

VISA 2017/109801-11366-0-PC

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d'argument de publicité

Luxembourg, le 2017-11-03

Commission de Surveillance du Secteur Financier



INTERMONTE SICAV

Société d'Investissement à Capital Variable

Prospectus

October 2017

The Shares have not been registered under the United States Securities Act of 1933 (the “1933 Act”), and the Company has not been registered under the United States Investment Company Act of 1940 (the “1940 Act”). The Shares may not be offered directly or indirectly in the United States of America (including its territories and possessions) to or for the benefit of a “U.S. Person” as defined in Section 1 of the Prospectus.

The attention of investors is drawn on the fact that an investment in the Company is made subject to certain restrictions and/or conditions that they need to meet/ demonstrate in order to be able to subscribe and/ or continue to hold Shares in the Company. Potential investors are invited in particular to refer to section 7 (Issue, Redemption and Conversion of Shares)

INTERMONTE SICAV (the "**Company**") is registered under part I of the Luxembourg law of 17 December 2010 concerning undertakings for collective investment, as may be amended from time to time (the "Law"). The Company qualifies as an Undertaking for Collective Investment in Transferable Securities under the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by the Directive 2014/91/EC of the European Parliament and of the Council of 28 August 2014 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities. The Company is under collective portfolio management of Luxcellence Management Company S.A., a Luxembourg management company authorised under chapter 15 the Law.

The Shares (as such term is defined below) have not been registered under the United States Securities Act of 1933 and may not be offered directly or indirectly in the United States of America (USA) (including its territories and possessions) to nationals or residents (including Green Card holders) thereof or to persons normally resident therein, or to any partnership or persons connected thereto unless pursuant to any applicable statute, rule or interpretation available under United States law. Moreover, the Shares may not be offered directly or indirectly to persons having a place of birth, and/or a telephone number and/or a standing instruction to an account and/or a mailing address/post office box in the USA.

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

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

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

All references herein to EUR are to Euro.

Shareholders are informed that their personal data or information given in the subscription documents or otherwise in connection with an application to subscribe for Shares, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the Luxembourg law of 2 August 2002 on data protection, as amended. Confidential information concerning the investors will not be divulged unless required to do so by law or regulation. Investors agree that personal details contained in the application form and arising from the business relationship with the Company may be stored, modified or used in any other way, in compliance with the provisions of the Luxembourg law of 2 August 2002 on data protection, as amended, on behalf of the Company for the purpose of administering and developing the business relationship with the investor. To this end, investors accept that data may be transmitted to Caceis group entities, the Management Company, financial advisers working with the Company, as well as to other companies being appointed to support the business relationship.

In accordance with the provisions of Luxembourg law of 2 August 2002 on data protection, investors are entitled to request information about their personal data at any time as well as to request their correction.

DIRECTORY

INTERMONTE SICAV

Société d'Investissement à Capital Variable

Registered office: 5, allée Scheffer

L-2520 Luxembourg,

Grand-Duchy of Luxembourg

Board of Directors

- Guglielmo Manetti
Deputy General Manager and Head of marketing and commercial for asset management services at Intermonte SIM
- Gianluca Parenti
Deputy General Manager and New Business Developer at Intermonte SIM
- Vincent Linari-Pierron
Independent Director

Management Company

Luxcellence Management Company S.A.

5, Allée Scheffer
L-2520 Luxembourg

Board of Directors of the Management Company

- Guillaume Fromont, Chairman
- Marie-Victoire Menez, Managing Director
- Philippe De Cibeins, Director
- Lucien Euler, Independent Director

Conducting Officers of the Management Company

- Marie-Victoire Menez, Managing Director
- Jean-Marc Servais, Conducting Officer
- Gregory Cabanetos, Conducting Officer

Depository and Paying Agent

CACEIS Bank, Luxembourg Branch
5, allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Administration Agent and Domiciliary Agent

CACEIS Bank, Luxembourg Branch
5, allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Investment Manager

Intermonte SIM SpA
Galleria de Cristoforis, 7/8
20122 Milano

Global Distributor

Intermonte SIM SpA
Galleria de Cristoforis, 7/8
20122 Milano

Auditors

DELOITTE Audit Sàrl
560 Rue de Neudorf
L-2220 Luxembourg
Grand Duchy of Luxembourg

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1. PRINCIPAL FEATURES

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

<i>Administration Agent</i>	CACEIS Bank, Luxembourg Branch, acting as registrar and transfer agent and administration as further described below
<i>Articles</i>	the articles of association of the Company
<i>AML Regulations</i>	the Luxembourg law of 27 October 2010 relating to the fight against money-laundering and the financing of terrorism, the law of 19 February 1973 on the sale of medicinal substances and the fight against drug addiction (as amended), the law of 12 November 2004 on the fight against money laundering and terrorist financing (as amended), and associated Grand Ducal, Ministerial and CSSF Regulations and the circulars of the CSSF applicable as amended from time to time
<i>Appendix</i>	an appendix to this Prospectus
<i>Board of Directors</i>	the board of directors of the Company
<i>Business Day</i>	a full business day on which banks are opened in Luxembourg,
<i>Calculation Day</i>	the Business Day on which the Net Asset Value is calculated
<i>Class(es)</i>	within each Compartment, separate classes of Shares whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum investment amount, taxation, distribution policy or other feature may be applied
<i>Company</i>	Intermonte Sicav
<i>Compartments</i>	A specific portfolio of assets and liabilities within the Company having its own net asset value and represented by a separate Class or Classes of Shares, which are distinguished mainly by their specific investment policy and objective and/or by the currency in which they are denominated. The specifications of each Compartment are described in the Appendix.
<i>CSSF</i>	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg authority supervising the financial sector
<i>Cut-off Time</i>	being a deadline (as further specified in the Appendix), before which applications for subscription, redemption, or conversion of Shares of any Class in any Compartment must be received by the Administration Agent in relation to a Valuation Day
<i>Depositary</i>	CACEIS Bank, Luxembourg Branch, acting as depositary bank and paying agent, in the meaning of the Law
<i>Developed Markets</i>	shall refer to countries that are member of the OECD
<i>Directive</i>	the Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by the Directive

2014/91/EC of the European Parliament and of the Council of 28 August 2014 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities

<i>Eligible Market</i>	a Regulated Market in an Eligible State
<i>Eligible State</i>	any Member State or any other state in (Eastern and Western) Europe, Asia, Africa, Australia, North and South America and Oceania, as determined by the Board of Directors.
<i>Emerging Markets</i>	shall refer to countries that are not part of the countries defined herein as Developed Markets
<i>EU</i>	the European Union
<i>FATCA Rules</i>	the regulations relating to Information Reporting by Foreign Financial Institutions and Other Foreign Entities released by the IRS on 28th January 2013 (the “FATCA Regulations”), all subsequently published Fatca announcements and as the case may be, the provisions of the intergovernmental agreement (IGA) entered between Luxembourg and the United States and/or between the country of each investor and the US
<i>FATF</i>	Financial Action Task Force (also referred to as <i>Groupe d'Action Financière</i>)
<i>Investment Manager</i>	the investment manager appointed by the Management Company (as the case may be) as further detailed below
<i>Issue Price</i>	the net asset value per Share of Share Class of a Compartment as determined on the applicable Valuation Day plus the applicable sales commission (if any)
<i>KIID</i>	the key investor information document as defined by the Law and applicable laws and regulations
<i>Law</i>	the law of 17 December 2010 concerning undertakings for collective investments, as may be amended from time to time
<i>Management Company</i>	Luxcellence Management Company S.A., a Luxembourg public limited company (“ <i>société anonyme</i> ”) appointed to act as the management company of the Company pursuant to Chapter 15 of the Law
<i>Member State</i>	a member state as defined in the Law
<i>Reference Currency</i>	the currency specified as such in the relevant Appendix to the Prospectus
<i>Regulated Market</i>	a market within the meaning of Article 4(1)14 of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC and any other market which is regulated, operates regularly and is recognised and open to the public
<i>Securities Financing Transaction</i>	(i) a repurchase transaction; (ii) securities lending and securities borrowing; (ii) a margin lending transaction as defined under the SFTR

<i>SFT Agent</i>	any person involved in SFTs as agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Company's assets or any Compartment's assets
<i>SFTR</i>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012
<i>TRS</i>	total return swap, i.e., a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.
<i>Settlement Day</i>	the Business Day on which the consideration for subscription or redemption is fully paid, which is to occur at the latest four Business Days following the Valuation Day, unless otherwise provided in an Appendix
<i>Shares</i>	shares of each Compartment of the Company, which details are specified in the relevant Appendix
<i>Shareholders</i>	holders of Shares
<i>UCI</i>	undertaking for collective investment within the meaning of the first and second indent of Article 1 (2) of the Directive, whether situated in a Member State or not
<i>UCITS</i>	undertaking for collective investment in transferable securities as defined in the Directive and the Law
<i>UCITS Directive</i>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended from time to time including by means of Directive 2014/91/EU
<i>UCITS Rules</i>	the set of rules formed by the UCITS Directive and any derived or connected EU or national act, statute, regulation, circular or binding guidelines
<i>Underlying Asset</i>	asset(s) to which the Compartment may invest in accordance with its investment policy as described in the relevant Compartment's Appendix
<i>Valuation Day</i>	each Business Day unless otherwise detailed for in the relevant Appendix. The Board of Directors may in its absolute discretion amend the Valuation Day for some or all of the Compartments. In such case the Shareholders of the relevant Compartment will be duly informed and the Appendix will be updated accordingly.

2. THE COMPANY

INTERMONTE SICAV is an open-ended collective investment company ("*société d'investissement à capital variable*") established under the laws of the Grand-Duchy of Luxembourg, with an "umbrella" structure comprising different Compartments each may be divided in separate Classes of shares. In accordance with the Law, a subscription of Shares constitutes acceptance of all terms and provisions of the Prospectus and the Articles.

The Board of Directors may, at any time, decide on the creation of further Compartments and in such case, the Appendix will be updated. Each Compartment may have one or more classes of Shares.

3. INVESTMENT POLICIES AND RESTRICTIONS

3.1 General Investment Policies for all Compartments

The Board of Directors determines the specific investment policy and investment objective of each Compartment, which are described in more detail in the respective Appendix. The investment objectives of the Compartments will be carried out in compliance with the investment restrictions set forth in section 4.3.

The Company's objective is to place the funds available to it in transferable securities and/or other financial assets as described in respect of the investment objective and policies in the relevant Appendix with the purpose of spreading investment risks and to offer shareholders the opportunity to take part in the professional management of portfolios. There can be no assurance that the investment objectives of any Compartment will be achieved.

Investors are invited to refer to the description of the investment policy of each Compartment in the Appendix for details.

3.2 Specific Investment Policies for each Compartment

The specific investment policy of each Compartment is described in the Appendix.

3.3 Investment and Borrowing Restrictions

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

The Board of Directors has decided that the following restrictions shall apply to the investments of the Company and, as the case may be and unless otherwise specified for a Compartment in the Appendix, to the investments of each of the Compartments:

I.

(1) The Company, for each Compartment, may invest in:

- a) transferable securities and money market instruments admitted to or dealt in on an Regulated Market;
- b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognised and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the instruments of incorporation of the Company

- d) recently issued transferable securities and money market instruments, provided that :
- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another Regulated Market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or market has been provided for in the instruments of incorporation of the Company and
 - such admission is secured within one year of the issue;
- e) units of UCITS and/or other UCI, whether situated in a Member State or not, provided that:
- i. such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured,
 - ii. 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 the Directive,
 - iii. the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - iv. 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;
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the Luxembourg regulatory authority as equivalent to those laid down in EU law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
- i. the underlying consists of instruments covered by this section I. (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Compartments may invest according to their investment objective;
 - ii. the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
 - iii. the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- h) money market instruments other than those dealt in on an Eligible Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- i. issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a third country 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

- ii. issued by an undertaking any securities of which are dealt in on Eligible Markets, or
- iii. issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, such as, but not limited to, a credit institution which has its registered office in a country which is an OECD member state and a FATF State.
- iv. issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (10,000,000 EUR) and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Company may invest a maximum of 10% of the net assets of any Compartment in transferable securities and money market instruments other than those referred to under (1) above.

(3) Under the conditions and within the limits laid down by the Law, the Company may, to the widest extent permitted by the Regulations (i) create a Compartment qualifying either as a feeder UCITS (a "**Feeder UCITS**") or as a master UCITS (a "**Master UCITS**"), (ii) convert any existing Compartment into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

a) A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS.

b) A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- i. ancillary liquid assets in accordance with paragraph II below;
- ii. financial derivative instruments, which may be used only for hedging purposes;
- iii. movable and immovable property which is essential for the direct pursuit of its business, of the Feeder UCITS is an investment company.

c) For the purposes of compliance with paragraph III (1) (c) below, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent of sub-paragraph (b) with either:

- i. the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
- ii. the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS

II. The Company may hold on an ancillary basis cash and other cash equivalent instruments. Such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the Shareholders.

III.

(1)

- a) The Company may invest no more than 10% of the net assets of any Compartment in transferable securities and money market instruments issued by the same issuing body.

- b) The Company may not invest more than 20% of the net assets of any Compartment in deposits made with the same body.
- c) The risk exposure of a Compartment to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) d) above or 5% of its net assets in other cases.

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

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

Notwithstanding the individual limits laid down in paragraph (1), the Company may not combine for each Compartment:

- a) investments in transferable securities or money market instruments issued by a single body,
- b) deposits made with a single body, and/or
- c) exposures arising from OTC derivative transactions undertaken with a single body
- d) in excess of 20% of the net assets of each Compartment.

(3) The limit of 10% laid down in sub-paragraph III. (1) (a) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State.

(4) The limit of 10% laid down in sub-paragraph III. (1) (a) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

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

(5) The transferable securities and money market instruments referred to in paragraphs (3) and (4) shall not be included in the calculation of the limit of 40% in paragraph (2).

The limits set out in sub-paragraphs (1), (2), (3) and (4) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Compartment's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with the seventh Council Directive 83/349/EEC of 13 June 1983 based on the Article 54 (3) (g) of the Treaty on consolidated accounts, as amended, or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III. (1) to (5).

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

(6) Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any Compartment, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more member states of the EU, provided that such Compartment must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Compartment.

IV.

(1) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. (1) to (5) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Compartment is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Compartment's investment policy.

The limit laid down in paragraph (1) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

V.

