

MainTower SICAV
Société d'Investissement à Capital Variable
Luxembourg

Sub-Fund "MainTower SICAV – High Income"

Sub-Fund "MainTower SICAV – Ambrosia"

Sub-Fund "MainTower SICAV – Amaranto Italian Market"

Sub-Fund "MainTower SICAV – Force Dynamique"

Prospectus

FEBRUARY 2018

VISA 2018/112488-6618-0-PC

L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2018-05-18
Commission de Surveillance du Secteur Financier

INTRODUCTION

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

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

Shares in the Fund are offered on the basis of the information and the representations contained in the current Prospectus accompanied by the key investor information documents in respect of each Sub-Fund (the "KIID(s)"), the latest annual report and semi-annual report, if published after the latest annual report, as well as the documents mentioned herein which may be inspected by the public at the offices of the Fund and the Management Company.

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

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

The Fund currently has five Sub-Funds:

- MainTower SICAV – High Income
- MainTower SICAV – Ambrosia
- MainTower SICAV – Amaranto Italian Market
- MainTower SICAV – Force Dynamique

Each Sub-Fund offers three (3) classes of Shares which will differ in the status of the eligible investors:

- Class A Retail, intended for direct distribution to retail investors.
- Class H Retail, intended for direct distribution to retail investors, with a specific distribution partner.
- Class I Institutional, intended for institutional investors.

The valuation currency used for the Net Asset Value calculation will, unless otherwise described in Part B of the Prospectus, be the EUR for all classes of Shares for each Sub-Fund and for the consolidation of each Sub-Fund.

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

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

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

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

European Union ("EU") - The Fund is an Undertaking for Collective Investment in Transferable Securities ("UCITS") and is subject to the European Directive of 13 July 2009 (2009/65/EEC) of the European Parliament and Council as may be amended from time to time ("UCITS Directive") and the Board of Directors proposes to market the Shares in accordance with the UCITS Directive in certain Member States of the EU.

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

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

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

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

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

All references in the Prospectus to "EUR" are to the legal currency of the European Union Member States participating to the Economic Monetary Union. All references in the Prospectus to "Business Day" refer to any day on which banks are open for business during the whole day in Luxembourg City.

Data protection

Pursuant to data protection laws applicable in Luxembourg, any personal data (i.e. information by which an individual may be directly or indirectly identified) provided in connection with an investment in the Fund may be processed by the Fund, (together hereafter the "Entities") as data controllers. Personal data may be processed for the purposes of processing subscription and redemption requests, maintaining the register of shareholders of the Fund, for carrying out the services provided by the Entities as well as to comply with legal or regulatory obligations

including, but not limited to, any legal obligations under applicable laws and regulations (including for the purpose of account and distribution fee administration, anti-money laundering and terrorism financing identification, tax identification and reporting under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU), the OECD's standard for automatic exchange of financial account information (commonly referred to as the "Common Reporting Standard") and any other exchange of information regimes to which the Fund may be subject to from time to time), to provide client-related services for fraud prevention purposes, to manage litigation, for accounting and marketing purposes and to the extent required to comply with applicable laws.

The Fund may sub-contract to another entity (the "Processor", including but not limited to the Investment Manager(s), the Depositary, the Administrative Agent and their affiliates and/or delegates) the processing of personal data.

No information shall be passed to any unauthorised third persons. Personal data may however be disclosed to third parties to the extent necessary to achieve the above purposes and only if such disclosure is in the strict legitimate interest of the business. This may include disclosure to third parties such as, but not limited to, governmental or regulatory bodies including tax authorities, auditors, accountants, investment managers, investment advisers, paying, registrar and transfer agents, distributors as well as any other agents of the Processor who may process the personal data for carrying out their services and complying with legal obligations as described above (the "Authorised Third Parties").

In accordance with applicable data protection laws, the shareholders of the Fund agree that by subscribing for Shares and by completing and returning a subscription form, they agree to the processing of their personal data and the disclosure of their personal data including the transfer of such data to parties located in countries outside of the European Economic Area ("EEA") (such as, but not limited to, the United States) which may not provide for the same level of protection for personal data as is available in Luxembourg. The transfer of data may transit via and/or be processed in countries which may not have data protection requirements deemed equivalent to those applying in the EEA.

Reasonable measures will be taken by the Fund to ensure confidentiality of the personal data transferred abroad. However, due to the fact that the personal data is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection law as currently in force in Luxembourg may not be guaranteed while the personal data is kept abroad.

Investors acknowledge and accept that failure to provide relevant personal data requested by the Fund may prevent them from maintaining their holdings in the Fund and may be reported by the Fund to the relevant Luxembourg authorities.

Shareholders are also informed and accept that, as a matter of general practice, telephone conversations and instructions may be recorded to serve as proof of a transaction or related communication. Such recordings will benefit from the same protection under Luxembourg laws as the information contained in the application form and shall not be released to any person that is not an Authorised Third Parties, except in cases where the Fund is compelled or entitled by any applicable law or regulation to do so.

Each individual whether a shareholder of the Fund or an individual or representative related to a shareholder of the Fund, has a right of access to the personal data relating to him/her free of charge, at reasonable intervals and has a right to rectify the data relating to him/her in cases where such data are inaccurate or incomplete. Shareholders of the Fund or an individual or representative related to a shareholder of the Fund may at any time object, on request and free of charge, to the processing of their personal data for direct marketing purposes. Shareholders of the Fund or an individual or representative related to a shareholder of the Fund should address such requests to the Fund at its registered office.

All personal data shall not be held for longer than necessary with regard to the purposes of the data processing, subject always to applicable legal minimum retention periods.

To the extent a shareholder of the Fund is not an individual but a legal entity, such shareholder undertakes to adequately inform the individuals concerned by the acts of processing of personal data described herein (including their access rights), and to procure the necessary consents from individuals or representatives related to such shareholder. By subscribing to, or committing to subscribe for, Shares, the shareholder confirms that it has complied with the aforementioned obligation.

MANAGEMENT AND ADMINISTRATION

Registered office

36, rue des Aubépines
L-8052 Bertrange
Grand Duchy of Luxembourg

Members of the Board of Directors

- Mr Fabio Mazzali, Chairman, Zeus Capital S.A.
- Mr Paolo Tortorella, Chairman, Zeus Asset Management S.A.
- Mr Michele Di Tuccio, Member, Zeus Capital S.A.

Management Company

Zeus Asset Management S.A.
36, rue des Aubépines
L-8052 Bertrange
Grand Duchy of Luxembourg

Member of the board of directors of the Management Company

- Mr Paolo Tortorella (Chairman)
- Mr Raffaele Rossetti
- Mrs Simona Bortolazzi

Conducting persons of the Management Company

- Mr Andrea Bombardieri
- Mr Michele Di Tuccio
- Mrs Simona Bortolazzi

Depository

RBC Investor Services Bank S.A.
14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Administrative Agent

RBC Investor Services Bank S.A.
14, Porte de France

L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Distributor

Zeus Asset Management S.A.
36, rue des Aubépines
L-8052 Bertrange
Grand Duchy of Luxembourg

Investment Managers

In respect of the sub-funds MainTower SICAV – High Income
SOFIA SGR S.p.a
5, Via Fiori Oscuri
I-20121 Milano, Italy

*In respect of the sub-funds MainTower SICAV – Ambrosia, MainTower SICAV – Amaranto
Italian Market and MainTower SICAV – Force Dynamique*

Zeus Asset Management S.A.
36, rue des Aubépines
L-8052 Bertrange
Grand Duchy of Luxembourg

Paying Agent

RBC Investor Services Bank S.A.
14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Auditor

KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

CONTENTS

| | |
|---|----|
| INTRODUCTION | 2 |
| MANAGEMENT AND ADMINISTRATION | 7 |
| PART A : FUND INFORMATION | 10 |
| INVESTMENT OBJECTIVES, POLICIES, TECHNIQUES AND INVESTMENT RESTRICTIONS | 10 |
| MANAGEMENT COMPANY | 31 |
| THE SHARES | 34 |
| PROCEDURE FOR SUBSCRIPTION, CONVERSION AND REDEMPTION | 35 |
| DETERMINATION OF THE NET ASSET VALUE | 40 |
| DISTRIBUTION POLICY | 44 |
| CHARGES AND EXPENSES | 45 |
| DEPOSITARY | 48 |
| ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT | 51 |
| INVESTMENT MANAGERS AND INVESTMENT ADVISER | 52 |
| DISTRIBUTORS | 53 |
| TAXATION | 54 |
| GENERAL INFORMATION | 57 |
| PART B : SPECIFIC INFORMATION | 61 |
| I. SUB-FUND MAINTOWER SICAV – HIGH INCOME | 61 |
| II. SUB-FUND MAINTOWER SICAV – AMBROSIA | 69 |
| III. SUB-FUND MAINTOWER SICAV – AMARANTO ITALIAN MARKET | 77 |
| IV. SUB-FUND MAINTOWER SICAV – FORCE DYNAMIQUE | 84 |
| DOCUMENTS AVAILABLE | 91 |
| RISK FACTORS | 92 |

PART A: FUND INFORMATION

INVESTMENT OBJECTIVES, POLICIES, TECHNIQUES AND INVESTMENT RESTRICTIONS

I. INVESTMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to manage the assets of each Sub-Fund for the benefit of its shareholders within the limits set forth under chapter II "INVESTMENT RESTRICTIONS" here below. In order to achieve the investment objective, the assets of the Fund will be invested in transferable securities or other eligible assets permitted by law.

Each Sub-Fund may (a) use financial derivative instruments for investment, hedging and efficient portfolio management purposes, and (b) employ techniques and instruments relating to transferable securities and money market instruments for the purpose of efficient portfolio management, under the conditions and within the limits laid down by law, regulation and administrative practice, as well as under chapters II "INVESTMENT RESTRICTIONS" and III "Techniques and instruments relating to transferable securities and money market instruments" here below.

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

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

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

II. INVESTMENT RESTRICTIONS

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

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

For best understanding, the following concepts are defined hereafter:

| | |
|---|--|
| Buy-sell Back Transaction or Sell-buy Back Transaction | means a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy-sell back transaction or sell-buy back transaction not being governed by a Transaction |
| Defaulted Debt Securities | means interest bearing instruments from issuers facing bankruptcy claims, rated "D" by Standard & Poor's or "C" according to Moody's long term standards. In case of dual official rating, the higher will prevail. When no official rating exists, the credit quality analysis from the relevant Investment Manager applies |
| Distressed Debt Securities | means interest bearing instruments from issuers highly vulnerable to bankruptcy rated "CCC" or less according to Standard & Poor's or "Caa2" and less according to Moody's long term standards. In case of dual official rating, the higher will prevail. When no official rating exists, the credit quality analysis from the relevant Investment Manager applies |
| Grand-Ducal Regulation of 2008 | means the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to UCITS as regards the clarification of certain definitions; |
| Group of Companies | means companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules |
| Margin Lending Transaction | means a transaction in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities |
| Member State | means a member state of the European Union |

| | |
|---------------------------------|--|
| Money Market Instruments | means instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time |
| OECD | means the Organisation for Economic Co-operation and Development |
| OECD Member State | means any of the member States of the OECD |
| Other Regulated Market | means a market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognised by a state or by a public authority which has been delegated by that state or by another entity which is recognised by that state or by that public authority such as a professional association; and (iv) on which the securities dealt are accessible to the public |
| Other State | means any state of Europe which is not a Member State, and any state of America, Africa, Asia, Australia and Oceania |
| Reference Currency | means the currency denomination of the Fund, a Sub-Fund or a Class, as the case may be |
| Regulated Market | means a regulated market as defined in the Directive 2004/39/EEC of 21 April 2004 on markets in financial instruments, as may be amended ("Directive 2004/39/EEC"), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EEC |
| Regulatory Authority | means the <i>Commission de Surveillance du Secteur Financier</i> ("CSSF") or its successor in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg |

| | |
|---|---|
| Repurchase Transaction | means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a Repurchase Transaction agreement for the counterparty selling the securities and a reverse Repurchase Transaction agreement for the counterparty buying them |
| Securities Financing Transaction or SFT | means (i) a Repurchase Transaction; (ii) Securities Lending and Securities Borrowing; (iii) a Buy-sell Back Transaction or Sell-buy Back Transaction; (iv) a Margin Lending Transaction as defined under the SFTR |
| Securities Lending or Securities Borrowing | means a transaction by which a counterparty transfers subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred |
| SFT Agent | means any person involved in SFTs and/or TRSs as agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Fund's assets or any Sub-Fund's assets (which can be the counterparty of a Sub-Fund in an SFT and/or a TRS) |
| SFTR | means 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 |
| Transferable Securities | <ul style="list-style-type: none"> – Shares and other securities equivalent to shares; – bonds and other debt instruments; – any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments |

| | |
|------------------------|--|
| TRS | means total return swap, i.e. a derivative contract as defined in point (7) of article 2 of the SFTR 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 |
| UCI | means an undertaking for collective investment within the meaning of Article 1 (2), points a) and b) of the UCITS Directive, whether situated in a Member State or not, provided that: |
| | <ul style="list-style-type: none"> • such UCI is authorised under laws which provide that it is subject to supervision that is considered by the Regulatory Authority to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured; • the level of guaranteed protection for unitholders in such UCI is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive; • the business of such UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period, |
| | as defined by the Act of 2010 |
| UCITS | means an undertaking for collective investment in transferable securities under the UCITS Directive |
| UCITS Directive | means Directive 2009/65/EC of 13 July 2009 of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended |

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

- (1) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;

- (3) Transferable Securities and Money Market Instruments admitted to official listing on a Regulated Market in an Other State or dealt in on an Other Regulated Market in an Other State;
- (4) Recently issued Transferable Securities and Money Market Instruments, provided that:
 - The terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market or on an Other Regulated Market as described under (1)- (3) above;
 - Such admission is secured within one (1) year of issue;
- (5) Units of UCITS and/or other UCIs within the meaning of the first article, intends (2) letters (a) and (b) of the UCITS Directive, provided that:
 - Such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured; UCIs that have been authorised under the laws of any Member State of the European Union, of any OECD Member State or under the laws of Hong Kong, Guernsey, Jersey, the Isle of Man, Liechtenstein and Singapore are deemed to be subject to equivalent supervision. Such list is however subject to change from time to time;
 - The level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
 - The business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
 - No more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- (6) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in Community law;
- (7) Financial derivative instruments, i.e. in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an

Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("OTC Derivatives"), provided that:

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

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

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

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

- (8) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- Issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or

- Issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above; or

- Issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law; or

- Issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

B. Each Sub-Fund may however:

- (1) Invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under A (1) through (4) and (8).
- (2) Hold cash and cash equivalents on an ancillary basis.

Notwithstanding the above provision and if justified by exceptional market conditions, the Sub-Funds may invest up to 100% of their net assets in cash and cash equivalents, term deposits, debt securities and Money Market Instruments dealt in on a Regulated Market and whose maturity does not exceed twelve (12) months, monetary UCITS and UCIs, provided that sufficient diversification (duration, counterparty, ...) is ensured. In general terms, the Sub-Funds will then comply with the investment restrictions and the principle of risk spreading set forth under this chapter. There is no restriction as to the currency of these securities and instruments. Term deposits and liquid assets may not exceed 49% of the Sub-Funds' net assets; term deposits and liquid assets held by any counterparty including the Depositary may not exceed 20% of the Sub-Funds' net assets.

