest in a mixed portfolio composed of both equity and equity-related securities as well as bonds and debt securities. The portion of the portfolio which will be invested in equities and equity-related securities may represent up to 100% of the Sub-Fund's net assets. The **Mathematics** Sub-Fund will focus on transferable securities issued by issuers domiciled in or deriving a significant part of their revenues from Europe.

Investments in transferable securities issued by other issuers are allowed as long as they do not exceed 70% of the portfolio value. The strategy could also be implemented to American stock market using S&P 500 stocks and index future if the size of the Sub-Fund increases too much and suggests diversification for continuing to perform better than mean average market.

This Sub-Fund will attempt to protect the invested capital from adverse fluctuations of the market by the mean of hedging at least part of the portfolio with index futures and options, single stock options and single stock futures.

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

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees charged both to the Sub-Fund and to the other UCITS and/or other UCIs may not exceed 5%.

If the Sub-Fund invests in shares or units of UCITS or UCIs managed by the Promoter's group or the Investment Manager, no subscription or redemption fees will be charged for investments by the Sub-Fund into other investment funds of the Promoter's group or the Investment Manager's.

On an ancillary basis, the Sub-Fund may hold liquid assets such as cash and short-term deposits.

Notwithstanding the above provisions and if justified by exceptional market conditions, the **Mathematics** Sub-Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and money market instruments dealt on a Regulated Market and whose maturity does not exceed 12 months, monetary UCITS and UCIs. In general terms, the

Sub-Fund will comply with the investment restrictions and the principle of risk spreading set forth under Part A, Paragraph II. There is no restriction so as to the currency of these securities. Term deposits and liquid assets may not exceed 49% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Custodian may not exceed 20% of the Sub-Fund's net assets.

Risk Profile

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

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

Profile of targeted investors

Given that the Sub-Fund may invest up to 100% of its net assets in equity or equity-related securities, this Sub-Fund is suitable for more experienced investors wishing to attain defined investment objectives. The investor must have experience with volatile products. The investor must be able to accept significant temporary losses, thus this Sub-Fund is suitable to investors who can afford to set aside the capital for at least 5 years. It is designed for the investment objective of building up capital.

Techniques and instruments

The **Mathematics** Sub-Fund may engage in various portfolio strategies to attempt to reduce certain risks of its investments. These strategies currently include the use of options, forward currency exchange contracts and futures contracts and options thereon, as described under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the Prospectus. Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the **Mathematics** Sub-Fund would not be subject in the absence of the use of these strategies. However the **Mathematics** Sub-Fund will not engage in such portfolio strategies to an extent which would a priori have a negative influence on the assets of the **Mathematics** Sub-Fund.

The **Mathematics** Sub-Fund shall ensure that its global exposure relating to financial derivative instruments does not exceed the total net assets of that Sub-Fund. The Sub-Fund's global exposure shall consequently not exceed 200% of its total net assets. In addition, this global exposure may not be increased by more than 10% by means of temporary borrowing, so that the Sub-Fund's overall risk exposure may not exceed 210% of any Sub-Fund's total net assets in any circumstances.

In its financial reports, the Fund must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for such financial reports.

3. **Distribution Policy**

Since the **Mathematics** Sub-Fund's principal investment objective is the capital growth, no dividend is expected to be paid to the shareholders.

However, the distribution of dividends may be proposed by the Board of Directors to the general meeting of shareholders at any time.

4. **Form and classes of Shares**

The Sub-Fund offers three classes of Shares:

- Class I Institutional Shares, intended for institutional investors
- Class P Private Shares, intended for all types of investors subscribing through regulated European Stock Exchange
- Class R Retail Shares, intended for direct distribution to retail investors

The difference between these classes of Shares relates to the status of the investors, the fees level and the minimum investment.

Shares in each Class are issued in registered form only. Written confirmations of shareholding will be sent to shareholders within five Business Days following the relevant Valuation Day.

Certain classes of Shares may not be offered for subscription by the Fund in certain countries where the Fund is registered for public distribution. In such case, the investors wishing to subscribe for a class of Shares which is not offered for subscription by the Fund may apply to the Registrar and Transfer Agent in Luxembourg in order to subscribe for the relevant class of Shares.

5. **ISIN codes**

Class I Shares	LU0277561584
Class P Shares	LU0277563010
Class R Shares	LU0277561741

6. **Minimum Investment**

The minimum initial investment and holding requirement per investor in the **Mathematics** Sub-Fund is different and related to the relevant class of Shares:

	Initial subscription	Subsequent subscription
Class I Shares	EUR 100,000	EUR 500
Class P Shares	EUR 10	EUR 10
Class R Shares	EUR 100	EUR 100

7. **Subscriptions and Subscription Fee**

After the Initial Subscription Period, the subscription price corresponds to the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day, which may be increased

by a sales charge of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the sales agents.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day and must be accepted. Subscription forms received after this time and date will take effect on the next following Valuation Day.

Payment shall be received by the Fund no later than three Business Days following such Valuation Day for the account of the Fund referencing the **Mathematics** Sub-Fund and the relevant class of Shares.

The corresponding Shares will be issued only upon receipt of the payment.

The Investment Manager and the Investment Adviser are not entitled to accept payments relating to the subsequent subscriptions.

In regard to the offer in countries other than Luxembourg, an investor who subscribes, converts or redeems Shares in the Fund through authorised intermediaries could also be charged with the costs of these agents in the jurisdiction in which the offer is made.

8. Redemptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day. Redemption requests received after this time and date will take effect on the next following Valuation Day.

The redemption price shall be based on the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No redemption fee shall be levied.

The redemption price shall be paid three Business Days following the applicable Valuation Day.

The Investment Manager and the Investment Adviser are not entitled to make payments relating to the redemptions.

9. Conversions

The Shares of the **Mathematics** Sub-Fund may be converted into Shares of another Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

The conversion list will be closed under the same terms and conditions as applicable to redemptions in the **Mathematics** Sub-Fund.

10. Reference Currencies of Mathematics

The Net Asset Value per Share of each class of Shares of the **Mathematics** Sub-Fund will be calculated in EUR.

The Sub-Fund is denominated in EUR.