(1) The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

(2) The Company may acquire no more than:

- a) 10% of the non-voting shares of the same issuer;
- b) 10% of the debt securities of the same issuer;
- c) 10% of the money market instruments of the same issuer;

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

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

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-member state of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-member state of the EU complies with the limits laid down in paragraph III. (1) to (5), V. (1) and (2) and VI.

VI.

(1) Unless otherwise provided for in the Appendix to the Prospectus for a Compartment, no more than 10% of a Compartment's net assets may be invested in aggregate in the units of UCITS and/or other UCIs referred to in paragraph I. (1) (c).

In the case the restriction of the above paragraph is not applicable to a specific Compartment as provided in its investment policy, (i) such Compartment may acquire units of UCITS and/or

other UCIs referred to in paragraph I. (1) (c) provided that no more than 20% of the Compartment's net assets be invested in the units of a single UCITS or other UCI, and (ii) investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net asset of a Compartment.

For the purpose of the application of this investment limit, each Compartment of a UCITS and UCI with multiple Compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various Compartments vis-à-vis third parties is ensured.

- (2) The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of the investment and borrowing restrictions set forth under III. (1) to (5) above.
- (3) When the Company invests in the units of UCITS and/or other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs, except for any applicable dealing charge payable to the UCITS and/or UCIs.

In the case where a substantial proportion of the net assets are invested in investment funds the maximum management fee (excluding any performance fee, if any) charged to the Compartment and each of the UCITS or other UCIs concerned will not exceed 2 (the management fee of the underlying Compartments will vary between 0% and 2%) of the assets under management.

- (4) The Company may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the net amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple Compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all Compartments combined.

VII.

- (1) The Company may not borrow for the account of any Compartment amounts in excess of 10% of the net assets of that Compartment, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Company may acquire foreign currencies by means of back to back loans;
- (2) The Company may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Company from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) (c), (e) and (f) which are not fully paid.

The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.

The Company may acquire movable or immovable property which is essential for the direct pursuit of its business.

The Company may not acquire either precious metals or certificates representing them.

The Company may not invest in structured products (including but not limited to securitized assets such as asset-backed securities (ABS) and mortgage-backed securities (MBS)).

The Company may not invest in contingent securities structured under the form of contingent convertible bonds (CoCos).

VIII.

- (1) The Company needs not comply with the limits laid down in this chapter when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Compartments may derogate from paragraphs III. (1) to (5), IV. and VI. (1) and (2) for a period of six months following the date of their creation.
- (2) If the limits referred to in paragraph (2) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its Shareholders.
- (3) To the extent that an issuer is a legal entity with multiple Compartments where the assets of the Compartment are exclusively reserved to the investors in such Compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that Compartment, each Compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III. (1) to (5), IV. and VI.

IX. Each Compartment may, subject to the conditions provided for in the Articles as well as this Prospectus, subscribe, acquire and/or hold securities to be issued or issued by one or more Compartments of the Company with respect to the subscription, acquisition and/or the holding by a company of its own Shares, under the condition however that:

- (1) the target Compartment does not, in turn, invest in the Compartment invested in this target Compartment;
- (2) no more than 10% of the assets of the target Compartment whose acquisition is contemplated may, pursuant to the Articles be invested in aggregate in units of other target Compartments of the same Company;
- (3) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Compartment concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

in any event, for as long as these securities are held by the Company, their value will not be taken into consideration of the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law;

- (1) there is no duplication of management/subscription or repurchase fees between those at the level of the Compartment of the Company having invested in the target Compartment, and this target Compartment.

3.4 Financial Derivative Instruments

As specified in I. (1) (e) above, the Company may in respect of each Compartment invest in financial derivative instruments.

The Company shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its net assets. The exposure is calculated taking into account the current value of the Underlying Assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Each Compartment may invest in financial derivative instruments within the limits laid down in I. (1) (e), provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in clause III. (1) to (5). When a Compartment invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in III. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction.

The Compartments may use financial derivative instruments for investment purposes and for hedging purposes, within the limits of the Law. Under no circumstances shall the use of these instruments cause a Compartment to diverge from its investment policy.

3.5 SFTs and TRS

The Company is not authorised to enter into any securities financing transaction as defined in the SFTR or total return swaps or other financial derivative instruments with similar characteristics. Should the Company decide to enter into this type of operations in the future, the prospectus would be updated in accordance with the relevant regulations and CSSF Circulars in force.

3.6 Efficient portfolio management techniques

The Company is not authorised to employ efficient portfolio management techniques. Should the Company decide to enter into this type of operations in the future, the prospectus would be updated and such techniques would be employed provided that such techniques or instruments are considered by the Board of Directors as economically appropriate to the efficient portfolio management of the Company in accordance with the investment objectives of each Compartment, with respect to Article 9 of the Grand-Ducal decree of 8th February 2008, and in accordance with Circular CSSF 14/592 relating to the rules applicable to undertakings for collective investments when they use efficient portfolio management techniques and instruments.

Under no circumstances shall these operations cause a Compartment to diverge from its investment objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in the Appendix to this Prospectus relevant to each Compartment. Such techniques and instruments may be used by any Compartment for the purpose of generating additional capital or income or for reducing costs or risk, to the extent permitted by and within the limits set forth in (i) article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the Luxembourg Law, (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments, (iii) CSSF Circular 14/592 and (iv) any other applicable laws and regulations.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivatives must be combined when calculating counterparty risk limits referred to in restriction III. of the section 3.3 above.

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Compartment concerned.

In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Compartment through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid will be available in the annual report of the Company.

Securities lending transactions

When authorised, the Company may more specifically enter into securities lending transactions provided that the following rules are complied with in addition to the above mentioned conditions:

- (1) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.

(2) The Company may only lend securities to a borrower either directly or through a standardized system organised by a recognised clearing institution or through a lending system organized by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction.

(3) The Company may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

Repurchase and reverse repurchase transactions

When authorised, the Company may enter into repurchase agreements that consist of forward transactions at the maturity of which the Company (seller) has the obligation to repurchase the assets sold and the counterparty (buyer) the obligation to return the assets purchased under the transactions. The Company may further enter into reverse repurchase agreements that consist of forward transactions at the maturity of which the counterparty (seller) has the obligation to repurchase the asset sold and the Company (buyer) the obligation to return the assets purchased under the transactions. The Company may also enter into transactions that consist in the purchase/sale of securities with a clause reserving for the counterparty/Company the right to repurchase the securities from the Company/counterparty at a price and term specified by the parties in their contractual arrangements.

The Company's involvement in such transactions is, however, subject to the additional following rules:

(1) The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.

(2) The Company may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

3.7. Management of collateral and collateral policy

Where the Company enters into OTC Derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure should comply with the following criteria at all times, as well as to the collateral policy of the Company and ESMA Guidelines on ETFs and other UCITS issues (ESMA/2012/832), as revised from time to time, released by the CSSF under CSSF Circulars 08/356, 13/559 and 14/592:

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

(b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.

(c) Issuer credit quality – collateral received should be of high quality (i.e. with an investment grade rating).

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

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

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

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

(h) Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

(i) Non-cash collateral received should not be sold, re-invested, re-used or pledged.

(j) Cash collateral received should only be:

- i. placed on deposit with entities prescribed in paragraph I. (1) (d) above;
- ii. invested in high-quality government bonds;
- iii. used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- iv. Invested in short-term money market funds.

Haircut policy

The Company applies an haircut policy depending on the asset type received as collateral in accordance with ESMA Guidelines on ETFs and other UCITS issues (ESMA/2012/832), CSSF Circulars 08/356, 13/559 and 14/592.

The Company only used cash and bonds of excellent quality and applies the haircut policy described here below. In any case, eligible collateral consist of assets of excellent quality, diversified and liquid. Collateral will be valued on a daily basis on the basis of market prices and taking into the haircuts determined by the Company. The haircut policy takes into account a variety of factors depending on the nature of received collateral, such as the credit quality of the issuer, the maturity, the currency, the price volatility as well as, if applicable, the results of stress-tests in normal and exceptional liquidity conditions.

No haircut will be applied on cash collateral.

Non-cash collateral will only be accepted if they do not have a high volatility.

The following haircut policy will be applied on non-cash collateral:

- 20% on shares and/or convertible bonds which are comprised in a main index;
- 15% on debt and debt-related securities issued by a non-governmental issuer ;
- 10% on cash deposits in a currency other than the currency of exposure.

The value of non-cash collateral received is at least 100% of the counterparty risk value.

4. RISK-MANAGEMENT PROCESS

The Management Company must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions in its portfolios and their contribution to the overall risk profile of its portfolios.

In accordance with the Law and the applicable regulations, in particular Circular CSSF 11/512, the Management Company uses for each Compartment a risk-management process which enables it to assess the exposure of each Compartment to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material to that Compartment. The Management Company may use the Value-at-Risk (VaR) or commitment approach to monitor and measure the global exposure as further specified for each Compartment, in the Appendix.

5. RISK WARNINGS

The following is a general description of a number of risks which may affect the value of Shares. See also the section of the relevant Appendix to the Prospectus (if any) for a discussion of additional risks particular to a specific issue of Shares. The description of the risks made below is not, nor is it intended to be, exhaustive. Not all risks listed necessarily apply to each issue of Shares, and there may be other considerations that should be taken into account in relation to a particular issue. What factors will be of relevance to a particular Compartment will depend upon a number of interrelated matters including, but not limited to, the nature of the Shares and the Compartment's Investment Policy.

No investment should be made in the Shares until careful consideration of all these factors has been made.

The value of investments and the income from them, and therefore the value of and income from Shares relating to a Compartment can go down as well as up and an investor may not get back the amount the investor invests. Due to the various commissions and fees which may be payable on the Shares, an investment in Shares should be viewed as medium to long term. Short or leveraged funds are associated with higher risks and may better be considered as short to medium term investments. An investment in a Compartment should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisers. The legal, regulatory, tax and accounting treatment of the Shares can vary in different jurisdictions. Any descriptions of the Shares set out in the Prospectus, including any Appendix, are for general information purposes only. Investors should recognise that the Shares may decline in value and should be prepared to sustain a total loss of their investment. Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares.

Risks relating to investing in units of UCI/UCITS

Investments made by the Company in the units of UCI/UCITS, including investments by certain compartments of the Company in units of other compartments of the Company, expose the Company to risks arising from financial instruments which these UCI/UCITS hold in the portfolio as described above. Some risks are, however, specific to the holding by the Company of UCI/UCITS units. Some UCI/UCITS made have recourse to leverage effects either by the usage of derivative instruments or by the usage of lending. The usage of leverage effects increases the volatility of the price of these UCI/UCITS and therefore the risk of the loss of capital. Most of these UCI/UCITS also stipulate the option of temporarily suspending redemption under specific circumstances of an exceptional nature. Investments made in the units of UCI/UCITS may accordingly present a liquidity risk which is higher than investing directly in a portfolio of transferable securities. On the other hand, investing in the units of UCI/UCITS allows the Company to gain access in a flexible and efficient way to various professional management styles and to diversify its investments. If a compartment invests primarily through UCI/UCITS it must ensure that its UCI/UCITS portfolio has the appropriate liquidity characteristics to allow it to meet its own redemption obligations.

Investing in the units of UCI/UCITS may involve a duplication of certain costs in the sense that in addition to the costs deducted at the level of the compartment in which an investor is invested, the investor in question is subject to a portion of the costs deducted at the level of the UCI/UCITS in which the compartment is invested. The Company offers investors a choice of portfolios which may present a different degree of risk and therefore, in principle, a long-term overall prospective yield in relation to the degree of risk accepted.

The investor will find the degree of risk of each class of shares offered in the Key Investor Information Document.

The higher the risk level, the longer the investor should intend to invest and be prepared to accept the risk of a significant loss of the capital invested.

Market risk

Risk of a general nature which affects all types of investment. The trends in the prices of the transferable securities and other instruments is principally determined by the trends on the financial markets as well as the economic performance of the issuers themselves, as affected by the general situation on the world economy, and by the economic and political conditions prevailing in their countries.

Risks relating to equities markets

The risks associated with investing in equities and related instruments encompass significant fluctuations in prices, negative news about the issuer or the market and the subordinated nature of the shares compared with the bonds issued by the same company. The fluctuations are also often amplified in the short term. The risk that one or more companies will suffer a downturn or fail to grow can have a negative impact on the performance of the overall portfolio at a given time.

Some compartments may invest in initial public offerings ("IPOs"). In this case, there is a risk that the price of the newly floated share may see greater volatility as a result of factors such as the absence of an existing public market, non-seasonal transactions, the limited number of securities that can be traded and the lack of information about the issuer.

Compartments investing in growth stocks may be more volatile than the market in general and may react differently to economic, political and market developments and to specific information about the issuer. Growth stocks traditionally show higher volatility than other stocks, especially over very short periods. These stocks may also be more expensive in relation to their profits than the market in general. Consequently, growth stocks may react more violently to variations in their profit growth.

Risk relating to investing in bonds, debt securities, fixed-income products (including high yield stocks) and convertible bonds

For compartments which invest in bonds or other debt securities, the value of these investments will depend on market interest rates, quality of credit of the issuer and liquidity considerations. The net asset value of a compartment investing in debt securities will fluctuate in line with interest rates, the perception of the credit quality of the issuer, the liquidity of the market and also foreign exchange rates (when the investment currency differs from the reference currency of the compartment holding this investment). Some compartments may invest in high yield debt securities when the level of return is possibly relatively high compared with investing in high-quality debt securities. However the risk of depreciation and of incurring losses of capital on such debt securities held will be higher than for lower yield debt securities.

Investing in convertible bonds has a sensitivity to the fluctuations in the prices of the underlying equities ("equity component" of the convertible bond) while offering some form of protection of some of the capital ("bond floor" of the convertible bond). The higher the equity component is, the weaker the capital protection. As a consequence a convertible bond that has experienced a significant rise in its market value as a result of the rise of the underlying equity price will have a risk profile which is closer to that of a share. On the other hand, a convertible bond that has experienced a fall in its market value up to its bond floor as a result of the

fall of the price of the underlying shares price will have from this level a risk profile close to that of a traditional bond.

Convertible bonds, like other types of bonds, are subject to the risk that the issuer may not be able to meet its obligations in terms of the payment of interest and/or redemption of the capital on maturity (credit risk). The perception by the market of the increase in the probability of occurrence of this risk for a given issuer results in a sometimes considerable fall in the market value of the bond and therefore the protection offered by the bond content of the convertible bond. The bonds are also exposed to the risk of a fall in the market value following a rise in the reference interest rates (interest rate risk).