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

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

(a) Risk Diversification rules

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

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

• *Transferable Securities and Money Market Instruments*

- (1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
 - (i) Upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of one single issuer; or
 - (ii) The total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.
- (2) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The limit of 10% set forth above under (1)(i) may be increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).
- (4) The limit of 10% set forth above under (1)(i) may be increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return

which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

- (5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).
- (6) **Notwithstanding the ceilings set forth above, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other member state of the OECD, a member state of the G20, by certain non-OECD member states (currently Singapore and Hong-Kong) or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six (6) different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.**
- (7) Without prejudice to the limits set forth hereunder under (b), the limits set forth in (1) may be raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Regulatory Authority, on the following basis:
- The composition of the index is sufficiently diversified,
 - The index represents an adequate benchmark for the market to which it refers,
 - It is published in an appropriate manner.
- The limit of 20% may be raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.
- (8) A Sub-Fund may not invest more than 20% of its assets in deposits made with the same body.

- ***Derivative Instruments***
 - (9) The risk exposure to a counterparty in an OTC Derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in A(6) above or 5% of its net assets in other cases.
 - (10) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (13) and (14). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (1) to (5), (8), (9), (13) and (14).
 - (11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A) (7) (ii) and (D) (1) above as well as with the risk exposure and information requirements laid down in the Prospectus.

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

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

For the purpose of the application of this limit, each compartment of a UCITS or of a 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.

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

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

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

management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

- ***Combined limits***

- (13) Notwithstanding the individual limits laid down in (1), (8) and (9) above, a Sub-Fund may not combine:
 - Investments in Transferable Securities or Money Market Instruments issued by the same entity,
 - Deposits made with, and/or
 - Exposures arising from OTC Derivative transactions undertaken with a single body in excess of 20% of its net assets.
- (14) The limits set out in (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35% of the net assets of the Fund.

(b) Limitations on Control

- (15) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable the Fund to exercise a significant influence over the management of the issuer.
- (16) The Fund may not acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one UCI.

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

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

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;

- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- shares in the capital of a company which is incorporated under or organized pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set forth under C, items (1) to (5), (8), (9) and (12) to (16); and
- shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

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

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

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

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

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

- (1) No Sub-Fund may acquire commodities or precious metals or certificates representative thereof.
- (2) No Sub-Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (3) No Sub-Fund may use its assets to underwrite any securities.
- (4) No Sub-Fund may issue warrants or other rights to subscribe for Shares in such Sub-Fund.
- (5) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A, items (5), (7) and (8).

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

F. Notwithstanding anything to the contrary herein contained:

- (1) The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to securities in such Sub-Fund's portfolio.
- (2) If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.

While ensuring observance of the principle of risk spreading, the Fund may derogate to the limits set forth above for a period of six (6) months following the date of its authorization.

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

The Management Company or any Investment Manager may not rely solely or mechanically on credit ratings issued by credit rating agencies for assessing the creditworthiness of the Fund's assets.

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

Save as otherwise described in the investment policy of any Sub-Fund under the related section "Investment Restrictions" in Part B of the Prospectus, the Fund may employ the techniques and instruments available in the context of securities investments for the purpose of efficient asset management, under the conditions and within the limits laid down by the law, regulation and administrative practice, and as described hereafter.

A. Use of efficient portfolio management techniques ("EPM Techniques")

- (a) The Sub-Funds are authorised to employ techniques and instruments relating to Transferable Securities or Money Market Instruments subject to the following conditions:
 - (i) they are economically appropriate in that they are realised in a cost-effective way;
 - (ii) they are entered into for one or more of the following specific aims:
 - (A) reduction of risk;
 - (B) reduction of cost;

- (C) generation of additional capital or income for the relevant Sub-Fund with a level of risk which is consistent with its risk profile and applicable risk diversification rules;
- (iii) their risks are adequately captured by Fund's risk management process.
- (b) The Fund and any of its Sub-Funds may in particular enter into swap contracts relating to any financial instruments or indices, including TRSs. TRSs involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets.
- (c) The Fund and any of its Sub-Funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFT and TRS for investment purposes will be in line with the risk profile and risk diversification rules applicable to any Sub-Funds. Investors should refer to the risk factors set out in the relevant appendix of Part B for special risk considerations applicable to the use of SFT and TRS.
- (d) EPM Techniques that may be employed by the Sub-Funds in accordance with paragraph III.A(a) above include SFTs that are subject to the conditions below:
 - (i) When entering into a Securities Lending agreement, the Fund will ensure that it is able at any time to recall any security that has been lent out or terminate the Securities Lending agreement.
 - (ii) The Fund may enter into Securities Lending transactions subject to the following rules:
 - (A) The Fund may lend the securities to a counterparty either:
 - (i) directly; or
 - (ii) through a standardised lending system organised by a recognised clearing institution; or
 - (iii) through a lending system organised by a First Class Institution.
 - (B) The Fund may enter into Securities Lending transactions in accordance with the provisions of CSSF Circulars 08/356, 11/512 and 14/592 and ESMA Guidelines 2014/937 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments.

- (iii) When entering into a reverse Repurchase Transaction agreement, the Fund will ensure that it is able at any time to recall:
 - (A) the full amount of cash or to terminate the reverse Repurchase Transaction agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse Repurchase Transaction agreement should be used for the calculation of the Net Asset Value of the relevant Sub-Fund; and/or
 - (B) any securities subject to the Repurchase Transaction agreement or to terminate the Repurchase Transaction agreement into which it has entered.
- (iv) Fixed-term Repurchase Transaction and reverse Repurchase Transaction agreements that do not exceed seven days will be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.
- (e) The Management Company takes into account these EPM Techniques when developing its liquidity risk management process in order to ensure that the Fund is able to comply at any time with its redemption obligations.
- (f) The maximum and expected proportion of assets that may be subject to SFTs or TRSs, as well as the types of assets that are subject to SFT or TRS will be set out for each Sub-Fund in the relevant appendix of Part B. If a Sub-Fund intends to make use of SFTs or TRSs, the relevant appendix of Part B will include the disclosure requirements of the SFTR.
- (g) All revenues resulting from the EPM Techniques or TRS will be returned in full to the Fund after deduction of the direct and indirect operational costs/fees of the Depositary and the Investment Manager (if any). The fees of any agent involved in EPM Techniques or TRS may not exceed 20% of the total income generated by these EPM Techniques. The remaining income will accrue to the relevant Sub-Fund. None of the SFT Agents or counterparties to the OTC derivative transactions or TRS are affiliated with the Fund or the Management Company.
- (h) The counterparties to SFTs and TRS will be selected and approved through a robust selection process and will be credit institutions established in OECD Member States and have a minimum rating of BBB- or the equivalent by any leading rating agencies. The Management Company's risk management team will assess the creditworthiness of the proposed counterparties, their expertise in the relevant transactions, the costs of service and other factors related to best execution in line with the Management Company's execution policy.
- (i) Assets subject to SFT and TRS will be safe-kept by the Depositary.
- (j) The Fund's annual report will include, *inter alia*, the following information:

- (i) the exposure obtained through EPM Techniques;
 - (ii) the identity of the counterparty(ies) to these EPM Techniques;
 - (iii) the type and amount of collateral received by the Fund to reduce counterparty exposure;
 - (iv) the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred;
 - (v) where collateral received from an issuer has exceeded 20% of the NAV of a Sub-Fund, the identity of that issuer; and
 - (vi) whether a Sub-Fund has been fully collateralised in securities issued or guaranteed by a Member State.
- (k) The Fund's semi-annual and annual reports will further contain additional information on the use of SFTs and TRSs in line with Section A of the Annex of the SFTR.
- (l) Collateral received by a Sub-Fund must comply at all times with the following principles:
- (i) 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 acquisition limits set out in section 5- VI- b above.
 - (ii) 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. The Fund will not use any margin accounts.
 - (iii) Issuer credit quality – collateral received should be of high quality.
 - (iv) Correlation – the collateral received by the Sub-Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
 - (v) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of OTC Derivative or EPM Techniques transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of

derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country or a public international body to which one or more Member States belong, provided the Sub-Fund receives securities from at least six different issues and any single issue does not account for more than 30% of the Sub-Fund's NAV. If a Sub-fund intends to make use of this possibility, this will be set out in Part B of the Prospectus for that Sub-Fund.