11. Frequency of the Net Asset Value (NAV) calculation and Valuation Day

The Net Asset Value per Share of the **Mathematics** Sub-Fund will be determined in Luxembourg under the overall responsibility of the Board of Directors on each Business Day ("Valuation Day").

The calculation of the Net Asset Value per Share will be executed on the next following Business Day before 5 p.m. on the basis of the closing prices published by the relevant Stock Exchanges on the Valuation Day.

12. Management Company Fees

A management fee is payable to the Management Company by the **Mathematics** Sub-Fund in remuneration for its services. Such fee is payable quarterly in arrears and calculated on the average of the net assets of the **Mathematics** Sub-Fund for the relevant quarter as follows:

0.075% per annum on the first EUR 10 million of average net assets
0.050% per annum on the average net assets over EUR 10 million
with a minimum of EUR 5,000.

A marketing fee is also payable to the Management Company by the **Mathematics** Sub-Fund in remuneration for its services. Such fee is different for each class of Shares, payable quarterly in arrears and calculated on the average of the net assets of the **Mathematics** Sub-Fund in the respective class of Shares for the relevant quarter as follows:

Class I Shares	0% per annum
Class P Shares	Up to 0.80% per annum
Class R Shares	Up to 1.60% per annum

13. Investment Adviser

In accordance with an agreement entered into with the Management Company, terminable by either party giving not less than three months' prior notice to the other party, Diaman SCF S.r.l. is acting as Investment Adviser.

Diaman SCF S.r.l. located at Via R. Lombardi, 14/4 in Marcon Venezia is an advisory company specialized in support for management and asset allocation. Its capital at 31 December 2013 amounts to EUR 100,000.

14. Investment Advisory Fee

An advisory fee is payable to the Investment Adviser by the Management Company at the charge of the **Mathematics** Sub-Fund, in compensation for its services. Such fee is payable monthly in arrears at the annual rate of 0.70% calculated on the average of the net assets of the **Mathematics** Sub-Fund for the relevant month.

15. Additional variable fee

An additional variable fee is payable by the Management Company at the charge of the **Mathematics** Sub-Fund. The additional variable fee represents 0.007% of the total Net Asset Value of the **Mathematics** Sub-Fund (net of any liabilities other than the additional variable fee) for any 100 basis point of return realised by the Sub-Fund. The Sub-Fund's return is equal to the

annualised increase, in percent, of the Sub-Fund's Net Asset Value per Share (net of any liabilities other than the additional variable fee), it is calculated on the last Business Day of the month and compared with the Net Asset Value per Share calculated on the corresponding Business Day of the previous quarter. Payment of the additional variable fee, if applicable, is effected on a monthly basis.

16. Listing on European Stock Exchange

The Shares of the **Mathematics** Sub-Fund are listed on the Luxembourg Stock Exchange and Class P on Stock Exchange in Italy.

The Stock Exchange in Italy is denominated Borsa Italiana S.p.A.. Borsa Italiana S.p.A. is part of London Stock Exchange Group and is responsible for the organisation and management of the Italian stock exchange.

On 1st December 2014 Borsa Italiana S.p.A. has opened a segment called The ETFplus. ETFplus segment is dedicated to funds which differ from ETFs such as open-end UCITS funds as defined by the European Directive 2009/65/EEC. Thus, the listing of the Shares on ETFPlus doesn't entail a modification of the **Mathematics** Sub-Fund to an UCITS ETF as defined by the guidelines ESMA/2014/937.

17. Publication of the NAV

The Net Asset Value per Share and the issue, redemption and conversion prices of the Shares will be available at the registered offices of the Fund and will be available on Reuters, Bloomberg and on Borsa Italiana S.p.A...

18. Taxation

The **Mathematics** Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value, this tax is reduced to 0.01% per annum of its Net Asset Value allocated to the Class I – institutional shares (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. However, the portion of assets which are invested in units or shares of UCI shall be exempt from such tax as far as those UCIs are already submitted to this tax in Luxembourg.

III.SUB-FUND DIAMAN Sicav TREND FOLLOWER

1. Name

The name of the Sub-Fund is "DIAMAN Sicav Trend Follower" (or "Trend Follower").

2. Specific Investment Policy and Investment Restrictions

Investment Policy

The objective of the **Trend Follower** Sub-Fund is to obtain the maximum return offered by stock market in positive trend and consistent reduction of volatility and possible drawdown in negative phase or in not directional market.

The main characteristics of the investment strategy are:

- Strategic Asset Allocation achieved through a selection of the best investment funds;
- Tactical Asset Allocation on a weekly and daily basis in order to diversify the Sub-Fund's exposition to equity markets, and precisely to carry out portfolio transactions through selling futures on indexes or on volatility;
- Currency: exposition to the currencies of the countries where the funds are invested.

The **Trend Follower** Sub-Fund will invest in a mixed portfolio composed of equity funds within the limits set out by law, and in bonds and debt instruments. The portion of the portfolio which will be invested in equity funds may represent up to 100% of the Sub-Fund's net assets. The **Trend Follower** Sub-Fund will primarily invest in funds with European passport.

The allocation will be done either through UCITS and/or other UCIs. When selecting UCITS and UCIs, the Investment Adviser may wish to focus on ETFs which are deemed to be particularly adapted to the above investment strategy.

This Sub-Fund will attempt to protect the invested capital from adverse fluctuations of the market by selling the equity funds using a trend following approach, which means hedging at least part of the portfolio with index futures and options, single stock options and single stock futures.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees charged both to the Sub-Fund and to the other UCITS and/or other UCIs may not exceed 5%.

If the Sub-Fund invests in the units of UCITS and/or other UCIs 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 substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or UCIs.

On an ancillary basis, the Sub-Fund may hold liquid assets such as cash and short-term deposits.

Notwithstanding the above provisions and if justified by exceptional market conditions, the **Trend Follower** Sub-Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and money market instruments dealt on a Regulated Market and

whose maturity does not exceed 12 months, monetary UCITS and UCIs. In general terms, the Sub-Fund will comply with the investment restrictions and the principle of risk spreading set forth under Part A, Paragraph II. There is no restriction so as to the currency of these securities. Term deposits and liquid assets may not exceed 49% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Custodian may not exceed 20% of the Sub-Fund's net assets.