Risks relating to derivative instruments

Within the framework of the investment policy described in each of the fact sheets for the compartments, the Company may make use of derivative financial instruments. These products may not only be used for the purposes of hedging, but also form an integral part of the investment strategy in order to optimise returns. Usage of these derivatives financial instruments may be limited by the market conditions and regulations applicable and may involve risks and costs to which the compartment which uses them would not have been exposed if it had not used these instruments. The risks inherent to the usage of options, contracts in foreign currencies, swaps, futures contracts and options relating to thereto include in particular: (a) the fact that the success depends on the accuracy of the analysis of the manager(s) or sub-manager(s) of the portfolio in terms of the performance of interest rates, the prices of transferable securities and/or money market instruments as well as foreign currency markets; (b) the existence of an imperfect correlation between the price of the options, futures contracts and options relating thereto and the movements of the prices of transferable securities, money market instruments or foreign currencies hedged; (c) the fact that the expertise needed to use these derivative financial instruments is different to the expertise needed to select securities for the portfolio; (d) the possibility of a non-liquid secondary market for a specific instrument at a given moment; and (e) the risk that a compartment is unable to buy or sell a security in the portfolio during at the right times or the need to sell an asset in the portfolio under unfavourable conditions. If a compartment carries out a swap transaction it exposes itself to a counterparty risk. The usage of derivative financial instruments also carries a risk due to their leverage effect. This leverage effect arises from investing a modest capital sum to buy derivative financial instruments compared with the cost of directly acquiring the underlying assets. The higher the leverage effect, the greater the variation in price of the derivative financial instrument in the event of the fluctuation in the price of the underlying assets compared with the subscription price set in the conditions for the derivative financial instrument. The potential and the risks of these instruments therefore increases in parallel to the growth of the leverage effect. Lastly there is no guarantee that the objective of these derivative financial instruments will be achieved.

Risks relating to investments in emerging markets

In emerging markets, to which the compartments may be exposed, the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their counterparties. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable. Such risks may include (i) increased risk of nationalisation, expropriation of assets, forced mergers of companies, creation of government monopolies, confiscatory taxation or price controls; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity, low trading volumes and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for any major currency and/or restriction on the buying or selling by foreign investors; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in accounting, auditing and financial reporting standards, methods, practices and disclosures which may result in the unavailability or incompleteness or tardiness of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and

custody arrangements; (xii) less protection through registration of assets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders and (xiv) less formalised procedures for corporate actions (no central source of identification, no formal notification) and proxy voting.

At present, investments in Russia are subject to greater risks regarding the ownership and custodianship of Russian transferable securities. It is possible that the ownership and the custody of transferable securities is only represented by records in the books of the issuer or the holder of the register, which is not an agent or liable to the custodian. No certificates representing the title of ownership in the transferable securities issued by Russian companies will be held by the custodian or by a local correspondent of the custodian or by a central custodian. Due to these market practices and the absence of regulation and effective controls, the Company may lose its status as the owner of the transferable securities issued by Russian companies as a result of fraud, theft, destruction, negligence, loss or disappearance of the transferable securities in question. In addition, due to market practices, it is possible that Russian transferable securities will need to be deposited with Russian institutions which do not always having an adequate guarantee to cover the risk of losses arising from the theft, destruction, loss or disappearance of the securities held in custody.

Political risks

In general, it may be said that the political risks are high in those countries in which the Company will be investing. The implications of these political risks may involve a change of the current government as a result of political upheaval, social unrest, rioting, civil war, terrorism or war. The Company will endeavour to reduce these political risks by spreading its investments over multiple countries.

Risks pertaining to legislation and regulations

The sometimes rapid amendment of legislation and regulations is typical of the environment in which the Company will be investing. The amendment of legislation and regulations may have negative consequences for the Company's investments (those it requires or others). In this respect, one might consider restrictions on the repatriation of invested funds and dividends, and on foreign currencies, as well as changes to local tax legislation. It is impossible to predict the precise consequences any future amendment of legislation or regulations (concerning tax or anything else) may have for the Company and its Shareholders.

Although many countries have a legal system (which is relatively young in some cases), in practice there may be confusion as to its interpretation. In addition, existing legislation is regularly amended. In these circumstances it may be difficult or impossible for the Company to legally protect and exercise the rights it has based on its investments.

Accounting Practices

- The accounting and audit systems may not accord with international standards.
- Even when reports have been brought into line with international standards, they may not always contain correct information.
- Obligations of companies to publish financial information may also be limited.

Shareholder Risk

- Existing legislation may not yet be adequately developed to protect the rights of minority shareholders.
- There is generally no concept of fiduciary duty to shareholders on the part of management.
- There may be limited recourse for violation of such shareholders' rights as pertain.

Country risks

The various countries of the African continent in which the Compartment will be investing may generally be described as so-called "frontier markets". The most important characteristic of a frontier market is that periods

of excessive growth may alternate with intervals during which a severe economic downturn occurs. In many respects frontier markets are usually less developed than established emerging markets. Where progressive development occurs, the frontier stage usually precedes the emerging phase. Political instability and considerable disparity of wealth in the various countries may cause social unrest. Usually, there is limited correlation (interconnection) between the various countries. In general, the various markets experience economic cycles independently of each other, which may be influenced to a greater or lesser extent by, for example, fluctuating raw material prices, foreign exchange rates, trade, inflation and government intervention.

Settlement risk/counterparty risk

There is a risk that a contracting party may be unable to comply with its financial obligations, with the result that receivables may have to be written off. Because purchases and sales involving the underlying instruments are settled using the normal system of transfer upon payment, in respect of which the clearing houses, in principle, guarantee payment or delivery as the case may be, this is a limited risk.

However, not all African countries use the system of transfer upon payment. In those cases the broker's solvency (during the settlement period) is very important.

In addition, because of different postal and banking systems it is not always possible to guarantee that disbursements, including any dividends and tax credits, can be collected in full or on time.

The Company will endeavour to limit the settlement risks by employing a rigorous procedure for the selection of local and international brokers.

Price Movement and Performance

- Factors affecting the value of securities in some markets cannot easily be determined.
- Investment in securities in some markets carries a high degree of risk and the value of such investments may decline or be reduced to zero.

Concentration risk

Depending on the conditions on the financial markets at the time of the investment and/or the prospects offered by these markets, investments of the Company's compartments may be concentrated in one or more countries, geographical regions, economic sectors, classes of assets, types of instruments or currencies, such that these compartments may be more impacted in the event of economic, social, political or fiscal events affecting the countries, geographical regions, economic sectors, classes of assets, types of instruments or currencies in question.

Interest rate risk

The value of an investment may be affected by fluctuations in interest rates. Interest rates may be influenced by numerous factors or events such as monetary policy, discount rates, inflation etc. Investors are advised that a rise in interest rates results in a decrease in the value of the investments in bond instruments and debt securities.

Credit risk

This is the risk that may result from the deterioration in the credit rating of an issuer of bonds or debt securities and therefore likely to reduce the value of investments. This risk is connected to the ability of an issuer to honour its debts.

The downgrading of the rating of an issue or an issuer may result in a fall in the value of the debt securities in question in which the compartment is invested. Bonds or debt securities issued by entities with a low rating are as a general rule considered to have a higher credit risk and probability of default of the issuer than issuers with higher ratings. If an issuer of bonds or debt securities finds itself in financial or economic difficulties, the value of the bonds or debt securities, which may be reduced to zero, and the payments made in respect of these bonds or debt securities, which may be reduced to zero, may be affected by this.

Foreign exchange risk

If a compartment has assets denominated in currencies which other than its reference currency, it may be affected by any fluctuations in foreign exchange rates between its reference currency and such other currencies or by any change in foreign exchange controls. If the currency in which a share is denominated appreciates against the reference currency of the compartment, the equivalent value of the security in this reference currency will appreciate. Conversely if the same currency depreciates, this will result in the depreciation of the equivalent value of the security.

If the compartment carries out hedging transactions against foreign exchange risk, it cannot be guaranteed that such transactions will be fully effective.

Liquidity risk

There is a risk that the investments made by the compartments may become illiquid due to an excessively restricted market, often reflected by a very wide bid-ask spread or large movements in prices, or if their rating falls, or if the economic situation deteriorates. Consequently it may not be possible to sell or buy these investments quickly enough to prevent or reduce as much as possible a loss in the compartments. Lastly there is a risk that securities trading on a narrow market segment, such as the small cap companies market, may fall prey to a high degree of price volatility. As the compartments investing in emerging markets invest a high proportion of their assets in emerging-market securities which tend to be less liquid than those of developed markets, investors should consider a shareholding in these compartments to be a long term investment and be aware that it may not always be possible to make redemption payments within the usual time frame.

Counterparty risk

When entering into over the counter contracts, the Company may be exposed to risks relating to the solvency of its counterparties and their ability to meet the conditions of these contracts. The Company may therefore enter into futures, options and swap contracts or use other derivatives techniques which each will present the risk to it that the counterparty will not meet its commitments under the respective contract.

Inflation risk

The value of an investment may be subject to inflation risk to various degrees depending on the type of securities or financial instruments.

The purchasing power of the currency of a given country falls as inflation rises.

Some securities such as bonds pay a set nominal rate. The "actual rate" is calculated by deducting inflation from this nominal rate. Consequently the higher the inflation rate, the lower the actual rate which results in a fall in the value of the bond.

Custodial risk

Any assets, financial instruments and liquid assets entrusted to a custodian bank may be lost as a result of insolvency, negligence or fraud on the part of that bank or a delegated custodian (subcustodian) appointed by the latter.

In most countries, where a custodian bank and/or its appointed sub-custodian go bankrupt, the relevant securities will not be treated as part of its assets and will therefore be retained by the Company, because a separate depository company has custody of them in most cases, while the sub-custodian's parent company stands surety for the securities that have been entrusted to it.

The Company will endeavour to reduce the custodial risks by adopting a rigorous procedure for the selection of sub-custodians (local and otherwise) and by selecting parties whose parent company will stand surety for

them. This selection procedure has been delegated to the primary custodian (the Company's custodian in Luxembourg).

Capital risk

The Company does not provide its investors with any guarantee against the loss of capital. Accordingly, investors in the Company bear the risk of the loss of some or all of their investment in the Company.

Taxation

Investors should bear in mind that the (i) product of the sale of securities on certain markets or the collection of dividends or other income may be or may become subject to duties, taxes, rights or other costs or charges imposed by the authorities of this market, including the deduction of taxation at source and/or (ii) the compartment's investments may be subject to specific taxes or charges imposed by the authorities of certain markets. Taxation laws as well as the practice of certain countries in which the compartment invests or may invest in the future are not clearly established. Consequently it is possible that the current interpretation of the legislation or the understanding of a practice may change, or that the legislation may be amended with backdated effect. It is therefore possible that the compartment may be subject to additional taxation in such countries although such taxation was not anticipated on the date of this Prospectus or on the date on which the investments were made, valued or sold.

U.S. Foreign account Tax Compliance Requirements

FATCA Rules being particularly complex, the Company cannot accurately assess the extent of the requirements that FATCA provisions will place upon it.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the 30% withholding tax on US FDAP Income, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of FATCA, the value of Shares held by all Shareholders may be materially affected.

6. ISSUE, REDEMPTION AND CONVERSION OF SHARES

Pursuant to the Articles of Incorporation, the Company may create within each Compartment different classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Compartment as further described in each relevant Appendix.

A distinct fee structure, currency of denomination, dividend policy minimum holding amount, eligibility requirements or other specific feature may apply. The range of available Classes and their features are described in the relevant Appendix.

The Company has decided to issue the following classes of Shares:

- IC Class EUR: which are Capitalisation institutional shares denominated in EUR and offered solely to institutional investors subscribing for their own account or on behalf of individuals within the framework of a collective savings or any comparable scheme such as discretionary asset management mandate. The holders of IC Class EUR will not be entitled to receive dividend or distribution of income unless otherwise decided by the Board;
- RC Class EUR: which are Capitalisation retail shares denominated in EUR and offered to individuals or institutional investors. The holders of RC Class EUR will not be entitled to receive dividend or distribution of income unless otherwise decided by the Board of Directors;

- **RX Class EUR:** which are Capitalisation retail shares denominated in EUR and also dedicated for listing and negotiation on the Italian Stock Exchange. The holders of RX Class EUR will not be entitled to receive dividends or distribution of income unless otherwise decided by the Board of Directors.
- **ID Class EUR:** which are Distribution institutional shares denominated in EUR and offered solely to institutional investors subscribing for their own account or on behalf of individuals within the framework of a collective savings or any comparable scheme, such as discretionary asset management mandate. The holders of ID Class EUR will be entitled to receive dividend and distribution of income as decided by the Board of Directors;
- **RD Class EUR:** which are Distribution retail shares denominated in EUR and offered to individuals or institutional investors. The holders of RD Class EUR will be entitled to receive dividend and distribution of income as decided by the Board of Directors.

The Board of Directors may decide to promote investment programmes for current and future investors. The Board of Directors may determine the methods of such investment programmes (minimum amounts, the frequency of payments etc.). Such methods shall enable investors to discontinue their participation and to dispose of their shares in the Company at any time. Depending on the countries where the Company is marketed, the detailed methods of such programmes shall be published in the document supplied to local authorities therein in view of their marketing authorisation, as well as in the documents made available to the public.

Within the investment programmes, the Board of Directors may decide that the amount of subscription may be inferior to the minimum subscription amount and the minimum subsequent subscription amount, if foreseen by the Prospectus. In this case, the different amount of subscription shall prevail on the provisions of each Compartment, if any.

Besides, within the investment programmes, the various financial intermediaries involved in the marketing of the Shares may apply a subscription fee of maximum 5%, as set out in the relevant Appendix.

6.1 Subscription Redemption and Conversion Requests

Unless otherwise provided for a specific Compartment in the relevant Appendix, requests for subscription, redemption and conversion of Shares should be sent to the Administration Agent at the registered address of the Company in Luxembourg. Requests may also be accepted by facsimile transmission. An application form can be obtained from the Company.

Requests must contain at least the following information: the exact name and address of the person making the request, the amount or the number of shares to be subscribed, redeemed or converted, the Compartment(s) to which such request applies, as well as the Class(es) of Shares concerned.