- (vi) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
 - (vii) Where there is a title transfer, the collateral received should be held by the depositary of the Fund. 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.
 - (viii) Collateral received should be capable of being fully enforced by the Fund for the account of the Sub-Fund at any time without reference to or approval from the counterparty.
- (m) The Sub-Funds will only accept the following assets as collateral:
- (i) Liquid assets. Liquid assets include not only cash and short term bank certificates, but also money market instruments such as defined within Directive 2009/65/EC. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets.
 - (ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
 - (iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
 - (iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items (v) and (vi) below.
 - (v) Bonds issued or guaranteed by first class issuers offering an adequate liquidity.
 - (vi) Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Government bonds and other debt instruments that are eligible as collateral will have a maturity of up to ten (10) years.

- (n) Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged.
- (o) Cash collateral received by a Sub-Fund can only be:
 - (i) placed on deposit with credit institutions which either have their registered office in a Member State or are subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in Community law;
 - (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 Fund is able to recall at any time the full amount of cash on accrued basis;
 - (iv) invested in Short-Term Money Market Funds as defined in the CESR Guidelines 10-049 on a Common Definition of European Money Market Funds.

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

- (p) The Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.
- (q) Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depositary or one of its correspondents or sub-custodians. Collateral posted in favour of a Sub-Fund under a security interest arrangement (eg, a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (r) The collateral received for Securities Lending transactions, at any time during the lifetime of the agreement, must be at least equal to 90% of the global valuation of the securities lent, collateral obtained in respect of OTC derivative transactions and EPM Techniques must be at least 100% of the value of the relevant financial derivative.
- (s) The counterparty risk arising from OTC Derivatives and EPM Techniques may not exceed 10% of the assets of a Sub-Fund when the counterparty is a credit

institution domiciled in the EU or in a country where the Regulatory Authority considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.

It is not expected that conflicts of interest will arise when using techniques and instruments for the purpose of efficient portfolio management.

- (t) At the date of this Prospectus the Fund has not entered into SFTs or TRS. If any Sub-Fund enters into such transactions the prospectus will be updated accordingly.

B. Haircut Policy

The following haircuts for collateral in EPM Techniques are applied by the Fund (the Fund reserves the right to vary this policy at any time):

| Eligible Collateral | Remaining Maturity | Valuation Percentage |
|--|--|----------------------|
| Cash / Money Market Instruments | N/A | 100% |
| Government Bonds and Supranational Bonds | One (1) year or under | 98% |
| | More than one (1) year up to and including five (5) years | 97% |
| | More than five (5) years up to and including ten (10) years | 95% |
| | More than ten (10) years up to and including thirty (30) years | 93% |
| | More than thirty (30) years up to and including forty (40) years | 90% |
| | More than forty (40) years up to and including fifty (50) years | 87% |
| Corporate bonds issued or guaranteed by issuers having a minimum short-term credit rating of BBB | N/A | 98% |
| Shares or units of other UCIs, shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of an OECD Member | N/A | 95% |

| Eligible Collateral | Remaining Maturity | Valuation Percentage |
|--|---------------------------|-----------------------------|
| State, on the condition that these shares are included in a main index | | |

MANAGEMENT COMPANY

The Board of Directors appointed Zeus Asset Management S.A. (the "Management Company") as management company and domiciliary agent pursuant to the management company agreement entered into between the Fund and the Management Company dated 15 February 2018 with effective date as of 15 February 2018 (the "Management Company Agreement"). The Management Company is governed by Chapter 15 of the Law of 2010.

The Management Company will provide, subject to the overall control of the Board of Directors and without limitation, (i) investment management services, (ii) central administration, registrar and transfer and corporate services, and (iii) marketing and distribution services to the Fund. The rights and duties of the Management Company are further laid down in articles 107 et seq. of the Law of 2010.

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

The Management Company is a company incorporated under Luxembourg law with registered office at 36, rue des Aubépines, L-8052 Bertrange, Grand Duchy of Luxembourg. The Management Company was incorporated for an indeterminate period in Luxembourg on 12 April 2017 in the form of a public limited liability company (*société anonyme*), in accordance with the Luxembourg law of 10 August 1915, as amended (the "Law of 1915"). Its capital is actually in the amount of EUR 250,000.

The deed of incorporation of the Management Company was published in the Luxembourg Official Gazette (as defined hereafter) on 26 April 2017 and the Management Company is registered with the Luxembourg Trade and Companies Register under number B214219.

The Management Company is vested with the day-to-day administration of the Fund. In fulfilling its duties as set forth by the Law of 2010 and the Management Company Agreement, the Management Company is authorised, for the purpose of more efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Fund and subject to the approval of the CSSF, part or all of its functions and duties to any third party, which, having regard to the nature of the functions and duties to be delegated, must be qualified and capable of undertaking the duties in question. The Management Company shall remain liable to the Fund in respect of all matters so delegated.

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

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

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

The Management Company has delegated the administration to third parties, as further set forth in this Prospectus.

The Management Company (or its delegates) may enter into soft commissions with brokers under which certain business services are obtained from third parties and are paid for by the brokers out of the commissions they receive from transactions of the Fund. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Fund may be directed by the Management Company (or its delegates) to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers. The entering into soft commission arrangements is subject to the following conditions: (i) the Management Company (and its delegates) will act at all times in the best interest of the Fund; (ii) the services provided will be in direct relationship to the activities of the Management Company (or its delegates); (iii) brokerage commissions on portfolio transactions for the Company will be directed by the Management Company (or its delegates) to broker-dealers that are entities and not to individuals; (iv) the Management Company (or its delegates) will provide reports to the Board with respect to soft commissions including the nature of the services it receives; and (v) information concerning the soft commission arrangements will be disclosed in the financial statements of the Fund.

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

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

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

In particular, the Remuneration Policy will ensure that:

- (a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- (b) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and

- that the actual payment of performance-based components of remuneration is spread over the same period;
- (c) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
 - (d) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
 - (e) if at any point of time, the management of the Fund were to account for 50% or more of the total portfolio managed by the Management Company, at least 50%, of any variable remuneration component will have to consist of shares of the Fund, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (e); and
 - (f) a substantial portion, and in any event at least 40%, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the shareholders of the Fund and is correctly aligned with the nature of the risks of the Fund.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website <http://www.zeusam.lu/files/remuneration-policy.pdf>. A paper copy of the summarised Remuneration Policy is available free of charge to the shareholders upon request.

A paper copy of the summarised Remuneration Policy is available free of charge to the shareholders upon request.

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

THE SHARES

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

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

Shares in any Sub-Fund may be issued in a registered form (*actions nominatives*) only.