Risk Profile

The assets of the Sub-Fund are subject to market fluctuations and to the risks inherent in any investment in equities and bonds.

No guarantee can be given that the Sub-Fund's objective will be achieved.

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

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

The value of equity funds may increase or decrease and so no guarantee can be given that investors will recover the initial amount invested. The income deriving from shares may be subject to fluctuations in monetary terms and variations in exchange rates may determine an increase or a decrease of the shares' value. The taxable income and the withholding tax may vary. No guarantee can be given that the investment objective will be achieved.

Profile of targeted investors

Given that the Sub-Fund may invest up to 100% of its net assets in equity funds, this Sub-Fund is suitable for more experienced investors wishing to attain defined investment objectives. The investor must have experience with volatile products. The investor must be able to accept significant temporary losses, thus this Sub-Fund is suitable to investors who can afford to set aside the capital for at least 5 years. It is designed for the investment objective of building up capital.

Investment restrictions

The Sub-Fund will respect the investment restrictions set forth under Part A, section "Investment objectives, policies, techniques and investment restrictions."

Techniques and instruments

The **Trend Follower** Sub-Fund may engage in various portfolio strategies to attempt to reduce certain risks of its investments. These strategies currently include the use of options, forward currency exchange contracts, futures contracts and options thereon, as described under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the Prospectus. Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the **Trend Follower** Sub-Fund would not be subject in the absence of the use of these strategies. However the **Trend Follower** Sub-Fund will not engage in such portfolio strategies to an extent which would a priori have a negative influence on the assets of the **Trend Follower** Sub-Fund.

The **Trend Follower** Sub-Fund shall ensure that its global exposure relating to financial derivative instruments does not exceed the total net assets of that Sub-Fund. The Sub-Fund's global exposure shall consequently not exceed 200% of its total net assets. In addition, this global exposure may not be increased by more than 10% by means of temporary borrowing, so that the Sub-Fund's overall risk exposure may not exceed 210% of any Sub-Fund's total net assets in any circumstances.

In its financial reports, the Fund must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for such financial reports.

3. Distribution Policy

Since the **Trend Follower** Sub-Fund's principal investment objective is the capital growth, no dividend is expected to be paid to the shareholders.

However, the distribution of dividends may be proposed by the Board of Directors to the general meeting of shareholders at any time.

4. Form and classes of Shares

The Sub-Fund offers three classes of Shares:

- Class I Institutional Shares, intended for institutional investors
- Class P Private Shares, intended for all types of investors through regulated European Stock Exchange
- Class R Retail Shares, intended for direct distribution to retail investors

The difference between these classes of Shares relates to the status of the investors, the fees level and the minimum investment.

Shares in each Class are issued in registered form only. Written confirmations of shareholding will be sent to shareholders within five Business Days following the relevant Valuation Day.

Certain classes of Shares may not be offered for subscription by the Fund in certain countries where the Fund is registered for public distribution. In such case, the investors wishing to subscribe for a class of Shares which is not offered for subscription by the Fund may apply to the Registrar and Transfer Agent in Luxembourg in order to subscribe for the relevant class of Shares.

5. ISIN codes

Class I Shares	LU0419237416
Class P Shares	LU0419237507
Class R Shares	LU0419237689

6. Minimum Investment

The minimum initial investment and holding requirement per investor in the **Trend Follower** Sub-Fund is different and related to the relevant class of Shares:

	Initial subscription	Subsequent subscription
Class I Shares	EUR 100,000	EUR 500
Class P Shares	EUR 10	EUR 10
Class R Shares	EUR 100	EUR 100

7. Subscriptions and Subscription Fee

After the Initial Subscription Period, the subscription price corresponds to the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day, which may be increased by a sales charge of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the sales agents.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day and must be accepted. Subscription forms received after this time and date will take effect on the next following Valuation Day.

Payment shall be received by the Fund no later than three Business Days following such Valuation Day for the account of the Fund referencing the **Trend Follower** Sub-Fund and the relevant class of Shares.

The corresponding Shares will be issued only upon receipt of the payment.

The Investment Adviser is not entitled to accept payments relating to the subsequent subscriptions.

In regard to the offer in countries other than Luxembourg, an investor who subscribes, converts or redeems Shares in the Fund through authorised intermediaries could also be charged with the costs of these agents in the jurisdiction in which the offer is made.

8. Redemptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day. Redemption requests received after this time and date will take effect on the next following Valuation Day.

The redemption price shall be based on the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No redemption fee shall be levied.

The redemption price shall be paid three Business Days following the applicable Valuation Day.

The Investment Adviser is not entitled to make payments relating to the redemptions.

9. Conversions

The Shares of the **Trend Follower** Sub-Fund may be converted into Shares of another Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

The conversion list will be closed under the same terms and conditions as applicable to redemptions in the **Trend Follower** Sub-Fund.

10. Reference Currencies of Trend Follower

The Net Asset Value per Share of each class of Shares of the **Trend Follower** Sub-Fund will be calculated in EUR.

The Sub-Fund is denominated in EUR.

11. Frequency of the Net Asset Value (NAV) calculation and Valuation Day

The Net Asset Value per Share of the **Trend Follower** Sub-Fund will be determined in Luxembourg under the overall responsibility of the Board of Directors each Business Day ("Valuation Day") or, if such day is not a Business Day, on the next following Business Day.

The calculation of the Net Asset Value per Share will be executed on the next following Business Day before 5 p.m on the basis of the closing prices published by the relevant Stock Exchanges on the Valuation Day.

12. Management Company Fees

A management fee is payable to the Management Company by the **Trend Follower** Sub-Fund in remuneration for its services. Such fee is payable quarterly in arrears and calculated on the average of the net assets of the **Trend Follower** Sub-Fund for the relevant quarter as follows:

0.075% per annum
with a minimum of EUR 10,000.

A marketing fee is also payable to the Management Company by the **Trend Follower** Sub-Fund in remuneration for its services. Such fee is different for each class of Shares, payable quarterly in arrears and calculated on the average of the net assets of the **Trend Follower** Sub-Fund in the respective class of Shares for the relevant quarter as follows:

Class I Shares	0% per annum
Class P Shares	Up to 0.70% per annum
Class R Shares	Up to 1.50% per annum

13. Investment Adviser

In accordance with an agreement entered into with the Management Company, terminable by either party giving not less than three months' prior notice to the other party, Diaman SCF S.r.l. is acting as Investment Adviser.