Unless otherwise specified in the Appendix to the Prospectus for any Compartment, requests for subscriptions, redemptions and conversions from or to any Compartment will be dealt with on the Valuation Day on which they are received, provided they are received prior to the cut-off time specified in the relevant Appendix.

Requests received after such time will be accepted on the next Valuation Day. As a result, requests for the subscription, redemption and conversion of Shares shall be dealt with on an unknown net asset value basis before the determination of the net asset value for that day.

The Company does not permit market timing (as set out in CSSF circular 04/146) or related excessive, short-term trading practices.

The Company has the right to reject any request for the subscription or conversion of Shares from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as it may deem appropriate or necessary.

Subscription, redemption and conversion of Shares of a given Compartment shall be suspended whenever the determination of the net asset value per Share of such Compartment is suspended by the Company.

6.2 Nominees

In the countries where the Shares of the Company are marketed, the Company, respectively the Management Company and/or any other entity delegated to act as Global Distributor of the Company, may enter into an agreement with local paying agents and the distribution agents, giving the distribution agents the power to sub delegate the distribution of the Company, pursuant to which they agree to act as or appoint nominees for investors subscribing for Shares through their facilities. In such capacity the distributor or sales agent and the local paying agent may effect subscriptions, conversion and redemptions of Shares in the nominee name on behalf of individual investors and request the registration of such transactions on the register of Shareholders of the Company in the nominee name.

Nominees must be professionals of the financial sector, domiciled in countries in which financial intermediaries are subject to similar obligations of identification as those which are provided for under Luxembourg law and under Section 6.7 "Anti-money laundering procedures".

Certain distribution agents and local paying agents may not offer all of the Classes of Shares or all of the subscription/redemption currencies to investors. Investors are invited to consult their distribution agents and local paying agent for further details.

Distribution agents and local paying agents are banks or financial intermediaries that pertain to a regulated group headquartered in a FATF (Financial Action Task Force on Money Laundering) country. Such groups apply FATF provisions regarding anti-money laundering issues to all their subsidiaries and affiliates.

The appointed nominee maintains its own records and provides the investor with individualised information as to its holdings of Shares in the Company. Except where local law or custom prohibits the practice, investors may invest directly in the Company and not avail themselves of a nominee service.

Unless otherwise provided by local law, any Shareholder holding Shares in a nominee account with a distributor has the right to claim, at any time, direct title to such Shares

6.3 Deferral of Redemptions and Conversion

If the total requests for redemption and conversion out of a Compartment on any Valuation Day exceed 10% of the total value of Shares in issue of that Compartment, the Company may decide that redemption and conversion requests in excess of 10% shall be deferred until the next Valuation Day. On the next Valuation Day, or Valuation Days until completion of the original requests, deferred requests will be dealt with in priority to later requests.

6.4 Settlements

If, on the Settlement Day as determined in the Appendix, banks are not open for business, or an interbank settlement system is not operational, in the country of the currency of the relevant Class, then settlement will be on the next Business Day on which those banks and settlement systems are open.

Confirmation of completed subscriptions, redemptions and conversions will normally be dispatched on the Business Day following the execution of the transaction.

No redemption payments will be made until the original application form and relevant subscription monies have been received from the Shareholder and all the necessary anti-money laundering checks have been completed. Redemption proceeds will be paid on receipt of faxed instructions where such payment is made into the account specified by the Shareholder in the original application form submitted. However, any amendments to the Shareholder's registration details and payment instructions can only be effected upon receipt of original documentation.

6.5 Minimum Subscription and Holding Amounts and Eligibility for Shares

A minimum initial and subsequent subscription amount and minimum holding amounts for each Class may be set forth, as further detailed in the Appendix to the Prospectus. The Company has the discretion, from time to time, to waive or reduce any applicable minimum subscription amounts.

The right to transfer, redeem or convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts and eligibility requirements) applicable to the Class from which the redemption or conversion is being made, and also the Class into which the conversion is to be effected.

The Board of Directors may also, at any time, decide to compulsorily redeem all Shares from Shareholders whose holding is less than the minimum holding amount specified in the Appendix to the Prospectus or who fail to satisfy any other applicable eligibility requirements set out above. In such case the Shareholder concerned will receive one month's prior notice so as to be able to increase its holding above such amount or otherwise satisfy the eligibility requirements.

If a redemption or conversion request would result in the amount remaining invested by a Shareholder falling below the minimum holding amount of that Class, such request will be treated as a request to redeem or convert, as appropriate, the Shareholder's total holding in that Class. If the request is to transfer Shares, then that request may be refused by the Company.

Shareholders are required to notify the Company immediately in the event that they are or become US Persons or hold Shares for the account or benefit of US Persons or hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Company or the Shareholders or otherwise be detrimental to the interests of the Company. If the Company becomes aware that a Shareholder is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Company or the Shareholders or would otherwise be detrimental to the interests of the Company or that the Shareholder has become or is a US Person, the Company may, in its sole discretion, redeem the Shares of the Shareholder in accordance with the provisions of the Articles. For the purpose of the above, "US Person" shall have the meaning given in Regulation S under the U.S. Securities Act of 1933, as amended, and shall mean any national, citizen or resident of the United States of America or of any of its territories or possessions or areas subject to its jurisdiction or any person who is normally resident therein (including the estate of any such person or corporations or partnerships created or organised therein).

6.6 Issue of Shares

Subscriptions for Shares can be made on any day that is a Valuation Day for the relevant Compartment. Shares will be allotted at the subscription price of the relevant Class i.e. the net asset value per Share of such Class determined on the applicable Valuation Day on which the request has been accepted plus the applicable sales commission, if any. Any subscription request shall be irrevocable.

If any subscription charge is applied in relation to any particular Compartment, it will be disclosed in the relevant Appendix to the Prospectus. The Company, or any other financial intermediary as prescribed in the present Prospectus, is entitled to receive the subscription charge (if any).

Shares will be allotted on receipt of the subscription payment and of the duly fulfilled application form. The Company may reserve the right to cancel the application for subscription if full payment is not made on the relevant Settlement Day to the dedicated bank account.

Payment for Shares must be received by the Company in the reference currency of the relevant Class. Requests for subscriptions in any other major freely convertible currency will only be accepted if so determined by the Company.

Investors are advised to refer to the terms and conditions applicable to subscriptions, which may be obtained by contacting the Company.

The Company reserves the right to accept or refuse any subscription in whole or in part and for any reason. The Company may also limit the distribution of a given Class or Compartment to specific countries. The Company may also restrict the distribution of the Company's Shares by distributors or agents who have not been approved. The Company may also restrict or prevent the ownership of Shares by any person, firm or corporation, if such ownership may be against the interests of the Company or of the majority of Shareholders or of any Compartment or Class therein.

Where it appears that a person who should be precluded from holding Shares, either alone or in conjunction with any other person, is a beneficial owner of Shares, the Company may compulsorily redeem all Shares so owned in accordance with the provisions of the Articles.

The Company may, in its absolute discretion, delay the acceptance of any subscription for Shares of a Class restricted to institutional investors until such date as it has received sufficient evidence of the qualification of the investor as an institutional investor.

The Company may agree to issue shares as consideration for a contribution in kind of securities, in compliance with the conditions set forth by Luxembourg law, which may in particular provide for the obligation to deliver a valuation report from the auditor of the Company ("*réviseur d'entreprises agréé*") and provided that such securities comply with the investment objectives and policies of the relevant Compartment. The expenses linked to this contribution in kind shall be borne by the Investor who has chosen this method of payment unless the Company agrees to a different sharing of expenses.

6.7 Anti-Money Laundering Procedures

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the Law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, CSSF Regulation 12-02 and circulars of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar agent may require subscribers to provide any document it deems necessary to effect such identification.

Namely, the requests for subscription must be accompanied, in the case of individuals, by a certified copy of the investor's passport or identification card and, in the case of legal entities, by a certified copy of the investor's articles of incorporation and, where applicable, an extract from the commercial register or a copy of such other documents as may be requested as verification of the identity and address of the individual or legal entity.

More generally the Company and its registrar agent shall be able to require any documentation from subscriber that it deems necessary in order to comply with any law and regulations applicable to the Company, and in particular, the FATCA Rules.

This identification procedure must be complied with by CACEIS Bank, Luxembourg Branch, acting as

registrar and transfer agent (or the relevant competent agent of registrar and transfer agent) in the case of direct subscriptions to the Company, and in the case of subscriptions received by the Company from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under AML Regulations.

Investors are requested to communicate forthwith any change in their situation that will prove the information previously submitted to be no longer valid or sufficient, and shall provide the necessary additional information.

In case of delay or failure by a subscriber to provide the documents required, the application for subscription (or, if applicable, for conversion or for redemption) will not be accepted. In the case of a failure to provide the documents and information requested in the context of ensuring compliance of the Company with FATCA Rules, the Company may also be entitled to force the redemption of the Shares. Neither the undertakings for collective investment nor the registrar agent have any liability for delays or failure to process deals as a result of the subscriber providing no or only incomplete documentation.

6.8 Redemption of Shares

Requests for the redemption of Shares can be made on any day that is a Valuation Day for the relevant Compartment. Redemptions will be carried out at the redemption price of the relevant Class i.e. the net asset value per Share of such Class determined on the applicable Valuation Day on which the request has been accepted less the applicable redemption commission, if any. Any redemption request shall be irrevocable.

The Company may carry out any authentication procedures that it considers appropriate relating to a redemption request. This aims to mitigate the risk of error and fraud for the Company, its agents or Shareholders. Where it has not been possible to complete any authentication procedures to its satisfaction, the Company may delay the processing of payment instructions until authentication procedures have been satisfied.

This will not affect the Valuation Day on which the redemption request is accepted and the redemption to be applied. The Company shall not be held responsible to the Shareholder or anyone if it delays execution or declines to execute redemption instructions in these circumstances.

Redemption payments will normally be paid in the Reference Currency of the Class by bank transfer within 4 Business Days of the relevant Valuation Day. Neither the Company are responsible for any delays or charges incurred at any receiving bank or settlement system.

A Shareholder may request, at its own cost and subject to agreement by the Company that their redemption proceeds be paid in a currency other than the Reference Currency of the relevant Class.

If, in exceptional circumstances, redemption proceeds cannot be paid within the period specified above, payment will be made as soon as reasonably practicable thereafter (not exceeding, however, 10 Business Days) at the redemption price calculated on the relevant Valuation Day, it being understood that the Board of Directors will always ensure the overall liquidity of the Company.

If any redemption charge is applied in relation to any particular Compartment, it will be disclosed in the relevant Appendix to the Prospectus. The Company is entitled to receive the redemption charge (if any).

The Company shall have the right, if the Board of Directors so determines, to satisfy payment of the redemption price to any shareholder who agrees, in kind by allocating to the holder investments from the portfolio of assets set up in connection with such class or classes of shares equal in value (calculated in the manner described in Article 11 of the Articles of Incorporation of the Company) as of the Valuation Day during the course of a Valuation Day, on which the redemption price is calculated, to the value of the shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of shares of the relevant class or classes of shares and the valuation used shall be confirmed by a special report of the auditor of the Company.

The costs of any such transfers shall be borne by the transferee, unless the Company agrees to a different sharing of expenses.

Shares redeemed by the Company become null and void.

6.9 Conversion of Shares

If specified in the relevant Compartment's Appendix, Shareholders may be entitled to request the conversion of the Shares they hold in one Compartment into shares of another Compartment or to request the conversion of the Shares they hold in one Class into another Class of the same Compartment by making application to the Registrar and Transfer Agent in Luxembourg or through a distributor by Swift or fax, confirmed in writing by no later than the cut-off time (as further specified in the relevant Compartment's Appendix).

Such application must include the following information: the name of the holder, the number of shares to be switched (if it is not the total holding) and the number ISIN on any share of each Compartment to be switched and the proportion of value of those shares to be allocated to each new Compartment or Class (if more than one).

Conversions will be subject to the condition that all conditions to subscribe in shares relating to the new Compartment/Class are met.

Unless otherwise provided for in the relevant Compartment's Appendix, if conversions would result in a residual holding in any one Compartment or Class of less than the minimum holding, the Company may compulsorily redeem the residual shares at the redemption price ruling on the relevant Business Day and make payment of the proceeds to the Shareholder.

The basis of conversion is related to the respective Net Asset Value per share of the Compartment or Class concerned. The Company will determine the number of Shares into which a Shareholder wishes to convert his existing Shares in accordance with the following formula:

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

Where:

- A is the number of Shares in the new Compartment or Share Class to which the Shareholder shall become entitled;
- B is the number of Shares in the original Compartment or Share Class which the Shareholder has requested to be switched;
- C is the Share Price of a Share in the original Compartment or Share Class;
- D is the switching charge (if any) payable;
- E when the original Compartment or Share Class and the new Compartment or Share Class are not designated in the same currency, it is the applicable market exchange rate between the currencies of the share classes on the day of the transaction execution date, at the Shareholder's risk;
- F is the Share Price of a Share in the new Compartment or Share Class.

RX Class EUR is also dedicated for listing and negotiation on the Italian Stock Exchange and cannot be converted.

6.10 Transfer of Shares

Subject to the restrictions described herein, Shares are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to the relevant Class.

The transfer of Shares may normally be carried out by delivery to the relevant distributor, sales agent or the Company of an instrument of transfer in appropriate form. On the receipt of the transfer request, and after reviewing the endorsement(s), signature(s) may be required to be certified by an approved bank, stock broker or public notary.

The right to transfer Shares is subject to the minimum investment and holding requirements as detailed above and in the Appendix.

Shareholders are advised to contact the relevant distributor, sales agent or the Company prior to requesting a transfer to ensure that they have the correct documentation for the transaction.

7. DISTRIBUTION POLICY

The Board of Directors may decide to issue Classes of any type within each Compartment, at the option of the Shareholders. The following type of Classes of shares may be issued for the Compartments currently offered for subscription:

- distribution type shares denominated in the Compartment's reference currency, which, in principle, entitle their holder to receive a dividend.
- capitalisation type shares denominated in the Compartment's reference currency, which, in principle, do not entitle their holder to receive a dividend, but the amount attributable to the holder from the amount to be distributed is capitalised in the Compartment to which these capitalisation shares belong.

In case distributing Classes of shares, the Board of Directors may decide to distribute interim dividends either in the form of cash in the relevant currency or in the form of reinvestment by the purchase of Shares of the same Class.

Dividends may in any case result from a decision of the Shareholders in general meeting, subject to a majority vote of those present or represented and within limits provided by law, and a concurring decision at the same majority in the relevant Compartment.