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

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

All Shares must be fully paid-up; they are of no par value and carry no preferential or pre-emptive rights. Each Share is entitled to one (1) vote at any general meeting of shareholders (the "General Meeting"), in compliance with Luxembourg law and the Articles.

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

The Shares are not currently listed on the Luxembourg or any other stock exchange, regulated or alternative market.

PROCEDURE FOR SUBSCRIPTION, CONVERSION AND REDEMPTION

Subscription of Shares

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

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

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

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

Payments for Shares will be made in the Reference Currency of the relevant Class.

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

Shareholders may be required to pay additional charges and fees to financial institutions acting as local Paying Agents in foreign countries where the Shares are distributed.

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

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

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

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

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

Money Laundering Prevention

- (a) The directors of the Fund will apply national and international regulations for the prevention of money laundering.
- (b) Measures aimed towards the prevention of money laundering require a detailed verification of an investor's identity in accordance with the applicable laws and regulations in Luxembourg in relation to money laundering obligations, as amended from time to time. The Fund (and the Administrative Agent acting on behalf of the Fund) reserves the right to request such information as is necessary to verify the identity of an investor in conformity with the before mentioned laws and regulations. In the event of delay or failure by the investor to produce any information required for verification purposes, the Fund (and each of the intermediaries and Administrative Agent acting on behalf of the Fund) may refuse to accept the application and all subscription monies and, in case of redemption request, the payment of the redemption proceeds and/or dividends may not be processed. Neither the Fund nor the Administrative Agent have any liability for delays or failure to process deals as a result of the investor providing no or only incomplete documentation. In addition, the Administrative Agent acting on behalf of the Fund may require any other information that the Fund may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law (as defined in Section "Taxation").

Conversion of Shares

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

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

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

Shareholders may be required to pay additional charges and fees to financial institutions acting as local Paying Agents in foreign countries where the Shares are distributed.

Shares may be tendered for conversion on any Valuation Day.

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

No conversion of Shares will be effected until a duly completed request for conversion of Shares has been received at the registered office of the Fund from the shareholder.

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

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

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

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

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

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

Redemption of Shares

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

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

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

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

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

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

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

Shareholders may be required to pay additional charges and fees to financial institutions acting as local Paying Agents in foreign countries where the Shares are distributed.

The Fund may agree to deliver securities against a request for redemption in kind, provided that the relevant investor formally agrees to such delivery, and in compliance with all provisions of the Luxembourg laws, in particular the obligation for the independent auditor of the Fund to deliver a valuation report. The value of such securities shall be determined according to the principles applied for the calculation of the Net Asset Value per Share. The Board of Directors must make sure that the redemption of such securities shall not be detrimental to the other shareholders. Any costs incurred in connection with a redemption in kind of securities shall be borne by the relevant shareholders.

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

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

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

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

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

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

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

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

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

If the value of the net assets of any Sub-Fund on a given Valuation Day has decreased to an amount of EUR 10,000,000 or the equivalent in any other Reference Currency, or in case of a significant change of the economical or political situation or in order to proceed to an economical rationalisation, the Board of Directors may, at its discretion, elect to redeem all, but not less than all, of the Shares of such Sub-Fund then outstanding at the Net Asset Value per Share in such Sub-Fund (taking into account actual realization prices of investments and realization expenses), calculated on the Valuation Day at which such decision shall take effect and to subsequently close the relevant Sub-Fund or Class. The Fund shall serve a notice to the holders of the relevant Class or Classes effect prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure for, the redemption operations. Redemption proceeds corresponding to Shares not surrendered at the date of the compulsory redemption of the relevant Shares by the Fund may be kept with the Depositary (as defined hereinafter) during a period not exceeding nine (9) months as from the date of such compulsory redemption; after this delay, these proceeds shall be kept in safe custody at the *Caisse de Consignation*. In addition, if the net assets of any Sub-Fund do not reach or fall below the above mentioned level at which the Board of Directors considers management possible, the Board of Directors may decide the merger of one Sub-Fund with one or several other Sub-Funds of the Fund in the manner described in this Part A in the section "General Information" sub 4) "Dissolution and Merger of Sub-Funds".

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

Protection against Late Trading and Market Timing practices

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

DETERMINATION OF THE NET ASSET VALUE

1) Calculation and Publication

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

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

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

- (a) The value of any cash on hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- (b) The value of any security or other asset which is quoted or dealt in on a stock exchange will be based on its last available price in Luxembourg on the stock exchange which is normally the principal market for such security.
- (c) The value of any security or other asset dealt in on any other regulated market that operates regularly, is recognised and is open to the public will be based on its last available price in Luxembourg.
- (d) In the event that any assets are not listed nor dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange or on any other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.
- (e) Units or shares of undertakings for collective investment will be valued at their last determined and available net asset value or, if such price is not, in the opinion of the Board of Directors, representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis.

- (f) The liquidating value of futures, spot, forward or options contracts not traded on stock exchanges nor on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, spot, forward or options contracts traded on stock exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on stock exchanges and Regulated Markets on which the particular futures, spot, forward or options contracts are traded by the Fund; provided that if a futures, spot, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable. Swaps will be valued at their market value.
- (g) The value of Money Market Instruments not traded on any stock exchange nor on any other Regulated Market and with a remaining maturity of less than twelve (12) months and of more than ninety (90) days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of ninety (90) days or less will be valued by the amortized cost method, which approximates market value.
- (h) Interest rate swaps will be valued at their market value established by reference to the applicable interest rates' curve.
- (i) All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

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

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

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

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

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

The Net Asset Value per Share and the issue, redemption and conversion prices for the Shares in each Sub-Fund may be obtained during business hours at the registered office of the Fund.

2) Temporary Suspension of the Calculation of the Net Asset Value, of the issue, redemption and conversion of Shares

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

- a) During any period when any stock exchange or other market on which a substantial portion of the investments of the Fund attributable to such Sub-Fund from time to time is quoted or dealt in, is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- b) During the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Fund attributable to such Sub-Fund would be impracticable; or
- c) During any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund; or
- d) During any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or
- e) When for any other reason beyond the control and responsibility of the Board of Directors the prices of any investments owned by the Fund attributable to such Sub-Fund cannot promptly or accurately be ascertained; or
- f) Upon the notification of a notice convening a General Meeting for the purpose of resolving the winding-up of the Fund; or
- g) During any period when the market of a currency in which a substantial portion of the assets of the Fund is denominated is closed otherwise than for ordinary holidays, or during which dealings therein are suspended or restricted; or
- h) During any period when political, economical, military, monetary or fiscal circumstances which are beyond the control and responsibility of the Fund prevent the Fund from disposing of the assets, or determining the Net Asset Value of the Fund in a normal and reasonable manner; or
- i) During any period when the calculation of the net asset value per unit or share of a substantial part of undertakings for collective investment in which the Fund is investing, is suspended and this suspension has a material impact on the Net Asset Value per Share in a Sub-Fund.

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

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

DISTRIBUTION POLICY

The Fund's principal investment objective is to achieve long term capital growth. Consequently, no dividend is expected to be paid to the shareholders of the different Sub-Funds. The Board of Directors reserves however the right to propose the payment of a dividend at any time.

In any event, no distribution may be made if, as a result, the Net Asset Value of the Fund would fall below the equivalent of EUR 1,250,000. Dividends not claimed within five (5) years of their due date will lapse and revert to the relevant Sub-Fund.