Diaman SCF S.r.l. located at Via R. Lombardi, 14/4 in Marcon Venezia is an advisory company specialized in support for management and asset allocation. Its capital at 31 December 2013 amounts to EUR 100,000.

14. Investment Advisory Fee

An advisory fee is payable to the Investment Adviser by the Management Company at the charge of the **Trend Follower** Sub-Fund, in compensation for its services. Such fee is payable monthly in arrears at the annual rate of 0.70% calculated on the average of the net assets of the **Trend Follower** Sub-Fund for the relevant month.

15. Additional variable fee

In addition, the Investment Adviser is entitled to receive from the Management Company, at the charge of the **Trend Follower** Sub-Fund, an additional variable fee which represents 0.007% of the total Net Asset Value of the **Trend Follower** Sub-Fund (net of any liabilities other than the additional variable fee) and is calculated for any 100 basis points of return realised by the Sub-Fund. The Sub-Fund's return is equal to the annualised increase, in percent, of the Sub-Fund's Net Asset Value per Share (net of any liabilities other than the additional variable fee), it is calculated on the last Business Day of the month and compared with the Net Asset Value per Share calculated on the corresponding Business Day of the previous quarter. Payment of the additional variable fee, if applicable, is effected on a monthly basis.

16. Listing on the European Stock Exchange

The Shares of the **Trend Follower** Sub-Fund are listed on the Luxembourg Stock Exchange and the Class P on the Stock Exchange in Italy.

The Stock Exchange in Italy is denominated Borsa Italiana S.p.A.. Borsa Italiana S.p.A. is part of London Stock Exchange Group and is responsible for the organisation and management of the Italian stock exchange.

On 1st December 2014 Borsa Italiana S.p.A. has opened a segment called The ETFplus. ETFplus segment is dedicated to funds which differ from ETFs such as open-end UCITS funds as defined by the European Directive 2009/65/EEC. Thus, the listing of the Shares on ETFplus doesn't entail a modification of the **Trend Follower** Sub-Fund to an UCITS ETF as defined by the guidelines ESMA/2014/937.

17. Publication of the NAV

The Net Asset Value per Share and the issue, redemption and conversion prices of the Shares will be available at the registered offices of the Fund and will be available on Reuters, Bloomberg and Borsa Italiana S.p.A..

18. Taxation

The **Trend Follower** Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value, this tax is reduced to 0.01% per annum of its Net Asset Value allocated to the Class I – institutional shares (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. However, the portion of assets which are invested in units or shares of UCI shall be exempt from such tax as far as those UCIs are already submitted to this tax in Luxembourg.

IV. SUB-FUND DIAMAN Sicav QUANT BOND

1. Name

The name of the Sub-Fund is "DIAMAN Sicav Quant Bond" (or "Quant Bond").

2. Specific Investment Policy and Investment Restrictions

Investment Policy

The **Quant Bond** Sub-Fund will invest in bonds or other fixed income transferable securities issued by corporations, by countries' treasuries and/or government agencies and/or by supranational organizations (such as, but not limited to, EBRD, the World Bank or the EIB).

The **Quant Bond** Sub-Fund will have no constraint on the average portfolio duration.

As a general guideline the portfolio of the **Quant Bond** Sub-Fund will be diversified according to the following criteria:

- At least 40% in Investment grade and/or Government or Supranational bonds;
- No more than 40% in non-investment grade bonds, including bonds issued in emerging countries;
- No more than 20% in emerging market investment grade;
- No more than 10% in equities and equity-related securities;
- UCITS and/or UCIs

Should a bond not be rated by one of the major credit rating agencies, the rating of similar issues of the same issuer will be used as representative.

Under the risk-diversification principle, the **Quant Bond** Sub-Fund will invest in various types of transferable securities such as fixed and floating rate bonds, indexed bonds (i.e. bonds the performance of which is linked to an index of transferable securities) and subordinated bonds and up to 25% of its net assets in convertible and cum warrants bonds (to the extent that such warrants are on transferable securities).

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

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees charged both to the Sub-Fund and to the other UCITS and/or other UCIs may not exceed 5%.

If the Sub-Fund invests in shares or units of UCITS or UCIs managed by the Promoter's group or the Investment Manager, no subscription or redemption fees will be charged for investments by the Sub-Fund into other investment funds of the Promoter's group or the Investment Manager's.

On an ancillary basis, the Sub-Fund may hold liquid assets such as cash and short-term deposits.

Notwithstanding the above provisions and if justified by exceptional market conditions, the **Quant Bond** Sub-Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and money market instruments dealt on a Regulated Market and whose maturity does not exceed 12 months, monetary UCITS and UCIs. In general terms, the Sub-Fund

will comply with the investment restrictions and the principle of risk spreading set forth under Part A, Paragraph II. There is no restriction so as to the currency of these securities. Term deposits and liquid assets may not exceed 49% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Custodian may not exceed 20% of the Sub-Fund's net assets.

Risk Profile

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

As the Quant Bond Sub-Fund may invest part of its assets in lower rated bonds, the investors' attention is drawn to the fact that such bonds may be considered speculative and that they tend to be more volatile than higher rated bonds. In addition, investment in lower rated bonds is subject to greater risk of loss of principal and interest (including the risk of default) than higher rated bonds.

Profile of targeted investors

This Sub-Fund is suitable for experienced investors wishing to attain defined investment objectives and who understand and are ready to accept the risks involved, as described hereabove under "Risk Profile". Experience with capital market products is recommended. The investor must be able to accept moderate temporary losses, thus this Sub-Fund is suitable to investors who can afford to set aside the capital for at least 2-3 years.

This Sub-Fund is designed for the investment objective of building up capital. For an investor's portfolio, it can play the role of a core position.