Dividends unclaimed after five years from the date of declaration will lapse and revert to the Company in the relevant Compartment.

Besides, during the year the Board of Directors may decide at discretion to distribute income derived from the securities in the portfolio of those Compartments which have distribution shares, as described in the relevant Appendix.

Distribution announcements will be published in the "Luxemburger Wort" and in such other newspapers to be determined by the Board of Directors, unless all such Shareholders and their addresses are known to the Company, in which case each such Shareholder shall be informed in writing.

8. STOCK EXCHANGE LISTING

The Shares of the Company may be listed in a European Regulated Market.

The Board of Directors may decide to list the class of shares named "RX Class EUR" of the Compartments indicated in the Appendices on the Italian stock exchange ("Borsa Italiana" SpA).

The RX Class EUR may be listed on the “ETF plus Open-ended CIUs Segment” which is an electronic market where investors can buy and sell open-end funds. To avoid any misinterpretation, the Company is not an ETF, the RX classes will be listed on a new segment dedicated to UCITS only.

8.1 – Appointed Intermediary

The Company will appoint an intermediary to process daily creation and redemption (the “**Appointed Intermediary**”). For each trading day the Appointed Intermediary will undertake to enter bids and offers, for a quantity equal to the difference between the buy and sell quantities on the book, according to Borsa Italiana Market Rules. The Appointed Intermediary trades in shares at the NAV on each Valuation Day. In the last five minutes of trading market, intermediaries other than the one appointed must refrain from entering, cancelling and modifying orders (the “**Intermediaries**”) (see explanation in paragraph 7.2).

8.2 - Features of the “ETF plus Open-ended CIUs Segment”

The trading model of the “ETF plus Open-ended CIUs Segment” is an auction call from 8:00 a.m. to 11:00 a.m. with no central counterparty (not cleared market segment). In practice, the Intermediaries can insert buy and sell orders indicating the quantity only (no decimal allowed). From 8:00 a.m. to 10:55 a.m. Intermediaries can insert, modify and delete orders.

From 10:55 a.m. to 11 a.m. only the Appointed Intermediary can insert orders (not anonymous) to execute the imbalance between buy and sell quantity. After this phase, the contracts are concluded. The matching of the orders are regulated taking into account orders time priority.

Settlement process: Trades concluded on ETF plus market are settled at T+3 (according to the settlement calendar published by Borsa Italiana)

9. MANAGEMENT AND ADMINISTRATION

The Board of Directors is vested with the widest powers to act in any circumstances in the name of the Company, subject to any powers explicitly granted by law or by the Company’s Articles to its general meeting of Shareholders.

The Board of Directors is responsible for managing the business of the Compartments in issue, for the control of the Company’s operations as well as specifying and implementing the Company’s investment policy. The Board of Directors may delegate, under its control and responsibility, the day-to-day management of the Company.

9.1 Management Company

The Company has designated Luxcellence Management Company S.A. as its management company in accordance with a “Management Company Agreement” dated 19 September 2017 between the Management Company and the Company (the “**Management Company Agreement**”). Under this agreement, the Management Company provides collective portfolio management services in accordance with the Law and as specified in the management company agreement, subject to the overall supervision and control of the Board of Directors of the Company.

As provided in Appendix II of the Law, these services encompass the following tasks:

- Portfolio management
- Administration:
 - a) legal and fund management accounting services;
 - b) customer inquiries;
 - c) valuation of the portfolio and pricing of the units (including tax returns);
 - d) regulatory compliance monitoring;
 - e) maintenance of unitholder register;

- f) distribution of income;
 - g) unit issue and repurchase;
 - h) contract settlements (including certificate dispatch);
 - i) record keeping
- Marketing

The Management Company was incorporated as a public company (*société anonyme*) under the laws of Luxembourg on 31 January 1994 by notarial deed published in the Mémorial on 7 March 1994. The notarial deed was deposited with the Registrar of the District Court of Luxembourg under the number RCS B 46.546. The articles of incorporation of the Management Company were last amended on 05 December 2014.

As of 12 November 2014 its share capital amounts to EUR 1,000,000-.

The Management Company is wholly owned by CACEIS S.A., the holding company of CACEIS Group, and is part of the same group as CACEIS Bank, Luxembourg Branch.

The Management Company is authorised and supervised by the CSSF pursuant to Chapter 15 of the Law.

The Management Company Agreement is concluded for an indefinite period of time and may be terminated by either party upon three months' prior written notice or forthwith by notice in writing in the specific circumstances provided in such agreement.

In consideration of its services, the Management Company is entitled to receive fees as indicated hereinafter.

The Management Company may delegate certain of its duties to third parties. Third parties to whom such functions have been delegated by the Management Company will be remunerated directly by the Company, except as otherwise provided hereinafter.

The Management Company shall at all times act in the best interests of the Shareholders and according to the provisions set forth by the Law, the Prospectus and the Articles.

In fulfilling its responsibilities set forth by the Law and the Management Company Agreement, the Management Company is permitted to delegate all or a part of its functions and duties to third parties, provided that it retains ultimate responsibility and oversight over such delegates. The appointment of third parties is subject to the approval of the Company and the CSSF. The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties.

The Management Company may act as the management company of other open-ended undertakings for collective investment. The names of these other undertakings for collective investment are available upon request.

For its services as Management Company, Luxcellence Management Company S.A. shall receive remuneration paid out of the Company's assets as detailed in section 9. CHARGES AND EXPENSES and in the Appendix of the relevant Compartment.

Remuneration policy

In accordance with the UCITS Directive and the UCITS Rules, the Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that does not encourage risk taking which is inconsistent with the risk profile and the Articles of Incorporation of the Company.

The Management Company's remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the Company and its investors and includes measures to avoid conflicts of interest.

Fixed and variable components of total remuneration are appropriately balanced and the fixed remuneration component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

If and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

The details of the Management Company's remuneration policy are available on the following website <http://www.luxcellence.com/files/remuneration-policy.pdf>. A paper copy of the remuneration policy will be made available free of charge to the investors of the Company upon request to the Management Company.

9.2 Investment Manager

The Management Company, with the consent of the Company and the CSSF, has delegated under its supervision and responsibility, the portfolio management function of the Compartments to Intermonte Sim S.p.A pursuant to an investment management agreement dated 19 September 2017 (the "**Investment Management Agreement**"). This Investment Management Agreement is entered into for an unlimited period and may be terminated by either party upon three months written notice.

Intermonte Sim S.p.A is an Italian investment management company authorised by the CONSOB.

For its services as Investment Manager, Intermonte Sim S.p.A shall receive remuneration paid out of the Company's assets as detailed in section 9. CHARGES AND EXPENSES and in the Appendix of the relevant Compartment.

9.3 Administration Agent

With the consent of the Company and the CSSF, the Management Company has concluded an agreement (the "**Central Administration Services Agreement**") appointing CACEIS Bank, Luxembourg Branch as Administration Agent.

This agreement has been concluded for an indefinite duration and may be terminated by either party in writing with three months' notice.

In its capacity as Administration Agent, CACEIS Bank, Luxembourg Branch shall notably perform the calculation of the net asset value of units for each existing Class or Compartment of the Company, management of accounts, the preparation of the annual and semi-annual financial statements and execute all tasks required as central administration.

In its capacity as the transfer and registration agent, CACEIS Bank, Luxembourg Branch shall in particular reconcile subscription, redemption and conversion applications and keep and maintain the register of Shareholders of the Company. In such capacity it is also responsible for supervising anti-money laundering measures under the AML Regulations. CACEIS Bank, Luxembourg Branch may request documents necessary for identification of investors.

For its services CACEIS Bank, Luxembourg Branch shall receive remuneration paid out of the Company's assets as detailed in section 9. CHARGES AND EXPENSES and in the Appendix of the relevant Compartment.

9.4 Global Distributor

The Management Company with the consent of the Company and the CSSF has appointed Intermonte Sim S.p.A . as the Global Distributor of the Company. In this capacity, Intermonte Sim S.p.A will coordinate all marketing actions for the Company.

The Global Distributor may delegate at its own costs and responsibilities such marketing functions as it deems appropriate to any other sub-distributor (the “**Sub-Distributor(s)**”) permitted to be a distributor of the Shares by the competent authority in the jurisdiction of the relevant Sub-Distributor(s).

The Management Company, the Global Distributor and any appointed Sub-Distributor will take the necessary measures to prevent late trading and market timing practices in compliance with all requirements of the CSSF Circular dated 17 June 2004 concerning the protection of undertakings for collective investment and their investors against late trading and market timing practices.

Remunerations paid to the Global Distributor, possible Sub-Distributors are detailed in section 9. CHARGES AND EXPENSES and in the Appendix of the relevant Compartment.

9.5 Depositary and Paying Agent

CACEIS Bank acting through its Luxembourg branch (CACEIS Bank, Luxembourg Branch) is a public limited liability company (société anonyme) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. It is an authorised credit institution supervised by the European Central Bank (“ECB”) and the Autorité de contrôle prudentiel et de résolution (“ACPR”). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

CACEIS Bank acting through CACEIS Bank, Luxembourg Branch is acting as Depositary of the Company in accordance with a depositary agreement dated 19 September 2017 as amended from time to time (the “**Depositary Agreement**”) and the relevant provisions of the Law and UCITS Rules.

Investors may consult upon request at the registered office of the Company, the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary.

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Compartments' assets, and it shall fulfil the obligations and duties provided for by Part I of the Law . In particular, the Depositary shall ensure an effective and proper monitoring of the Company' cash flows.

In due compliance with the UCITS Rules the Depositary shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of units of the Company are carried out in accordance with the applicable national law and the UCITS Rules or the Articles;
- (ii) ensure that the value of the Units is calculated in accordance with the UCITS Rules, the Articles and the procedures laid down in the Directive;
- (iii) carry out the instructions of the Company, unless they conflict with the UCITS Rules, or the Articles;
- (iv) ensure that in transactions involving the Company’s assets any consideration is remitted to the Company within the usual time limits; and

- (v) ensure that an Company's income is applied in accordance with the UCITS Rules and the Articles.

The Depositary may not delegate any of the obligations and duties set out in (i) to (v) of this clause.

In compliance with the provisions of the Directive, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to Correspondents or Third Party Custodians as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law.

A list of these correspondents/third party custodians are available on the website of the Depositary (www.caceis.com, section "veille réglementaire"). Such list may be updated from time to time. A complete list of all correspondents/third party custodians may be obtained, free of charge and upon request, from the Depositary. Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Company, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Company's and its Shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

- (a) identifying and analysing potential situations of conflicts of interest;
- (b) recording, managing and monitoring the conflict of interest situations either in:
 - relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
 - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the Company, notably, administrative agency and registrar agency services.

The Company and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. The Company may, however, dismiss the Depositary only if a new depositary bank is appointed within two months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Compartments have been transferred to the new depositary bank.

The Depositary has no decision-making discretion nor any advice duty relating to the Company's investments. The Depositary is a service provider to the Company and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Company.

10. CHARGES & EXPENSES

The Company shall bear the following expenses:

- all taxes which may be payable on the assets, income and expenses chargeable to the Company;
- standard brokerage fees and bank charges originating from the Company's business transactions in relation to the portfolio;
- all fees due to the Board of Directors of the Company, the correspondent banks and to the Auditor;
- all fees due to any sub-paying agent, to representatives in foreign countries and any other agents,
- all fees due to the legal advisors, to the domiciliary agent or similar administrative charges, incurred by the Company, due to the Management Company (including the management company fee, the costs related to risk management and investment compliance monitoring activities, the costs related to the production and update of the KIIDs as these fees and costs are further detailed in the Management Company Agreement), the Investment Manager, the Administration Agent, the Global Distributor and the Depositary for acting on behalf of the Shareholders;
- all reasonable expenses of the Board of Directors of the Company, the Management Company, the Investment Manager, the Administration Agent, the Global Distributor and the Depositary;
- all expenses connected with publications and the supply of information to Shareholders, in particular the cost of printing global certificates and proxy forms for general meetings for the Shareholders, the cost of publishing the issue and redemption prices, and also the cost of printing, the distribution of the annual and semi-annual reports, the Prospectus as well as the KIID;
- all expenses involved in registering and maintaining the registration of the Company with all governmental agencies and stock exchanges in the Grand Duchy of Luxembourg and in any other country (including but not limited to the fees due to the Management Company for cross-border registration services);
- all expenses incurred in connection with its operation and its management (e.g. insurance and interests) also including all extraordinary and irregular expenses which are normally incurred by the Company.
- all expenses involved in marketing and promoting the Company, such as the costs of printing brochures, leaflets and other marketing material, advertisement expenses, costs for events, workshops, translations in other languages, etc.
- any other fees as established for each Compartment in the relevant Appendix,.
- the possible costs of listing on regulated markets, including those related to the publication of the price of its shares, the costs of official deeds and legal costs and legal advice relating thereto;
- All recurring expenses will be charged first against current income, then, should this not suffice, against realised capital gains, and, if necessary, against asset.

Any costs incurred by the Company, which are not attributable to a specific Compartment, will be charged to all Compartments in proportion to their net assets. Each Compartment will be charged with all costs or expenses directly attributable to it. The costs for the constitution of the Company will be amortized during a

period of 5 years and will be charged to the Compartments which will be initially launched. Further incorporated Compartments will only bear the initial costs relating to their own launching.

The Company, except as otherwise provided in the Appendix for a specific Compartment, shall pay out of the assets of each Compartment fees which shall cover the remuneration of the Management Company, the Investment Manager, the Administration Agent and the Depositary as further described in the relevant Appendix.

In connection with the purchase and/or sale of the shares in the local markets, local intermediaries, such as distribution agents and local paying agents, may charge to the investors additional costs.

Besides, any local intermediary, distribution agent, or its sub-delegate, is entitled to retain the subscription, redemption or conversion fee, if any as stated for each Compartment in the relevant Appendix, and may at discretion derogate from the indicated maximum percentage in the interest of the investor.

11. PERFORMANCE FEES

A performance fee in relation to certain share classes will be paid as indicated in the appendices relating to the Compartments.

12. TAXATION

The following is a summary of certain material Luxembourg tax consequences of purchasing/subscribing, owning and disposing of the Shares. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell the Shares. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it construed to be, legal or tax advice.

Prospective purchasers/subscribers of the Shares should consult their own tax advisers as to the applicable tax consequences of the ownership of the Shares, based on their particular circumstances.