CHARGES AND EXPENSES

General

The Fund pays out of the assets of the relevant Sub-Fund all expenses payable by the Fund which shall include but not be limited to formation expenses, fees payable to its Management Company, Investment Managers and Advisers, including performance fees, if any, fees and expenses payable to its Distributors, Auditors and accountants, Depositary and correspondents, Domiciliary Agent, Administrative Agent, Registrar and Transfer Agent, any Paying Agent, any permanent representatives in places of registration, as well as any other agent employed by the Fund, the remuneration (if any) of the Directors and officers of the Fund and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with Board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, marketing expenses, reporting and publishing expenses, including the costs of preparing, printing, translating, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, share certificates, and the costs of any reports to shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank and brokerage charges, postage, telephone and telex. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateable for yearly or other periods.

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

Expenses incurred in connection with the creation of any additional Sub-Fund shall be borne by the relevant Sub-Fund and will be written off over a period of five (5) years. Hence, the additional Sub-Funds shall not bear a pro rata of the costs and expenses incurred in connection with the creation of the Fund and the initial issue of Shares, which have not already been written off at the time of the creation of the new Sub-Funds.

Domiciliation Fees

As remuneration for its services, the Management Company in its capacity as domiciliary agent is entitled to receive out of the assets of each Class within each Sub-Fund a recurring domiciliation Fee of up to 0.05% p.a. with a minimum of EUR 2,000 per Sub-Fund (the "Domiciliation Fee"). This fee is payable monthly in arrears during the relevant month, per active Sub-Fund.

Management Company Fees

As remuneration for its management company services (excluding any risk management), the Management Company will be entitled to receive a management company fee of up to 0.20% per annum on the Net Asset Value of each Sub-Fund with a minimum of EUR 20,000 per Sub-Fund (the "Management Company Fee").

Management Fees

As remuneration for its services of investment management, where no Investment Manager is appointed in respect of a specific Sub-Fund, the Management Company will receive a management fee for each class of each Sub-Fund (the "Management Fee"), as described in the specific information concerning the relevant Sub-Fund(s) contained in Part B of the Prospectus.

The Management Fee per annum is calculated monthly and accrued with every NAV calculation on the assets of each Class within each Sub-Fund.

The Management Company will remunerate the Investment Managers (if any) out of the Management Fee.

In addition, where no Investment Manager is appointed in respect of a specific Sub-Fund, the Management Company may be entitled to receive a performance fee (the "Performance Fee") per Sub-Fund as further set out in Part B of the Prospectus.

The Management Company will remunerate the Investment Managers (if any) out of the Performance Fee received. Substantially all of the Performance Fee will be paid out by the Management Company to the relevant Investment Managers appointed.

Marketing Fee

As remuneration for its marketing services, the Management Company will be entitled to receive a fee of up to 0.25% p.a. on the Net Asset Value of each Sub-Fund (the "Marketing Fee").

Risk Management Fee

As remuneration for its risk management services, the Management Company will be entitled to receive a fee of up to 0.25% p.a. on the Net Asset Value of each Sub-Fund (the "Risk Management Fee").

Investment Advisory Fees

Any Investment Adviser of a Sub-Fund will be remunerated as agreed from time to time in writing between the Management Company, the Investment Adviser and the Fund, as the case may be, and the Investment Advisory fee will be set out for each Sub-Fund in the relevant appendix of Part B.

Depositary, Central Administration Agent and Registrar and Transfer Agent fees

The Fund will pay to the Depositary, the Central Administration Agent and the Registrar and Transfer Agent annual fees which will vary up to a maximum of 0.5 % of the net asset value per Sub-Fund subject to a minimum fee per Sub-Fund of EUR 34,050. These fees are payable on a monthly basis and do not include any transaction related fees, safekeeping related fees e.g. costs of sub-custodians and costs of similar agents. The Depositary, the Central Administration Agent as well as the Registrar and Transfer Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees.

The amount paid by the Fund to the Depositary, the Central Administration Agent and the Registrar and Transfer Agent will be mentioned in the annual report of the Fund.

DEPOSITORY

The Fund has appointed RBC Investor Services Bank S.A. ("RBC"), having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, as depositary and principal paying agent of the Fund (the "Depositary") with responsibility for the

- (c) safekeeping of the assets;
- (d) oversight duties; and
- (e) cash flow monitoring,

in accordance with the Law of 2010 as amended, and the depositary bank and principal paying agent agreement dated 20 June 2016 entered into between the Fund and RBC (the "Depositary Agreement").

RBC is registered with the Luxembourg Register for Trade and Companies under number B 47192 and was incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended, and specialises in custody, fund administration and related services. Its equity capital as at 31 October 2016 amounted to approximately EUR 1,059,950,131.-.

The Depositary has been authorised by the Fund to delegate its safekeeping duties (i) to delegates in relation to other assets and (ii) to sub-custodians in relation to financial instruments and to open accounts with such sub-custodians.

An up to date description of any safekeeping functions delegated by the Depositary and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depositary or via the following website link:
<http://gmi.rbcits.com/rt/gss.nsf/Royal+Trust+Updates+Mini/53A7E8D6A49C9AA285257FA8004999BF?opendocument>. A paper copy of the summarised list of delegates is available free of charge to the shareholders upon request.

The Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and the shareholders in the execution of its duties under the Law of 2010 and the Depositary Agreement.

Under its oversight duties, the Depositary will:

- ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Fund are carried out in accordance with the Law of 2010 as amended and with the Articles,
- ensure that the value of Shares is calculated in accordance with the Law of 2010 as amended and the Articles,
- carry out the instructions of the Fund or the Management Company acting on behalf of the Fund, unless they conflict with the Law of 2010 or the Articles,

- ensure that in transactions involving the Fund's assets, the consideration is remitted to the Fund within the usual time limits,
- ensure that the income of the Fund is applied in accordance with the Law of 2010 as amended or the Articles.

The Depositary will also ensure that cash flows are properly monitored in accordance with the Law of 2010 and the Depositary Agreement.

Depositary's conflicts of interests

From time to time conflicts of interests may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Fund. On an ongoing basis, the Depositary analyses, based on applicable laws and regulations any potential conflicts of interests that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with the RBC's conflicts of interests' policy which is subject to applicable laws and regulation for a credit institution according to and under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended.

Further, potential conflicts of interest may arise from the provision by the Depositary and/or its affiliates of other services to the Fund, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Fund, the Management Company and/or other funds for which the Depositary (or any of its affiliates) act.

RBC has implemented and maintains a management of conflicts of interests' policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interests;
- Recording, managing and monitoring the conflicts of interests situations in:
 - o Implementing a functional and hierarchical segregation making sure that operations are carried out at arm's length from the Depositary business;
 - o Implementing preventive measures to decline any activity giving rise to the conflict of interest such as:
 - RBC and any third party to whom the custodian functions have been delegated do not accept any investment management mandates;
 - RBC does not accept any delegation of the compliance and risk management functions.
 - RBC has a strong escalation process in place to ensure that regulatory breaches are notified to compliance which reports material breaches to senior management and the board of directors of RBC.

- A dedicated permanent internal audit department provides independent, objective risk assessment and evaluation of the adequacy and effectiveness of internal controls and governance processes.

RBC confirms that based on the above no potential situation of conflicts of interest could be identified.

An up to date information on conflicts of interest policy referred to above may be obtained, upon request, from the Depositary or via the following website link: https://www.rbcits.com/AboutUs/CorporateGovernance/p_InformationOnConflictsOfInterestPolicy.aspx. A paper copy of the summarised conflicts of interest policy is available free of charge to the shareholders upon request.

ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT

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

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

The rights and duties of the Administrative Agent, Registrar and Transfer Agent are governed by an agreement entered into for an unlimited period of time on 22 February 2018 with effective date as of 15 February 2018 and which may be terminated at any time by the Management Company or RBC Investor Services Bank S.A. on giving a ninety (90) days' prior written notice.

INVESTMENT MANAGERS AND INVESTMENT ADVISER

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

Investment Managers have discretion, on a day-to-day basis and subject to the overall control and responsibility of the Management Company, to purchase and sell securities and otherwise to manage the relevant Sub-Fund's portfolio.