Techniques and instruments

The **Quant Bond** Sub-Fund may engage in various portfolio strategies to attempt to reduce certain risks of its investments. These strategies currently include the use of options, forward currency exchange contracts and futures contracts and options thereon, as described under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the Prospectus. Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the **Quant Bond** Sub-Fund would not be subject in the absence of the use of these strategies. Besides those techniques and instruments described in Part A of the Prospectus for hedging purposes, the **Quant Bond** Sub-Fund will use government bond futures contracts and futures on the 3 month interest rates for investment purposes to actively manage the portfolio duration. However the **Quant Bond** Sub-Fund will not engage in such portfolio strategies to an extent which would have a priori a negative influence on the assets of the **Quant Bond** Sub-Fund.

The **Quant Bond** Sub-Fund shall ensure that its global exposure relating to financial derivative instruments does not exceed the total net assets of that Sub-Fund. The Sub-Fund's global exposure shall consequently not exceed 200% of its total net assets. In addition, this global exposure may not be increased by more than 10% by means of temporary borrowing, so that the Sub-Fund's overall risk exposure may not exceed 210% of any Sub-Fund's total net assets in any circumstances.

In its financial reports, the Fund must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for such financial reports.

3. Distribution Policy

Since the **Quant Bond** Sub-Fund's principal investment objective is the capital growth, no dividend is expected to be paid to the shareholders.

However, the distribution of dividends may be proposed by the Board of Directors to the general meeting of shareholders at any time.

4. Initial Subscription Period

Shares in Class of the **Quant Bond** Sub-Fund were subscribed from 14 March 2011 to 25 March 2011, not later than 12.00 noon, Luxembourg time (the "Initial Subscription Period") at a subscription price of EUR 100 per Share (the "Initial Subscription Price"). No sales charges was applicable during the Initial Subscription Period.

Payment of the Initial Subscription Price was effected in cash on 29 March 2011.

The first Net Asset Value is dated 30 March 2011.

5. ISIN codes

Class I EUR Shares	LU0479525494
Class P EUR Shares	LU0479525577
Class P USD Shares	LU0677992165
Class R EUR Shares	LU0479525650

6. Form and classes of Shares

The Sub-Fund offers four classes of Shares:

- Class I EUR Institutional Shares, intended for institutional investors
- Class P EUR Private Shares, intended for all types of investors subscribing through regulated European Stock Exchange
- Class P USD Private Shares, intended for all types of investors subscribing through regulated European Stock Exchange
- Class R EUR Retail Shares, intended for direct distribution to retail investors

The difference between these classes of Shares relates to the status of the investors, the fees level, the minimum investment and the currency.

The assets of the Classes will be invested jointly in accordance with the Sub-Fund's investment policy. Class USD P Private Shares, denominated in USD, will be managed in such a way as to hedge against the foreign exchange rate risk of currencies linked to the EUR. In this respect the hedging technique performed by the Management Company is based on a periodic roll-over of forward agreements EUR-USD.

At the date of this Prospectus, Class P USD is in abeyance, and it will be launched at a latter date.

Shares in each Class are issued in registered form only. Written confirmations of shareholding will be sent to shareholders within five Business Days following the relevant Valuation Day.

Certain classes of Shares may not be offered for subscription by the Fund in certain countries where the Fund is registered for public distribution. In such case, the investors wishing to subscribe for a class of Shares which is not offered for subscription by the Fund may apply to the Registrar and Transfer Agent in Luxembourg in order to subscribe for the relevant class of Shares

7. Minimum Investment

The minimum initial investment and holding requirement per investor in the **Quant Bond** Sub-Fund is different and related to the relevant class of Shares:

	Initial subscription	Subsequent subscription
Class I EUR Shares	EUR 100,000	EUR 500
Class P EUR Shares	EUR 10	EUR 10
Class P USD Shares	USD 10	USD 10
Class R EUR Shares	EUR 100	EUR 100

8. Subscriptions and Subscription Fee

After the Initial Subscription Period, the subscription price corresponds to the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day, which may be increased by a sales charge of a maximum of 1% of the applicable Net Asset Value per Share and which shall revert to the sales agents.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day and must be accepted. Subscription forms received after this time and date will take effect on the next following Valuation Day.

Payment shall be received by the Fund no later than three Business Days following such Valuation Day for the account of the Fund referencing the **Quant Bond** Sub-Fund and the relevant class of Shares.

The corresponding Shares will be issued only upon receipt of the payment.

The Investment Adviser is not entitled to accept payments relating to the subsequent subscriptions.

In regard to the offer in countries other than Luxembourg, an investor who subscribes, converts or redeems Shares in the Fund through authorised intermediaries could also be charged with the costs of these agents in the jurisdiction in which the offer is made.

9. Redemptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day. Redemption requests received after this time and date will take effect on the next following Valuation Day.

The redemption price shall be based on the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No redemption fee shall be levied.

The redemption price shall be paid three Business Days following the applicable Valuation Day.

The Investment Adviser is not entitled to make payments relating to the redemptions.

10. Conversions

The Shares of the **Quant Bond** Sub-Fund may be converted into Shares of another Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

The conversion list will be closed under the same terms and conditions as applicable to redemptions in the **Quant Bond** Sub-Fund.

11. Reference Currencies of Quant Bond

The Net Asset Value per Share of Class I EUR, Class P EUR and Class R EUR of the **Quant Bond** Sub-Fund will be calculated in EUR.

The Net Asset Value per Share of Class P USD Private Shares of the **Quant Bond** Sub-Fund will be calculated in USD.

The Sub - Fund is consolidated in EUR

12. Frequency of the Net Asset Value (NAV) calculation and Valuation Day

The Net Asset Value per Share of the **Quant Bond** Sub-Fund will be determined in Luxembourg under the overall responsibility of the Board of Directors on each Business Day (“Valuation Day”).

The calculation of the Net Asset Value per Share will be executed on the next following Business Day before 5 p.m. on the basis of the closing prices published by the relevant Stock Exchanges on the Valuation Day.

13. Management Company Fees

A management fee is payable to the Management Company by the **Quant Bond** Sub-Fund in remuneration for its services. Such fee is payable quarterly in arrears and calculated on the average of the net assets of the **Quant Bond** Sub-Fund for the relevant quarter as follows:

0.075% per annum
with a minimum of EUR 10,000.