This summary does not allow any conclusions to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based upon the Luxembourg law and regulations as in effect and as interpreted by the Luxembourg tax authorities on the date of the Prospectus and is subject to any amendments in law (or in interpretation) later introduced, whether or not on a retroactive basis.

Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

12.1 The Company

Under current law and practice, the Company is not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

However, any Class reserved to retail investors is liable in Luxembourg to a "*taxe d'abonnement*" of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the total net asset value of each Class at the end of the relevant quarter.

Any Class reserved to institutional investors is liable in Luxembourg to a "*taxe d'abonnement*" of 0.01% per annum of their net assets. Such tax being payable quarterly and calculated on the total net asset value of each Class at the end of the relevant quarter.

Compartments whose exclusive policy is the collective investment in money market instruments and the placing of deposits with credit institutions or the collective investment in deposits with credit institutions, qualify for the reduced "*taxe d'abonnement*" of 0.01% per annum.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Company. Although the Company's realised capital gains, whether short- or long-term, are not expected to become taxable in another country, the Shareholders must be aware and recognise that such a possibility, though quite remote, is not totally excluded.

The regular income of the Company from some of its securities as well as interest earned on cash deposits in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered.

As a result of recent developments in EU law concerning the scope of the VAT exemption for management services rendered to investment funds, VAT on some of the fees paid out of the assets of the Company to remunerate service providers might be applied.

12.2 Shareholders

(a) Taxation of Luxembourg resident shareholders

i. Individual shareholders

Income such as dividends, liquidation bonus or capital gains derived from the Shares are generally subject to Luxembourg income tax at the progressive ordinary rates. For the year 2016, the top effective marginal rate (without considering the solidarity surcharge) is 40% for a taxable income ranging from EUR 100,00 to EUR 150,000 for 'class 1 and 1a' taxpayers and ranging from EUR 200,000 to EUR 300,000 for 'class 2' taxpayers. The maximum aggregate income tax rate is thus of 42.80% (including the solidarity surcharge of 7%) for a taxable income ranging from EUR 100,000 to EUR 150,000 for 'class 1 and 1a' taxpayers (or ranging from EUR 200,000 to EUR 300,000 for 'class 2' taxpayers) and 43.60% (including the solidarity surcharge of 9%) for a taxable income exceeding EUR 150,000 for 'class 1 and 1a' taxpayers (or exceeding EUR 300,000 for 'class 2' taxpayers).

However, capital gains realized upon disposal of the Shares by individual tax resident Shareholders who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation.

Capital gains are deemed to be speculative gains and are subject to Luxembourg income tax at ordinary rates if the Shares are disposed within a period of 6 months after their acquisition or the disposal precedes the acquisition.

A participation will be deemed to be substantial where an individual tax resident Shareholder holds, either alone or together with his spouse/partner and/or minor children, directly or indirectly at any time within the 5 years preceding the disposal, more than 10% in the share capital of the Company. Capital gains realized on a substantial participation more than 6 months after the acquisition thereof are subject to income tax according to the half-global rate method (i.e., the average rate applicable to the total income is calculated according to the progressive income tax rates and half of the average rates is applied to the capital gains realized on the substantial participation). A shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within 5 years preceding the disposal, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same 5-year period). For the avoidance of any doubt, a disposal may include a sale, an exchange, a contribution or any other kind of alienation of the Shares.

Capital gains realized on the disposal of the Shares by resident individual Shareholders, who act in the course of their professional / business activity, are subject to Luxembourg income tax at the progressive ordinary rates.

- ii. Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the Shares are included in his or her Luxembourg taxable basis for inheritance tax purposes. On the contrary, the Shares

are not included in his or her Luxembourg taxable basis in cases where the deceased was not a resident of Luxembourg for inheritance purposes. Luxembourg resident corporate shareholders

- i. Income such as dividends, liquidation bonus or capital gains derived from the Shares by a Luxembourg fully-taxable resident company are subject to corporate income tax (impôt sur le revenu des collectivités) and municipal business tax (impôt commercial communal) in Luxembourg. Tax exempt shareholders

A Shareholder who is either (i) an undertaking for collective investment subject to the amended law of 20 December 2002 or the Law, (ii) a specialised investment fund governed by the law of 13 February 2007, or (iii) a family wealth management company governed by the law of 11 May 2007, is exempt from corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal) and net worth tax (impôt sur la fortune) in Luxembourg. Dividends, liquidation bonus and capital gains derived from the Shares are therefore not subject to corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal) and net worth tax (impôt sur la fortune) in Luxembourg. However, subscription tax might be due in Luxembourg under certain circumstances.

b) Taxation of Luxembourg non-residents shareholders

Shareholders (either individuals or corporations) who are not resident in Luxembourg for tax purposes and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable are generally not liable to taxes in Luxembourg by reason only of the holding of the Shares, or the execution, performance, delivery and/or enforcement of the Shares.

As Intermonte's PIR Italia compartment meets the requirements of Italian Law no. 232 dated 11th December 2016, an individual investor who is a permanent resident of Italy and holds the units for at least 5 years can benefit from tax breaks in accordance with the above-mentioned law (up to a limit of 30,000 euro per calendar year and an overall limit of 150,000 euro).

c) Inheritance tax and gift tax

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

d) Automatic Exchange of Information (AEI) / Directive on Administrative Cooperation in the field of taxation (DAC)

In February 2014, the OECD released the main elements of a global standard for automatic exchange of financial account information in tax matters, namely a Model Competent Authority Agreement and a Common Reporting Standard (CRS). In July 2014, the OECD Council released the full global standard, including its remaining elements, namely the Commentaries on the Model Competent Authority Agreement and Common Reporting Standard and the Information Technology Modalities for implementing the global standard. The entire global standard package was endorsed by G20 Finance Ministers and Central Bank Governors in September 2014. The CRS initiates for participating jurisdiction a commitment to implement the latter regulation by 2017 or 2018 and ensuring the effective automatic exchange of information with their respective relevant exchange partners.

With respect to the European Union – and thus Luxembourg – the scope of information to be reported already envisaged in Article 8(5) of Directive 2011/16/UE DAC has been extended as to encompass the recommendations contained in the AEI. As such, all members of the European Union will effectively exchange information as of September 2017 with respect to calendar year 2016 (except Austria that will start reporting in 2018 regarding calendar year 2017).

The AEI has been fully implemented in Luxembourg by a law published on 24 December in the Luxembourg Gazette. The AEOI Law has officially entered into force on 1 January 2016 in Luxembourg.

The application of one or the other of these regulations will compel financial institutions to determine shareholders' residence(s) for tax purposes and to report to their local competent authority all accounts held by reportable shareholders (i.e. shareholders residing for tax purposes in a reportable jurisdiction). The information to be reported encompasses the name, the address, the Tax Identification Number (TIN) the account balance or value at the end of the relevant calendar year. As to determine shareholders' residence for tax purposes, financial institutions will review the information contained in its customer's files. Unless, the shareholder produces a valid self-certification indicating the latter's residence for tax purposes, the financial institution will report the account as being maintained by a shareholder residing in all jurisdictions for which indicia has been found.

e) FATCA Rules

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

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

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

Moreover, any account that is not properly documented will have to suffer a 30% WHT.

On 24 March 2014, the Luxembourg and U.S. governments entered into a Model I IGA which aims to coordinate and facilitate the reporting obligations under FATCA with other U.S. reporting obligations of Luxembourg financial institutions.

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

Under FATCA Rules, the Company will adopt the status of Reporting Foreign Financial Institution.

13. GENERAL INFORMATION

13.1 Organisation

The Company is an investment company organised as a *société anonyme* under the laws of the Grand-Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable* (SICAV) subject to Part I of the Law. The Company has been incorporated on 19 September 2017 and registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 218.154 The articles of incorporation will be published the *Recueil des Sociétés et Associations*. The articles of incorporation have been filed with the *Registre de Commerce et des Sociétés* of Luxembourg.

The initial capital for incorporation is thirty thousand Euros (EUR 30,000), represented by thirty (30) shares of no par value. The minimum share capital of the Company is one million two hundred and fifty thousand

euros (EUR 1,250,000.00) or its equivalent in another currency. The minimum share capital must be reached within a period of 6 months from the approval of the Company.

13.2 The Shares

Shares will be issued in registered form. Fractional entitlements to Shares will be rounded to 2 decimal places. Subject to the restrictions described herein, Shares in each Compartment are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to each Class of the relevant Compartment. The rules governing such allocation are set forth under 12.5. "Allocation of Assets and Liabilities among the Compartments".

The Shares, which are of no par value and which must be fully paid upon issue, carry no preferential or preemptive rights and each one is entitled to one vote at all meetings of Shareholders. Shares redeemed by the Company become null and void.

Should the Shareholders, at an annual general meeting, decide any distributions in respect of distribution Shares (if issued) these will be paid within one month of the date of the annual general meeting. Under Luxembourg law, no distribution may be decided as a result of which the net assets of the Company would become less than the minimum provided for under Luxembourg law.

13.3 Meetings

The annual general meeting of Shareholders will be held at the registered office of the Company in Luxembourg on third Tuesday of April of each year, with the first annual general meeting taking place in 2018, or, if such day is not a Business Day on the following Business Day, and notices will be sent to the holders of registered Shares recorded by the transfer agent in the Share register of the Company by post at least 8 calendar days prior to the meeting at their addresses shown on the register of Shareholders. Such notices will include the agenda and will specify the time and place of the meeting and the conditions of admission. They will also refer to the rules of quorum and majorities required by Luxembourg law and laid down in Articles 67 and 67-1 of the Luxembourg law of 10 August 1915 on commercial companies (as amended) and in the Articles of the Company.

Each Share confers the right to one vote. The vote on the payment of a dividend on a particular Class requires a separate majority vote from the meeting of Shareholders of the Class concerned. Any change in the Articles affecting the rights of a Compartment must be approved by a resolution of both the general meeting of the Company and the Shareholders of the Compartment concerned.

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

13.4 Reports and Accounts

Audited annual reports shall be published within 4 months following the end of the accounting year and unaudited semi-annual reports shall be published within 2 months following the period to which they refer. The annual and semi-annual reports shall be made available at the registered offices of the Company, the Depository, the representatives and paying agents during ordinary office hours. The Company's accounting year ends on 31 December each year and the first accounting year will end in 31 December 2017.

The Reference Currency of the Company is the EUR. The aforesaid reports will comprise consolidated accounts of the Company expressed in EUR as well as individual information on each Compartment expressed in the Reference Currency of each Compartment.

13.5 Allocation of assets and liabilities among the Compartments

For the purpose of allocating the assets and liabilities between the Compartments, the Board of Directors has established a pool of assets for each Compartment in the following manner:

- (1) the proceeds from the issue of each Share of each Compartment are to be applied in the books of the Company to the pool of assets established for that Compartment and the assets and liabilities and income and expenditure attributable thereto are applied to such pool subject to the provisions set forth hereafter;
- (2) Where any asset is derived from another asset, such derivative asset is applied in the books of the Company to the same pool as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value is applied to the relevant pool;
- (3) Where the Company incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool;
- (4) upon the payment of dividends to the holders of Shares in any Compartment, the net asset value of such Compartment shall be reduced by the amount of such dividends.

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

13.6 Determination of the net asset value of Shares

The net asset value of Shares of each Compartment shall be expressed in the Reference Currency of the relevant Compartment. The net asset value shall be determined by the Administration Agent on each Valuation Day and on any such day that the Board may decide from time to time by dividing the net assets of the Company attributable to each Compartment by the number of outstanding Shares of that Compartment.

The Administration Agent calculates the net asset value per Share in each Compartment on the Calculation Day. The net asset value per Share shall be calculated to at least two decimal places.

The calculation of the net asset value of the Shares of any Compartment and the issue, redemption, and conversion of the Shares of any Compartment may be suspended in the following circumstances, in addition to any circumstances provided for by law:

- during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed which is the principal market or stock exchange for a significant part of the Compartment's investments, or in which trading is restricted or suspended,
- during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of the assets of the Compartment, or it is impossible to

transfer money involved in the acquisition or disposal of investments at normal rates of exchange, or it is impossible to fairly determine the value of any assets in the Compartment,

- during any breakdown in the means of communication normally employed in determining the price of any of the Compartment's investments or the current prices on any stock exchange,
- when for any reason beyond the control, responsibility and influence of the Company, such as political, economic, military, financial or tax circumstances, the prices of any investment held by the Compartment cannot be reasonably, promptly or accurately ascertained or the Company is prevented from disposing of its assets;
- during any period when the Company is unable to repatriate funds for the purpose of making payments on redemption of shares, or along which the transfer of funds involved in the purchase or sale of investments or of payments due for redemption of shares cannot, in the opinion of the and/or the Board of Directors, be effected at normal rates of exchange;
- further to a decision to wind up or merge the Company or one or more Compartment(s);
- when calculating the net asset value of a UCITS/UCIs in which the Company has invested a substantial portion of the assets of one or more Compartments or one or more classes is suspended or unavailable, or where the issue, redemption or conversion of shares or units of such UCITS or other UCI is suspended or restricted.

Furthermore, in the case of a Compartment being a feeder of another master UCITS or Compartment of a UCITS, the feeder Compartment may temporarily suspend the redemption, reimbursement or subscription of its shares, when its Master UCITS temporarily suspends the redemption, reimbursement or subscription of its shares/units, whether this be at its own initiative or at the request of its competent authorities, for a period identical to the period of suspension imposed on the Master UCITS.

Any suspension shall be announced by all appropriate means, and in particular by publication, if appropriate, in a daily newspaper in Luxembourg and in another newspaper generally circulating in jurisdictions in which the Company is registered.

Such suspension as to any class of shares shall have no effect on the calculation of the net asset value per share, the issue, redemption and conversion of shares of any other class of shares.

The value of the assets of each Class of Shares of each Compartment is determined as follows:

I. The assets of the Company contain the following:

- (1) all fixed-term deposits, money market instruments, cash in hand or cash expected to be received or cash contributions including interest accrued;
- (2) all debts which are payable upon presentation as well as all other money claims including claims for purchase price payment not yet fulfilled that arise from the sale of investment fund Shares or other assets;
- (3) all investment fund Shares;
- (4) all dividends and distributions due in favour of the Company, as far as they are known to the Company;
- (5) all interest accrued on interest-bearing securities that the Company holds, as far as such interest is not contained in the principal claim;
- (6) all financial rights which arise from the use of derivative instruments;
- (7) the provisional expenses of the Company, as far as these are not deducted, under the condition that such provisional expenses may be amortised directly from the capital of the Company;

(8) all other assets of what type or composition, including prepaid expenses.