In addition, the Management Company and/or the Investment Manager(s) may be assisted at the charge of the Fund by one or more investment advisers for each Sub-Fund, as specified in Part B of the Prospectus (individually the "Investment Adviser" and collectively the "Investment Advisers"). An Investment Adviser may so be designated to provide investment advice on any particular category of assets of any Sub-Fund when it is considered that such an investment adviser has specific knowledge and skills in the contemplated assets. The Management Company nor the Investment Manager as the case may be, will never be bound by the advice provided by the Investment Adviser.

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

The Investment Manager may delegate its functions, with the approval of the Regulatory Authority, to one or more sub-managers. In case sub-managers/advisers are appointed, the relevant sections of Part B of the Prospectus will be updated.

DISTRIBUTORS

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

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

The Distributors shall transmit to the Registrar and Transfer Agent any application for the issue and/or redemption of Shares. The Distributors will also be entitled to receive and execute the payment of the issue and redemption orders of Shares.

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

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

The Management Company shall be responsible for the remuneration of the Distributors, the related payments to be deducted from the Management Fee.

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

TAXATION

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

A. Taxation of the Fund in Luxembourg

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

General

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

B. Luxembourg Taxation of shareholders

Automatic Exchange of Information

Following the development by the Organisation for Economic Co-operation and Development ("OECD") of a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) in the future on a global basis, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted on 9 December 2014 in order to implement the CRS among the Member States. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund will require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and

their controlling persons), account details, reporting entity, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of fiscal residency of the foreign investors to the extent that they are fiscally resident in a jurisdiction participating in the AEOI.

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

Investors in the Fund may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations.

General

It is expected that shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each investor of subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares in the Fund. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

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

FATCA

FATCA (the "Foreign Account Tax Compliance Act") are provisions of the US Hiring Incentives to Restore Employment Act of 2010 (the "Hire Act") representing an expansive information reporting regime enacted by the US which aims at ensuring that US Investors holding financial assets outside the US will be reported by financial institutions to the US Internal Revenue Service (the "IRS"), as a safeguard against US tax evasion. As a result of the Hire Act, and to discourage non-US financial institutions from staying outside this regime, all US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. This regime will become effective in phases between 1 July 2014 and 1 January 2017.

The Model I Intergovernmental Agreement between the US Government and the Government of the Grand Duchy of Luxembourg to Improve International Tax Compliance and to Implement FATCA has been signed on 28 March 2014 in Luxembourg. Under the terms of the Intergovernmental Agreement (the "IGA"), the Fund will be obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Luxembourg legislation implementing the IGA (the "Luxembourg

IGA Legislation"), rather than under the US Treasury Regulations implementing FATCA. Under the IGA, Luxembourg resident financial institutions that comply with the requirements of the Luxembourg IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA (the "FATCA Withholding"). The Fund will be considered to be a Luxembourg-resident financial institution that will need to comply with the requirements of the Luxembourg IGA Legislation and, as a result of such compliance the Fund should not be subject to FATCA Withholding.

Under the Luxembourg IGA Legislation, the Fund via the Management Company will be required to report to the Luxembourg tax authorities certain holdings by, and payments made to

- certain US Investors;
- certain US controlled foreign entity investors; and
- non-US financial institution investors that do not comply with the terms of the Luxembourg IGA Legislation.

Under the Luxembourg IGA Legislation, such information will be onward reported by the Luxembourg tax authorities to the US IRS under the general information exchange provisions of the US-Luxembourg Income Tax Treaty. The first report to the Luxembourg tax authorities is anticipated to occur in 2015, in respect of 2014.

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

The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the IGAs is subject to review by the US, Luxembourg and other IGA governments, and the rules may change. Investors should contact their own tax advisors regarding the application of FATCA to their particular circumstances.

The FATCA status of the Fund is reporting Model 1 Foreign Financial Institution.

GENERAL INFORMATION

1) Corporate Information

The Fund was incorporated for an unlimited period of time on 1 June 2010 and is governed by the Law of 1915 and by the Law of 2010.

The registered office of the Fund is established at 36, rue des Aubépines, L-8052 Bertrange, Grand Duchy of Luxembourg.

The Fund is recorded at the "*Registre de Commerce et des Sociétés*" with the District Court of Luxembourg under the number B 153473.

The Articles have been published in the "*Mémorial C, Recueil des Sociétés et Associations*" (and together with the "*Recueil Electronique des Sociétés et Associations*" hereafter referred to as the "*Luxembourg Official Gazette*") of 22 June 2010, and have been filed with the Chancery of the District Court of Luxembourg. Any interested person may inspect the Articles on the Chancery of the District Court of Luxembourg website at www.rcsl.lu.

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

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

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

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

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

The article 10 of the Articles contains provisions enabling the Fund to restrict or prevent the ownership of Shares by U.S. persons.

2) Meetings of, and reports to, shareholders

Notice of any General Meeting (including those considering amendments to the Articles or the dissolution and liquidation of the Fund or of any Sub-Fund) will be served by any means of communication to each registered shareholder at least eight (8) days prior to the meeting. Such notices will indicate the date and time of the meeting as well as the agenda, the quorum requirements and the conditions of admission.

If all shareholders are present or represented and consider themselves as being duly convened and informed of the agenda, the General Meeting may be validly held without convening notice of the meeting in accordance with the Articles. The requirements as to attendance, quorum and majorities at all General Meetings are those set out in the Law of 1915 and the Articles.

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

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

The aforementioned documents will be available within four (4) months for the annual reports and two (2) months for the semi-annual reports of the date thereof and copies may be obtained free of charge by any person at the registered office of the Fund.

The accounting year of the Fund commences on the first (1st) of January and terminates on the thirty-first (31st) of December of the same year.

The annual General Meeting will be held, in accordance with Luxembourg law, in the Grand Duchy of Luxembourg at the address and at such date and time specified in the convening notice of the meeting, within four (4) months of the end of each financial year of the Fund.

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

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

3) Dissolution and Liquidation of the Fund

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

Whenever the share capital falls below two-thirds (2/3) of the minimum capital indicated in Article 5 of the Articles, the question of the dissolution of the Fund shall be referred to a General Meeting by the Board of Directors. The General Meeting, for which no quorum shall be required, shall decide by the simple majority of the votes of the Shares represented at the meeting.

The question of the dissolution of the Fund shall also be referred to a General Meeting whenever the share capital falls below one-fourth (1/4) of the minimum capital set by Article 5 of the Articles; in such event, the General Meeting shall be held without any quorum requirement and the dissolution may be decided by shareholders holding one-fourth (1/4) of the votes of the Shares represented at the meeting.

The General Meeting must be convened so that it is held within a period of forty (40) days as from ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators who may be physical persons or legal entities appointed by the General Meeting which shall determine their powers and their compensation.

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

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the Law of 2010. Such law specifies the steps to be taken to enable shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the *Caisse de Consignation* at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

4) Dissolution and Merger of Sub-Funds

In the event that for any reason the value of the net assets in any Sub-Fund has decreased to or has not reached an amount below EUR 10,000,000 or the equivalent in any other Reference Currency, being the amount determined by the Board of Directors to be the minimum level for such Sub-Fund to be operated in an economically efficient manner, or in case of a substantial modification in the economical, monetary or political situation or as a matter of economical rationalization, the Board of Directors may decide to compulsorily redeem all the Shares of the relevant Class or Classes issued in such Sub-Fund at the net asset value per Share (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Day at which such decision shall take effect. The Fund will serve a notice to the investors of the relevant Class or Classes of prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure for, the redemption operations.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraphs, the General Meeting of any Class or of any Sub-Fund will, in any other circumstances, have the power, upon proposal from the Board of Directors, to redeem all

the Shares of the relevant Sub-Fund or Class and refund to the shareholders the net asset value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision will take effect. There will be no quorum requirements for such General Meeting constituted pursuant to this paragraph, which will decide by resolution taken by simple majority of those present or represented and voting at such meeting. Such resolution will however be subject to the consent of the Board of Directors.