In addition, in remuneration for its services relating to the currency hedging of Class P USD Private Shares, the Management Company is entitled to receive, at the charge of Class P USD – Private Shares, an annual fee, payable quarterly in arrears and calculated on the average net assets of such class for the relevant quarter, as follows:

0.12% per annum

A marketing fee is also payable to the Management Company by the **Quant Bond** Sub-Fund in remuneration for its services. Such fee is different for each class of Shares, payable quarterly in arrears and calculated on the average of the net assets of the **Quant Bond** Sub-Fund in the respective class of Shares for the relevant quarter as follows:

Class I Shares EUR	0% per annum
Class P Shares USD	Up to 0.40% per annum
Class P Shares EUR	Up to 0.40% per annum
Class R Shares EUR	Up to 0.70% per annum

14. Investment Adviser

In accordance with an agreement entered into with the Management Company, terminable by either party giving not less than three months' prior notice to the other party, Diaman SCF S.r.l. is acting as Investment Adviser.

Diaman SCF S.r.l. located at Via R. Lombardi, 14/4 in Marcon Venezia is an advisory company specialized in support for management and asset allocation. Its capital at 31 December 2013 amounts to EUR 100,000.

15. Investment Advisory Fee

An advisory fee is payable to the Investment Adviser by the Management Company at the charge of the **Quant Bond** Sub-Fund, in compensation for its services. Such fee is payable monthly in arrears at the annual rate of 0.50% calculated on the average of the net assets of the **Quant Bond** Sub-Fund for the relevant month.

16. Additional Variable Fee

An additional variable fee is payable by the Management Company, at the charge of **Quant Bond** Sub-Fund. The additional variable fee represents 0.007% of the total Net Asset Value of the **Quant Bond** Sub-Fund (net of any liabilities other than the additional variable fee) for any 100 basis point of return realised by the Sub-Fund. The Sub-Fund's return is equal to the annualised increase, in percent, of the Sub-Fund's Net Asset Value per Share (net of any liabilities other than the additional variable fee), it is calculated on the last Business Day of the month and compared with the Net Asset Value per Share calculated on the corresponding Business Day of the previous quarter. Payment of the additional variable fee, if applicable, is effected on a monthly basis.

17. Listing on European Stock Exchange

The Shares of the **Quant Bond** Sub-Fund are listed on the Luxembourg Stock Exchange and the Class P on the Stock Exchange in Italy.

The Stock Exchange in Italy is denominated Borsa Italiana S.p.A.. Borsa Italiana S.p.A. is part of London Stock Exchange Group and is responsible for the organisation and management of the Italian stock exchange.

On 1st December 2014 Borsa Italiana S.p.A. has opened a segment called The ETFplus. ETFplus segment is dedicated to funds which differ from ETFs such as open-end UCITS funds as defined by the European Directive 2009/65/EEC. Thus, the listing of the Shares on ETFPlus doesn't entail a modification of the **Quant Bond** Sub-Fund to an UCITS ETF as defined by the guidelines ESMA/2014/937.

18. Publication of the NAV

The Net Asset Value per Share and the issue, redemption and conversion prices of the Shares will be available at the registered office of the Fund and will be available on Reuters, Bloomberg and on Borsa Italiana S.p.A..

19. Taxation

The Quant Bond Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value, this tax is reduced to 0.01% per annum of its Net Asset Value allocated to the Class I – institutional shares (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. However, the portion of assets which are invested in units or shares of UCI shall be exempt from such tax as far as those UCIs are already submitted to this tax in Luxembourg.

V. SUB-FUND DIAMAN Sicav TARGET STRATEGY

1. Name

The name of the Sub-Fund is “DIAMAN Sicav Target Strategy Sub-Fund” (or “**Target Strategy**”).

2. Specific Investment Policy and Investment Restrictions

Investment Policy

The **Target Strategy** Sub-Fund will attempt to reach a 5% annual return in a period of five years. The Target Strategy Sub-Fund will select on a monthly basis the best opportunities and optimize the portfolio using a non-linear model to obtain, in the short term, the target returns minimizing the volatility and the risks. The **Target Strategy** Sub-Fund will have no constraint in terms of geographical allocation and may be exposed to any currencies.

Investments of the **Target Strategy** Sub-Fund will be principally made through UCITS and/or UCIs, including ETF which are deemed to be particularly adapted to the above investment strategy, within the meaning of Article 1, paragraph (2), sub-paragraphs a) and b), of Directive 2009/65/EC, that are regulated, open and diversified, and have a risk distribution comparable to that of Luxembourg UCIs governed by Part I of the Law of 2010, without any constraint of asset allocation

On an ancillary basis, and within the limits allowed by the Law of 2010, the **Target Strategy** Sub-Fund may directly invest in any kind of transferable securities, money market instruments, deposits, and assets other than those referred to in the core policy.

Nevertheless the **Target Strategy** Sub-Fund may seek exposure to commodity markets for a maximum of 30% of its net assets through:

- Exchange-Traded Commodities (“ETC”) and/or Exchange-Traded Notes (“ETN”), provided that they qualify as transferable securities according to Article 41(1) a) – d) of the law of 17 December 2010, to Article 2 of the *Règlement Grand-Ducal* of 8 February 2008 and to point 17. of CESR’s recommendations CESR/07-044b; these products must not embed derivatives and shall not result in physical delivery of the underlying commodities;
- Eligible financial derivative instruments on commodity indices; and/or
- UCITS and/or UCIs, including ETF, investing in shares of companies related to or designed to give an indirect exposure, to the commodity markets.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees charged both to the **Target Strategy** Sub-Fund and to the other UCITS and/or other UCIs may not exceed 5%.

If the **Target Strategy** Sub-Fund invests in the units of UCITS and/or other UCIs 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 substantial direct or indirect holding, that management company or other company may not

charge subscription or redemption fees on account of the **Target Strategy** Sub-Fund's investment in the units of such other UCITS and/or UCIs.

This Sub-Fund may use eligible financial derivatives instruments as index futures and options, single stock options and single stock futures for hedging at least part of the portfolio. In addition, this Sub-Fund may use eligible financial derivatives instruments for investment purposes.

On an ancillary basis, this Sub-Fund may hold liquid assets such as cash and short-term deposits.