II. The value of such assets is fixed as follows:

(1) Investment funds are valued at their last available net asset value.

(2) Liquid assets are valued at their nominal value plus accrued interest.

(3) Securities or financial instruments admitted for official listing on a Regulated Market are valued on the basis of the last available closing price at the time when the valuation is carried out. If the same security is quoted on a Regulated Markets, the quotation on the principal market for this security will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be made in good faith by the Board of Directors or their delegate.

(4) Unlisted securities or financial instruments are valued on the basis of their probable value realisation as determined by the Board of Directors or their delegate using valuation principles which can be examined by the auditor of the Company, in order to reach a proper and fair valuation of the total assets of each Compartment.

(5) Any other assets are valued on the basis of their probable realization value as determined by the Board of Directors or their delegate using valuation principles which can be examined by the auditor of the Company, in order to reach a proper and fair valuation of the total assets of each Compartment.

(6) OTC derivative financial instruments must be value at their «fair value» in accordance with ESMA Guidelines 10-788 and CSSF Circular 11/512.

(6) In the event that it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, the Board of Directors or their delegate shall be entitled to use other generally recognised valuation principles which can be examined by an auditor, in order to reach a pro-per valuation of the total assets of each Compartment.

III. The liabilities of the Company contain the following:

(1) all loans, bills of exchange and other sums due, including deposits of security such as margin accounts, etc. In connection with the use of derivative instruments; and

(2) all administrative expenses that are due or have been incurred, including the costs of formation and registration at the registration offices as well as legal fees, auditing fees, all fees of the Management Company, the Administration Agent, the Investment Manager, the Depositary and all other representatives and agents of the Company, the costs of mandatory publications, the Prospectus and the KIID, conclusions of transactions and other documents which are made available to the Shareholders. If the fee rates agreed between the Company and the employed service providers (such as the Management Company, the Administration Agent, Depositary or Investment Manager) for such services deviate with regard to individual Classes, the corresponding varying fees shall be charged exclusively to the respective Class; and

(3) all known liabilities, whether due or not, including dividends that have been declared but not yet been paid; and

(4) a reasonable sum provided for taxes, calculated as of the day of the valuation as well as other provisions and reserves approved by the Board of Directors; and

(5) all other liabilities of the Company, of whatever nature, vis-à-vis third parties; however, each Compartment shall be exclusively responsible for all debts, liabilities and obligations attributable to it.

For the purpose of valuing its liabilities, the Company may include all administrative and other expenses of a regular or periodic nature by valuing these for the entire year or any other period and apportioning the resulting amount proportionally to the respective expired period of time. The method of valuation may only apply to administrative or other expenses which concern all of Shares equally.

IV. For the purpose of valuation within the scope of this chapter, the following applies:

- (1) Shares that are redeemed in accordance with the provisions under "ISSUE, REDEMPTION AND CONVERSION OF SHARES" above shall be treated as existing Shares and shall be posted until immediately after the point in time set by the Board of Directors for carry out the valuation; from this point in time until the price is paid, they shall be treated as a liability of the Company; and
- (2) All investments, cash in hand and other assets of any fixed assets that are not in the denomination of the Share Class concerned shall be converted at the exchange rate applicable on the day of the calculation of net asset value, taking into consideration their market value; and
- (3) On every Valuation Day, all purchases and sales of securities which were contracted by the Company on this very Valuation Day must be included in the valuation to the extent possible.

13.7 Merger or Liquidation of Compartments

The Board of Directors may decide to liquidate any Compartment:

- if a change in the economic or political situation relating to the Compartment concerned would justify such liquidation; or
- if required by the interests of the Shareholders of any of the Compartments concerned; or
- if the Net Asset Value of a Compartment is below a level at which the Board of Directors considers that its management may not be easily ensured; or
- if the Board of Directors conclude there are conditions which may adversely affect the ability of a Compartment to operate in an economically efficient manner.

The decision of the liquidation will be notified to the Shareholders concerned prior to the effective date of the liquidation and the notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of the Shareholders of the Compartment concerned, they may continue to request redemption or conversion of their Shares on the basis of the applicable net asset value, taking into account the estimated liquidation expenses. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Compartment will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Under the same circumstances as provided above, the Board of Directors may decide to close down any Compartment by merger into another Compartment or into another undertaking for collective investment registered under Part I of the Law (the "**new Compartment**"). Such decision will be notified to Shareholders in the same manner as described in the preceding paragraph and, in addition, the notification will contain information in relation to the new Compartment in accordance with the Law and related regulations. Such notification will be made at least 30 calendar days before the last day for requesting the redemption or conversion of the Shares, free of charge.

Termination of a Compartment by compulsory redemption of its Shares or its merger with another Compartment or with another undertaking for collective investment registered under Part I of the 2010 Law, in each case for a reason other than those mentioned in the preceding paragraph, may be effected only upon its prior approval by the Shareholders of the Compartment to be terminated or merged, at a duly convened Compartment's Shareholders meeting which may be validly held without a quorum and decide by a simple majority of the Shareholders of the relevant Compartment present or represented.

The Board of Directors may decide to divide a Compartment into two or more Compartments, to merge or split the classes within a Compartment and to convert within a Compartment the shares of one Class into shares of another Class (e.g. convert a retail class into an institutional class or convert a capitalisation class into a distribution class, etc.).

13.8 Liquidation of the Company

The Company is incorporated for an unlimited period and liquidation shall normally be decided upon by an extraordinary general meeting of Shareholders. Such a meeting must be convened by the Board of Directors within 40 calendar days if the net assets of the Company become less than two thirds of the minimum capital required by law. The meeting, for which no quorum shall be required, shall decide on the dissolution by a simple majority of Shares represented at the meeting. If the net assets fall below one fourth of the minimum capital, the dissolution may be resolved by Shareholders holding one fourth of the Shares at the meeting.

Should the Company be liquidated, such liquidation shall be carried out in accordance with the provisions of the Law and which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and in this connection provides for deposit in escrow at the Caisse de Consignation in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds of each Compartment shall be distributed to the Shareholders of the relevant Compartment in proportion to their respective holdings.

13.9 Material Contracts

The following material contracts have been entered into:

- (1) The Management Company Agreement between the Company and Luxcellence Management Company S.A., pursuant to which the latter acts as management company of the Company. This agreement is entered into for an unlimited period and may be terminated by either party upon three months written notice.
- (2) The Depositary Agreement between the Company and CACEIS Bank Luxembourg pursuant to which the latter was appointed depositary. This agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.
- (3) The Domiciliary Services Agreement between the Company and CACEIS Bank Luxembourg pursuant to which the latter was appointed domiciliary agent. This agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.
- (4) The Central Administration Services Agreement between the Company, Luxcellence Management Company S.A., and CACEIS Bank Luxembourg pursuant to which the latter acts as administrative agent, registrar and transfer agent of the Company. This agreement is entered into for an unlimited period and may be terminated by either party upon three months written notice.
- (5) The Investment Management Agreement between the Company, Luxcellence Management Company S.A. and Intermonte SIM SpA pursuant to which the latter acts as investment manager of the Company. This agreement is entered into for an unlimited period and may be terminated by either party upon three months written notice.
- (6) The Global Distribution Agreement between the Company, Luxcellence Management Company S.A. and Intermonte SIM SpA pursuant to which the latter acts as global distributor of the Company. The Agreement is entered into for an unlimited period and may be terminated by either party upon three months written notice.

13.10 Documents

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

13.11 Complaints Handling

Shareholders of each Compartment of the Company may file complaints free of charge with the Management Company in an official language of their home country.

Shareholders can access the complaints handling procedure on www.luxcellence.com/files/complaints.pdf.

APPENDIX TO THE PROSPECTUS - COMPARTMENTS

General Provisions

For the avoidance of doubt all the foregoing definitions of Section 1 "Definitions" shall apply to the following Appendices.

In case of discrepancy or any inconsistency between provisions contained in the general part of the Prospectus and the Appendices, the provisions of the Appendices shall ever prevail over those of general part.

In this Appendices the term "mainly" means that in case a Compartment's investment policy establishes a "main investment" in one or more categories of assets, as defined under Section (3) "INVESTMENT POLICIES AND RESTRICTIONS", the concerned Compartment has to invest more than 50% of its assets in these categories of assets. The remaining assets may be invested in the other categories of assets as defined under Section (4) "INVESTMENT POLICIES AND RESTRICTIONS", within the limits permitted by the Law.

Each Compartment may not invest more than 10% of its net assets in units of UCITS and/or other UCIs, unless its investment policy clearly stipulates the contrary.

Within the limits of the Law, each Compartment may use financial derivative instruments for investment purposes and / or hedging purposes.

Each Compartment may hold, on an ancillary basis, cash and cash equivalents.

The Compartments are the following:

- INTERMONTE LONG-SHORT ALPHA ITALIA
- INTERMONTE FLEXIBLE EUROPE
- INTERMONTE PIR ITALIA

APPENDIX 1. INTERMONTE LONG-SHORT ALPHA ITALIA

1. INVESTMENT OBJECTIVE AND POLICY OF THE COMPARTMENT

The objective of this Compartment is to provide its investors with capital growth, while having volatility lower than that of the stock markets in which it is invested.

The Compartment's assets consist mainly of equities, fixed-income securities (including all types of debt instruments) and money-market instruments of European issuers.

The percentage attributable to fixed income securities (including money market instruments) will be residual (maximum 15% of the Compartment's NAV) compared to the core long/short strategy of the Compartment.

The fixed income part will include mostly corporate bonds (maximum 60%) and the remaining 40% will be invested in government bonds with short duration (typically below 5 years maturity) and money market instruments.

The part of the assets that could be invested in corporate bond will be invested in ones issued by well known and reputable Italian companies, with a credit rating close to Italy's sovereign credit rating.

Sovereign securities can also be included, and will be invested in investment grade sovereigns bonds. The minimum credit rating of such sovereign bond securities will be BBB- according to Standard & Poor's rating agency.

There is no intention to invest in non-investment grade debt securities, distressed and default securities.

Transferable securities and money market instruments of Italian issuers shall represent at least 60% of the Compartment's NAV.

The Compartment may also hold, on an ancillary basis, cash and cash equivalents.

The exposure to these different asset classes will depend on the market assessment of the investment manager and will not be subject to particular limits other than those set by the investment restrictions.

The Compartment will not invest in either emerging or frontier markets.

The Compartment shall not invest more than 10% of its net assets in units of UCITS and/or other UCIs.

Within the limit of investment restrictions, the Compartment may also use financial derivative instruments for investment and / or hedging purposes, such as forward contracts, credit default swap, CFD's, options and futures on the main financial indices and other listed derivatives instruments traded on a Regulated Market .

The Compartment will adopt a long/short strategy according to which long positions will be represented, directly or indirectly, by investments in equities, fixed-income securities and money market instruments and short positions will be represented by derivative instruments.

2. PROFILE OF THE TYPICAL INVESTOR

The Compartment may be suitable as a supplemental investment for those:

- Wishing to achieve capital growth thanks to a dynamic diversification of their investments while seeking a risk level lower than that of the stock market alone;
- Wishing to take the opportunities offered by both Italian and European markets and are aware that the use of derivatives could affect the performance of the Compartment;

- Also wishing to invest through the derivative products market;
- Having at least a 5 years investment horizon period;
- Investors are advised to invest only a part of their assets in such a Compartment.

3. REFERENCE CURRENCY

The reference currency of the Compartment is EUR.

4. FORM OF SHARES AND CLASSES

The Share Classes of the Compartment will only be issued in registered form, as further defined in the Prospectus.

Share Classes	IC Class EUR	RC Class EUR	RX Class EUR
Category of the Shares	Capitalisation institutional	Capitalisation retail	Capitalisation retail This Class will not issue fractional Shares. Subscription and redemption shall be made per number of shares. Conversion is not allowed.
Currency	EUR	EUR	EUR
Minimum Subscription	EUR 100.000	EUR 50	1 Share
Minimum subsequent Subscription	EUR 1.000	EUR 50	1 Share
Valuation Day	Each Business Day	Each Business Day	Each Business Day
Cut-off Time	13:00	13:00	13:00
Redemption Settlement Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day
Subscription Settlement Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day
Initial Price	EUR 1.000	EUR 10	EUR 10
Listing of Shares	Not listed.	Not listed.	This Class will be available on the Italian Stock Exchange. Borsa Italiana establishes the date for the start of trading the RX Class EUR and the market segment in which the financial instrument is to be traded. The public will be informed on the start date of

			trading by means of a notice which will be published on the Italian Stock Exchange's web site and also on the Company's web site
Investment Management Fee for the Investment Manager	An annual variable fee of 1.00% based on the net assets of the Compartment	An annual variable fee of 1.85% based on the net assets of the Compartment	An annual variable fee of 1.00% based on the net assets of the Compartment
Performance Fee for the Investment Manager	<p>The Sub-fund will pay, each separately and at the end of the Financial Year, a 15% performance fee at the maximum rate below of the difference between the Net asset value per Share concerned at the closing date of the current Financial Year and the Net asset value per Share at the closing date of the previous Financial Year for which a performance fee was charged ("High Water Mark"), if this difference is positive.</p> <p>This fee will be calculated and provisioned or deprovisioned each time the Net Asset Value is calculated and will be based on the amounts of the net assets of each Class concerned before deduction of the performance fee and will be adjusted in order to take subscriptions and redemptions into consideration. For Shares redeemed during the Financial Year, the cumulative provision of the performance fees during the same period shall be crystallized and payable at the end of the period to the Investment Manager.</p>		
Management Company Fee	An annual variable fee up to 0.25% based on the net assets of the Company, with a minimum of €60.000 EUR for the whole Company without prejudice to the other costs and fees due to the Management Company, set out in section 9. CHARGES AND EXPENSES of the Prospectus.	An annual variable fee up to 0.25% based on the net assets of the Company, with a minimum of €60.000 EUR for the whole Company without prejudice to the other costs and fees due to the Management Company, set out in section 9. CHARGES AND EXPENSES of the Prospectus.	An annual variable fee up to 0.25% based on the net assets of the Company, with a minimum of € 60.000 EUR for the whole Company without prejudice to the other costs and fees due to the Management Company, set out in section 9. CHARGES AND EXPENSES of the Prospectus
Administration Fee	Up to 0.030% based on the net assets of the Company, with a annual minimum of €25.000 EUR for the Compartment	Up to 0.030% based on the net assets of the Company, with a annual minimum of €25.000 EUR for the Compartment	Up to 0.030% based on the net assets of the Company, with a annual minimum of €25.000 EUR for the Compartment
Depository Fee	Up to 0.03%	Up to 0.03%	Up to 0.03%
Subscription Fee	Up to 3.00%	Up to 3.00%	Up to 3.00%
Redemption Fee	None	None	None
Conversion Fee	None	None	None
Global Exposure Calculation Methodology	<p>The risk measurement and monitoring of the Compartment will be carried out using a value at risk (VaR) approach.</p> <p>The Compartment will apply an Absolute VaR risk management. The absolute VaR of the Compartment shall not exceed 20% of its Net Asset Value. It is calculated on a daily basis with a 99% confidence interval, a 1-month (20 business days)</p>		