Notwithstanding the above provisions and if justified by exceptional market conditions, the **Target Strategy** Sub-Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and money market instruments dealt on a Regulated Market and whose maturity does not exceed 12 months, monetary UCITS and UCIs. In general terms, the Sub-Fund will comply with the investment restrictions and the principle of risk spreading set forth under Part A, Paragraph II. There is no restriction so as to the currency of these securities. Term deposits and liquid assets may not exceed 49% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Custodian may not exceed 20% of the Sub-Fund's net assets.

Risk Profile

The assets of the Sub-Fund are subject to market fluctuations and to the risks inherent in any investment in equities and bonds.

No guarantee can be given that the Sub-Fund's objective will be achieved. This Sub-Fund has no capital protection; therefore, the return of the investment could be negative.

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

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

The value of equity funds may increase or decrease and so no guarantee can be given that investors will recover the initial amount invested. The income deriving from shares may be subject to fluctuations in monetary terms and variations in exchange rates may determine an increase or a decrease of the shares' value. The taxable income and the withholding tax may vary. No guarantee can be given that the investment objective will be achieved.

Profile of targeted investors

Given that the Sub-Fund may invest up to 100% of its net assets in equity funds, this Sub-Fund is suitable for more experienced investors wishing to attain defined investment objectives. The

investor must have experience with volatile products. The investor must be able to accept significant temporary losses, thus this Sub-Fund is suitable to investors who can afford to set aside the capital for at least 5 years.

Investment restrictions

The Sub-Fund will respect the investment restrictions set forth under Part A, section “Investment objectives, policies, techniques and investment restrictions.

Techniques and instruments

The **Target Strategy** Sub-Fund may engage in various portfolio strategies to attempt to reduce certain risks of its investments. These strategies currently include the use of options, forward currency exchange contracts and futures contracts, as described under the section “Investment Objectives, Policies, Techniques and Investment Restrictions” of Part A of the Prospectus. Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the **Target Strategy** Sub-Fund would not be subject in the absence of the use of these strategies. Besides those techniques and instruments described in Part A of the Prospectus for hedging purposes, this Sub-Fund may also use eligible financial derivative instruments for investment purposes.

The **Target Strategy** Sub-Fund shall ensure that its global exposure relating to financial derivative instruments does not exceed the total net assets of that Sub-Fund. The Sub-Fund’s global exposure shall consequently not exceed 200% of its total net assets. In addition, this global exposure may not be increased by more than 10% by means of temporary borrowing, so that the Sub-Fund’s overall risk exposure may not exceed 210% of any Sub-Fund’s total net assets in any circumstances.

In its financial reports, the Fund must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for such financial reports.

3. Distribution Policy

The Target Strategy Sub-Fund’s current policy regarding the appropriation of results is to capitalise income for Classes I cap. and R cap. Shares, and to distribute an amount to be determined by the Board of Directors for Class R dis. and Class I dis..

The Board of Directors intends to declare a semi-annual distribution to shareholders of Class R dis. registered as of the close of business, respectively, on 30th June and 31st December of each year (if such day is not a Business Day, the immediately preceding Business Day). Payment of distributions will be made within 10 Business Days of their declaration.

The Board of Directors intends to declare an annual distribution to shareholders of Class I dis. registered as of the close of business, on 30th November of each year (if such day is not a Business Day, the immediately preceding Business Day). Payment of distributions will be made within 10 Business Days of their declaration.

However, the distribution of dividends for all Classes of Shares may be proposed by the Board of Directors to the general meeting of shareholders at any time.

4. Initial Subscription Period

At the date of this Prospectus Class I EUR Shares dis. of the **Target Strategy** is abeyance. The Board of Directors reserves its right to schedule the launch of the Class I EUR Shares at a later date.

5. ISIN codes

Class I EUR Shares cap.	LU1070446635
Class I EUR Shares dis.	LU1070447872
Class R EUR Shares cap.	LU1070450231
Class R EUR Shares dis.	LU1070452872
Class P EUR Shares cap	LU1172430875

6. Form and classes of Shares

The Sub-Fund offers five classes of Shares:

- Class I EUR Shares cap., Institutional Shares, intended for institutional investors
- Class I EUR Shares dis., Institutional Shares, intended for institutional investors
- Class R EUR Shares cap., Retail Shares, intended for direct distribution to retail investors
- Class R EUR Shares dis., Retail Shares, intended for direct distribution to retail investors
- Class P EUR Shares cap. intended for all types of investors subscribing through regulated European Stock Exchange

The difference between these classes of Shares relates to the status of the investors, the fees level, the minimum investment and the distribution policy.

The assets of the Classes will be invested jointly in accordance with the Sub-Fund's investment policy.

Shares in each Class are issued in registered form only. Written confirmations of shareholding will be sent to shareholders within five Business Days following the relevant Valuation Day.

Certain classes of Shares may not be offered for subscription by the Fund in certain countries where the Fund is registered for public distribution. In such case, the investors wishing to subscribe for a class of Shares which is not offered for subscription by the Fund may apply to the Registrar and Transfer Agent in Luxembourg in order to subscribe for the relevant class of Shares.

7. Minimum Investment

The minimum initial investment and holding requirement per investor in the **Target Strategy** Sub-Fund is different and related to the relevant class of Shares:

	Initial subscription	Subsequent subscription
Class I EUR Shares cap.	EUR 100,000	EUR 500
Class I EUR Shares dis.	EUR 100,000	EUR 500
Class R EUR Shares cap.	EUR 100	EUR 100
Class R EUR Shares dis.	EUR 100	EUR 100
Class P EUR Shares cap	EUR 10	EUR 10

8. Subscriptions and Subscription Fee

After the Initial Subscription Period, the subscription price corresponds to the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day, which may be increased by a sales charge of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the sales agents.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day and must be accepted. Subscription forms received after this time and date will take effect on the next following Valuation Day.

Payment shall be received by the Fund no later than three Business Days following such Valuation Day for the account of the Fund referencing the **Target Strategy** Sub-Fund and the relevant class of Shares.

The corresponding Shares will be issued only upon receipt of the payment.

The Investment Adviser is not entitled to accept payments relating to the subsequent subscriptions.

In regard to the offer in countries other than Luxembourg, an investor who subscribes, converts or redeems Shares in the Fund through authorised intermediaries could also be charged with the costs of these agents in the jurisdiction in which the offer is made.

9. Redemptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg no later than 12.00 noon, Luxembourg time, on such Valuation Day. Redemption requests received after this time and date will take effect on the next following Valuation Day.

The redemption price shall be based on the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No redemption fee shall be levied.

The redemption price shall be paid three Business Days following the applicable Valuation Day.

The Investment Adviser is not entitled to make payments relating to the redemptions.

10. Conversions

The Shares of the **Target Strategy** Sub-Fund may be converted into Shares of another Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

The conversion list will be closed under the same terms and conditions as applicable to redemptions in the **Target Strategy** Sub-Fund.

11. Reference Currencies of Target Strategy

The Net Asset Value per Share of Class I EUR Shares cap., Class R EUR cap., Class R EUR dis. and Class P EUR Shares cap. of the **Target Strategy** Sub-Fund will be calculated in EUR.

The Sub - Fund is consolidated in EUR

12. Frequency of the Net Asset Value (NAV) calculation and Valuation Day

The Net Asset Value per Share of the **Target Strategy** Sub-Fund will be determined in Luxembourg under the overall responsibility of the Board of Directors on each Business Day (“Valuation Day”).

The calculation of the Net Asset Value per Share will be executed on the next following Business Day before 5 p.m. on the basis of the closing prices published by the relevant Stock Exchanges on the Valuation Day.

13. Management Company Fees

A management fee is payable to the Management Company by the **Target Strategy** Sub-Fund in remuneration for its services. Such fee is payable quarterly in arrears and calculated on the average of the net assets of the **Target Strategy** Sub-Fund for the relevant quarter as follows:

0.075% per annum
with a minimum of EUR 10,000.

A marketing fee is also payable to the Management Company by the **Target Strategy** Sub-Fund in remuneration for its services. Such fee is different for each class of Shares, payable quarterly in arrears and calculated on the average of the net assets of the **Target Strategy** Sub-Fund in the respective class of Shares for the relevant quarter as follows:

Class I Shares EUR cap.	0% per annum
Class I Shares EUR dis.	0% per annum
Class R Shares EUR cap.	Up to 1.2% per annum
Class R Shares EUR dis.	Up to 1.2% per annum
Class P Shares EUR cap.	Up to 0.60% per annum

14. Investment Adviser

In accordance with an agreement entered into with the Management Company, terminable by either party giving not less than three months' prior notice to the other party, Diaman SCF S.r.l. is acting as Investment Adviser.

Diaman SCF S.r.l. located at Via R. Lombardi, 14/4 in Marcon Venezia is an advisory company specialized in support for management and asset allocation. Its capital at 31 December 2010 amounts to EUR 100,000.

15. Investment Advisory Fee

An advisory fee is payable to the Investment Adviser by the Management Company at the charge of the **Target Strategy** Sub-Fund, in compensation for its services. Such fee is payable monthly in arrears at the annual rate of 0.50% calculated on the average of the net assets of the **Target Strategy** Sub-Fund for the relevant month.

16. Additional Variable Fee

An additional variable fee is payable by the Management Company, at the charge of **Target Strategy** Sub-Fund. The additional variable fee represents 0.007% of the total Net Asset Value of the **Target Strategy** Sub-Fund (net of any liabilities other than the additional variable fee) for any 100 basis point of return realised by the Sub-Fund. The Sub-Fund's return is equal to the annualised increase, in percent, of the Sub-Fund's Net Asset Value per Share (net of any liabilities other than the additional variable fee), it is calculated on the last Business Day of the month and compared with the Net Asset Value per Share calculated on the corresponding Business Day of the previous quarter. Payment of the additional variable fee, if applicable, is effected on a monthly basis.

17. Listing on the European Stock Exchange

The Shares of the **Target Strategy** Sub-Fund are listed on the Luxembourg Stock Exchange and the Class P on the Stock Exchange in Italy.

The Stock Exchange in Italy is denominated Borsa Italiana S.p.A.. Borsa Italiana S.p.A. is part of London Stock Exchange Group and is responsible for the organisation and management of the Italian stock exchange.

On 1st December 2014 Borsa Italiana S.p.A. has opened a segment called The ETFplus. ETFplus segment is dedicated to funds which differ from ETFs such as open-end UCITS funds as defined by the European Directive 2009/65/EEC. Thus, the listing of the Shares on ETFplus doesn't entail a modification of the **Target Strategy** Sub-Fund to an UCITS ETF as defined by the guidelines ESMA/2014/937.

18. Publication of the NAV

The Net Asset Value per Share and the issue, redemption and conversion prices of the Shares will be available at the registered office of the Fund and will be available on Reuters, Bloomberg and on Borsa Italiana S.p.A...

19. Taxation

The **Target Strategy** Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value, this tax is reduced to 0.01% per annum of its Net Asset Value allocated to the Classes I – institutional shares (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. However, the portion of assets which are invested in units or shares of UCI shall be exempt from such tax as far as those UCIs are already submitted to this tax in Luxembourg.

DOCUMENTS AVAILABLE

In addition to this Prospectus copies of the following documents may be obtained during usual business hours on any Business Day in Luxembourg at the registered office of the Fund:

- (i) the Articles of Incorporation of the Fund;
- (ii) the agreement with the Custodian and on services referred to under the heading "Custodian";
- (iii) the agreement with the Domiciliary and Corporate Agent, Administrative Agent, Paying Agent, Registrar and Transfer Agent and on services referred to under the heading "Domiciliary and Corporate Agent, Administrative Agent, Paying Agent, Registrar and Transfer Agent";
- (iv) the agreement with the Management Company referred to under the heading "Management Company";
- (v) the agreements with the Investment Manager and with the Investment Adviser referred to under the heading "Investment Manager and Investment Adviser";
- (vi) the agreement with the Prime Broker;
- (vii) the latest reports and accounts referred to under the heading "General Information", sub-section 2) "Meetings of, and Reports to, shareholders";
- (viii) the subscription form.

Copies of the Prospectus, KIID, Articles of Incorporation and latest published annual and semi-annual reports may also be consulted from the following website www.fundsquare.net.

A brief description of the strategy put in place by the Management Company for determining when and how voting rights attached to instruments held in the Fund's portfolio are to be exercised and information regarding procedure on clients' complaints handling may be consulted from the following website www.dgi.lu or at the registered office of the Management Company.