	<p>holding period, and an effective historical observation period of risk factors of at least one year (250 business days) unless market conditions require a shorter observation period.</p> <p>The maximum expected level of leverage of the Compartment is [200] %, of its Net Asset Value, which will be calculated using the "Sum of Notionals" of the derivatives used. The "Sum of Notionals" calculation shows the total sum of the principal values of all derivatives used by the Compartment not taking into account any netting of derivative positions, whereas the commitment calculation converts each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that financial derivative instrument.</p> <p>The leverage is not expected to exceed the levels indicated above but investors should note that there is possibility of higher leverage levels in certain circumstances, e.g. where the Investment Manager may make more extensive use of financial derivative instruments for investment purposes (within the limits of the Compartment's investment objective) as opposed to a more limited use for hedging purposes.</p> <p>The expected levels of leverage indicated above reflect the use of all derivative instruments within the portfolio of the Compartment. An expected level of leverage does not necessarily represent an increase of risk in the Compartment as some of the derivative instruments used may even reduce the risk. Shareholders should note that the "Sum of Notionals" calculation method of the expected level of leverage does not make a distinction as to the intended use of a derivative e.g. being either hedging or investment purposes.</p>
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APPENDIX 2. INTERMONTE FLEXIBLE EUROPE

1. INVESTMENT OBJECTIVE AND POLICY OF THE COMPARTMENT

The Compartment mainly invests its assets in equities, fixed income securities (including any type of debt instruments) and money market instruments which are issued by European financial institutions or governments (excluding Eastern Europe and Russia) and are listed on any Regulated European Markets.

The Compartment will invest in securities denominated in international currencies. Investments in fixed income securities and money market instruments will be made without limitation in duration and rating with a maximum of 35% of the Compartment's NAV invested into non investment grade securities (B- or better following S&P ranking). Up to 10% of the Compartment's NAV may be invested in bonds without rating.

There is no intention to invest in distressed and default securities.

The Investment Manager is free to manage the exposure to relevant exchange rates and may decide to hedge (i.e. an investment to reduce the risk of adverse price movements in an asset) or not to hedge exchange risks.

On an ancillary basis, the Compartment may hold cash and cash equivalents.

The Compartment shall not invest more than 10% of its net assets in units of UCITS and/or other UCIs.

The Compartment may also use financial derivative instruments for investment and / or hedging purposes.

2. PROFILE OF THE TYPICAL INVESTOR

The Compartment may be suitable as a supplemental investment for those:

- Having at least 5 years investment horizon period;
- Wishing to take the opportunities offered by both the bond and the equity markets;
- Investors are advised to invest only a part of their assets in such a Compartment.

3. REFERENCE CURRENCY

The reference currency of the Compartment is EUR.

4. FORM OF SHARES AND CLASSES

The Share Classes of the Compartment will only be issued in registered form, as further defined in the Prospectus.

Share Classes	IC Class	RC Class	RD Class	RXClass EUR
Category of the Shares	Capitalisation institutional	Capitalisation retail	Distribution retail	Capitalisation retail This Class will not issue fractional Shares. Subscription and redemption shall be made per number of shares. Conversion is not

				allowed.
Currency	EUR	EUR	EUR	EUR
Minimum Subscription	EUR 100.000	EUR 50	EUR 100.000	1 Share
Minimum subsequent Subscription	EUR 1.000	EUR 50	EUR 1.000	1 Share
Valuation Day	Each Business Day	Each Business Day	Each Business Day	Each Business Day
Cut-off Time	13:00	13:00	13:00	13:00
Redemption Settlement Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day
Subscription Settlement Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day
Initial Price	EUR 1.000	EUR 10	EUR 1.000	EUR 10
Listing of Shares	Not listed.	Not listed.	Not listed.	This Class will be available on the Italian Stock Exchange Borsa Italiana establishes the date for the start of trading the RX Class EUR and the market segment in which the financial instrument is to be traded. The public will be informed on the start date of trading by means of a notice which will be published on the Italian Stock Exchange's web site and also on the Company's web site
Investment Management Fee for the Investment Manager	An annual variable fee of 1.20% based on the net assets of the Compartment	An annual variable fee of 1.50% based on the net assets of the Compartment	An annual variable fee of 1.20% based on the net assets of the Compartment	An annual variable fee of 1.20% based on the net assets of the Compartment
Performance Fee for the Investment	The Sub-fund will pay at the end of the Financial Year a performance fee of 15% of the annual performance calculated on the basis of the performance of the Net asset value per Share, before deduction of the performance			

Manager	<p>fee, and of the performance of the Benchmark Index, i.e. EuroStoxx 50 Index (50% - Bloomberg code SX5E Index), Euro Cash Indices LIBOR Total Return 3 Months (50% - Bloomberg code ECCOTR03 Index), in the same period.</p> <p>Such performance fee is levied only in case: - the sub-fund return is positive and - the sub-fund performance is higher than the Benchmark performance for the same Financial Year.</p> <p>The performance fee will be calculated daily, will be payable at the end of each Calendar Year and will be adjusted in order to take subscriptions and redemptions into consideration. In the event that a shareholder redeems shares prior to the end of the performance period, any accrued but unpaid performance fee in respect of such shares will be crystallized and paid at the end of the relevant period.</p>			
Management Company Fee	An annual variable fee up to 0.25% based on the net assets of the Company, with a minimum of € 60.000 EUR for the whole Company without prejudice to the other costs and fees due to the Management Company, set out in section 9. CHARGES AND EXPENSES of the Prospectus.	An annual variable fee up to 0.25% based on the net assets of the Company, with a minimum of €60.000 EUR for the whole Company without prejudice to the other costs and fees due to the Management Company, set out in section 9. CHARGES AND EXPENSES of the Prospectus.	An annual variable fee up to 0.25% based on the net assets of the Company, with a minimum of €60.000 EUR for the whole Company without prejudice to the other costs and fees due to the Management Company, set out in section 9. CHARGES AND EXPENSES of the Prospectus	An annual variable fee up to 0.25% based on the net assets of the Company, with a minimum of € 60.000 EUR for the whole Company without prejudice to the other costs and fees due to the Management Company, set out in section 9. CHARGES AND EXPENSES of the Prospectus
Administration Fee	Up to 0.030% based on the net assets of the Company, with a annual minimum of €25.000 EUR for the Compartment	Up to 0.030% based on the net assets of the Company, with a annual minimum of €25.000 EUR for the Compartment	Up to 0.030% based on the net assets of the Company, with a annual minimum of € 25.000 EUR for the Compartment	Up to 0.030% based on the net assets of the Company, with a annual minimum of €25.000 EUR for the Compartment
Depository Fee	Up to 0.03%	Up to 0.03%	Up to 0.03%	Up to 0.03%
Subscription Fee	Up to 3.00%	Up to 3.00%	Up to 3.00%	Up to 3.00%
Redemption Fee	None	None	None	None
Conversion Fee	None	None	None	None
Global Exposure Calculation Methodology	<p>The risk measurement and monitoring of the Compartment will be carried out using the commitment approach.</p> <p>This approach measures the global exposure related solely to positions on financial derivative instruments under consideration of netting and hedging.</p> <p>The Compartment' total commitment to financial derivative instruments, limited to 100% of the portfolio's total net value, is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and hedging.</p>			

APPENDIX 3. INTERMONTE PIR ITALIA

The Compartment will be launched at a date to be determined by the Board of Directors.

I. 1. INVESTMENT OBJECTIVE AND POLICY OF THE COMPARTMENT

At least 70% of the Compartment's NAV is invested in transferable securities (i.e. (i) bonds with a maximum of 2% of the Compartment's NAV with non investment grade credit rating and (ii) equities, dealt on regulated markets which operate regularly and are recognised and open to the public as defined in Article 41.1 of the Law or multilateral trading facilities) issued by companies that have their registered office and/or which have the preponderance of their business activities and/or issued by holding companies that have the preponderance of their assets in companies with their registered office in Italy or in EU Member States/States party to the Agreement on the European Economic Area that are permanently established in Italy.

Transferable securities which are not dealt on regulated markets are subject to Article 41.2 of the Law and may not altogether exceed 10% of the Sub-Fund's net assets.

There is no intention to invest in distressed and default securities.

A minimum of 30% of this 70% (i.e. 21% of the Compartment's NAV) must be invested in transferable securities issued by companies that are not included on the Italian stock exchange's FTSE MIB index, or equivalent indices of other regulated markets.

The Compartment will not invest in financial instruments issued by real estate companies, including real estate funds, Italian SIIQ (Società di Investimento Immobiliare Quotate) or REITS (Real Estate Investment Trusts).

The Compartment will not invest more than 10% of its net assets in transferable securities issued by or entered into with the same issuer or other companies belonging to the same group including deposits or current accounts.

The Compartment may not invest in transferable securities issued by or agreed with parties resident in states or territories that do not allow adequate exchange of information.

The Compartment will not invest in emerging market securities.

On an ancillary basis, the Compartment may hold cash and cash equivalents.

The Compartment shall not invest more than 10% of its net assets in units of UCITS and/or other UCIs.

The Compartment may also use financial derivative instruments for investment and / or hedging purposes.

II. 2. PROFILE OF THE TYPICAL INVESTOR

The Compartment may be suitable as a supplemental investment for those:

- Wishing to take the opportunities offered by the equity markets in Europe, with particular exposure to Italian mid small caps;
- Wishing to take the opportunities related to Italian quoted issuers in Euro Area Stock markets;
- Having at least 5 years investment horizon period;
- Investors are advised to invest only a part of their assets in such a Compartment.

III. 3. REFERENCE CURRENCY

The reference currency of the Compartment is EUR.

IV. 4. FORM OF SHARES AND CLASSES

The Share Classes of the Compartment will only be issued in registered form, as further defined in the Prospectus.

Share Classes	IC Class	RC Class	RX Class
Category of the Shares	Capitalisation institutional	Capitalisation retail	Capitalisation retail This Class will not issue fractional Shares. Subscription and redemption shall be made per number of shares. Conversion is not allowed.
Currency	EUR	EUR	EUR
Minimum Subscription	EUR 100.000	EUR 1.000	1 Share
Minimum subsequent Subscription	EUR 1.000	EUR 50	1 Share
Valuation Day	Each Business Day	Each Business Day	Each Business Day
Cut-off Time	13:00	13:00	13:00
Redemption Settlement Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day
Subscription Settlement Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day	3 Business Days cob following Valuation Day
Initial Price	EUR 1.000	EUR 10	EUR 10
Listing of Shares	Not listed.	Not listed.	This Class will be available on the Italian Stock Exchange. Borsa Italiana establishes the date for the start of trading the RX Class EUR and the market segment in which the financial instrument is to be traded. The public will be informed on the start date of trading

			by means of a notice which will be published on the Italian Stock Exchange's web site and also on the Company's web site
Investment Management Fee for the Investment Manager	An annual variable fee of 1.2% based on the net assets of the Compartment	An annual variable fee of 1.9% based on the net assets of the Compartment	An annual variable fee of 1.2% based on the net assets of the Compartment
Performance Fee for the Investment Manager	<p>The Sub-fund will pay at the end of the Financial Year a performance fee of 15% of the annual performance calculated on the basis of the performance of the Net asset value per Share, before deduction of the performance fee, and of the performance of the Benchmark Index (FTSE Italia Mid Cap Index EUR Total Return (75% - Bloomberg code TITMCE Index); FTSE MIB Net Total Return Index (20% - Bloomberg code FTSEMIBN Index); Euro Cash Indices LIBOR Total Return 3 Months (5% - Bloomberg code ECC0TR03 Index) in the same period.</p> <p>Such performance fee is levied only in case:</p> <ul style="list-style-type: none"> - the sub-fund return is positive and - the sub-fund performance is higher than the Benchmark performance for the same Financial Year <p>The performance fee will be calculated daily and it will be payable at the end of each Calendar Year. In the event that a shareholder redeems shares prior to the end of the performance period, any accrued but unpaid performance fee in respect of such shares will be crystallized and paid at the end of the relevant period.</p>		
Management Company Fee	An annual variable fee up to 0.25% based on the net assets of the Company, with a minimum of €60.000 EUR for the whole Company without prejudice to the other costs and fees due to the Management Company, set out in section 9. CHARGES AND EXPENSES of the Prospectus.	An annual variable fee up to 0.25% based on the net assets of the Company, with a minimum of €60.000 EUR for the whole Company without prejudice to the other costs and fees due to the Management Company, set out in section 9. CHARGES AND EXPENSES of the Prospectus.	An annual variable fee up to 0.25% based on the net assets of the Company, with a minimum of € 60.000 EUR for the whole Company without prejudice to the other costs and fees due to the Management Company, set out in section 9. CHARGES AND EXPENSES of the Prospectus
Administration Fee	Up to 0.030% based on the net assets of the Company, with a annual minimum of € 25.000 EUR for the Compartment	Up to 0.030% based on the net assets of the Company, with a annual minimum of €25.000 EUR for the Compartment	Up to 0.030% based on the net assets of the Company, with a annual minimum of €25.000 EUR for the Compartment
Depository Fee	Up to 0.03%	Up to 0.03%	Up to 0.03%
Subscription Fee	Up to 3.00%	Up to 3.00%	Up to 3.00%
Redemption Fee	None	None	None
Conversion Fee	None	None	None
Global Exposure Calculation	The risk measurement and monitoring of the Compartment will be carried out using the commitment approach.		

Methodology	<p>This approach measures the global exposure related solely to positions on financial derivative instruments under consideration of netting and hedging.</p> <p>The Compartment' total commitment to financial derivative instruments, limited to 100% of the portfolio's total net value, is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and hedging.</p>
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