Any proceeds of liquidation not claimed by the shareholders will be deposited in escrow at the *Caisse de Consignation* to the persons entitled thereto within six(6) months following the decision of the liquidation or the merger.

All redeemed Shares shall be cancelled.

Under the same circumstances as provided in the first paragraph of this section, the Board of Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Fund or to another undertaking for collective investment organized under the provisions of Part I of the Law of 2010 or to another sub-fund within such other undertaking for collective investment (the "New Sub-Fund") and to redesignate the Shares of the Sub-Fund concerned as Shares of another Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to shareholders). Such decision will be notified in the same manner as described in the first paragraph of this section (and, in addition, the notification will contain information in relation to the New Sub-Fund), one (1) month before the date on which the merger becomes effective in order to enable shareholders to request redemption or conversion of their Shares, free of charge, during such period.

In the case of a merger with another Luxembourg undertaking for collective investment of the contractual type (*fonds commun de placement*) or with a foreign based undertaking for collective investment, the decision shall be binding only on such shareholders who have voted in favour of such merger; the other shareholders will be considered to have asked for the redemption of their Shares.

PART B: SPECIFIC INFORMATION

I. SUB-FUND MainTower SICAV – High Income

1. Specific Investment Policy and Investment Restrictions

Investment Objective

The Sub-Fund's investment objective is to gradually increase the capital invested and achieve capital growth by implementing a highly flexible investment strategy.

No guarantee can be given that the Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment.

Investment Approach

The investment approach is flexible and provides for the possibility of concentrating or dividing up investments with regard to short/medium-term market and securities trends. Investments are selected on the basis of the short-term macro/microeconomic outlook, as well as on the basis of a series of mathematical/statistical indicators that provide information on short/medium term trends in the reference financial markets and the volatility thereof.

Investment Policy

The Sub-Fund may invest in various asset classes such as equities, bonds, Money Market Instruments.

The Sub-Fund may invest up to 100% of its net assets in bonds (including, but not limited to, Euro-bonds, government bonds, corporate bonds) and Money Market Instruments depending on financial market conditions. The Sub-Fund will focus on bonds with an adequate coupon generation and an attractive yield to maturity through an appropriately diversified portfolio. The choice of investments will neither be limited by geographical area (excluding emerging markets), a particular sector of economic activity or a given currency. However, depending on market conditions, this exposure may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency.

The choice of bonds will be based on different factors, including, but not limited to, a minimum composite Bloomberg rating (COMP) of at B- or an equivalent rating from other rating agencies. The Sub-Fund may invest up to 50% of its net assets in European high-yield bonds.

The Sub-Fund may further invest up to 10% of its net assets in equity securities with a focus on the European Union market.

The Sub-Fund may further invest up to 40% of its net assets in UCITS and UCIs (within the limits set forth under Part A) which subsequently pursue a market neutral, long or short bias strategy and invest mainly in corporate and government bonds and Money Market Instruments.

No investment will be made in asset-backed securities (ABS), mortgage-backed securities (MBS), Defaulted Debt Securities or Distressed Debt Securities.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees (including investment management and performance fees) charged both to the Sub-Fund and to the other UCITS and/or other UCIs may not exceed 3%.

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

Notwithstanding the above provisions and if justified by exceptional market conditions, the Sub-Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and Money Market Instruments dealt in on a Regulated Market and whose maturity does not exceed twelve (12) months, monetary UCITS and UCIs, provided that sufficient diversification (duration, counterparty, etc.) is ensured. In general terms, the Sub-Fund will then comply with the applicable investment restrictions and the principle of risk spreading set forth under chapter II in Part A of the Prospectus. There is no restriction as to the currency of these securities and instruments. Term deposits and liquid assets may not exceed 49% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Depositary may not exceed 20% of the Sub-Fund's net assets.

Techniques and instruments

The Sub-Fund may invest in financial derivative instruments for hedging and/or for investment purposes (in the latter case, for up to 10% of the Sub-Fund's net assets) to the fullest extent permitted, this including the use of options, forward currency exchange contracts (only on EUR/USD, EUR/GBP and EUR/CHF crosses), futures contracts (only on Eurostoxx 50 index, S&P500 index and FTSEMIB index) and options thereon, as described under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the Prospectus. The Sub-Fund will not make use of SFT or TRS within the meaning of SFTR.

The Sub-Fund shall ensure that its global exposure relating to these transactions and to transactions provided for in Part A of the Prospectus does not exceed the total net asset value of its portfolio.

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

Investment Restrictions

The Sub-Fund is subject to the investment restrictions set out in Part A of the Prospectus under chapter II. In addition, the Sub-Fund may use techniques and instruments as set forth under chapter III in Part A of the Prospectus.

The investment restrictions may not be complied with during a transitional period of six (6) months from the date on which the Sub-Fund has been authorised, provided that the Sub-Fund will endeavour to ensure, at all times, an appropriate level of diversification of risk within the portfolio of the Sub-Fund.

Risk Profile

The creditworthiness (solvency and willingness to pay) of an issuer of a security held by the Sub-Fund may fall. Bonds or debt instruments involve a credit risk with regard to the issuers, for which the issuers' credit rating can be used as a benchmark. Bonds or debt instruments floated by issuers with a lower rating are generally viewed as securities with a higher credit risk and greater risk of default on the part of the issuers than those instruments that are floated by issuers with a better rating. If an issuer of bonds or debt instruments gets into financial or economic difficulties, this can affect the value of the bonds or debt instruments (this value could drop to zero) and the payments made on the basis of these bonds or debt instruments (these payments could drop to zero).

Debt securities may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). In addition, evaluation of credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for debt securities may be inefficient and illiquid, making it difficult to accurately value financial instruments.

The Sub-Fund may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, the Sub-Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments (and the Sub-Fund is not required to hedge, and may choose not to do so). High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the Sub-Fund would not be subject in the absence of the use of these strategies. However, the Sub-Fund will not engage in such portfolio strategies to an extent which would a priori have a negative influence on the assets of the Sub-Fund.

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

Investors should also consider the following specific risks of the Sub-Fund:

- Derivative risk.
- Interest risk.
- Market risk.
- Currency risk.

Profile of the typical investor

This Sub-Fund is a medium to high risk vehicle aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long term returns than minimising possible short term losses.

No guarantee can be given that the Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment.

2. Distribution Policy

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

However, the distribution of dividends may be proposed by the Board of Directors to the General Meeting at any time.

3. Frequency of the Net Asset Value calculation and Valuation Day

The Net Asset Value per Share of each Class of the Sub-Fund will be determined on each Business Day ("Valuation Day") in Luxembourg.

4. Investment Manager

With effect as from 15 February 2018, the Management Company appointed SOFIA SGR S.p.a as investment manager of the Sub-Fund (the "Investment Manager") pursuant to an investment management agreement dated 15 February 2018.

The Investment Manager is a company incorporated under Italian law with registered office situated at 5, Via Fiori Oscuri, I-20121 Milano, Italy. The Investment Manager was incorporated for an indeterminate period of time in Milano on 2 October 2006 under the form of a "Societa' Per Azioni" (société anonyme). The Investment Manager obtained

from the Italian supervisory authority, the Banca d'Italia, the authorisation to exercise the activity as a "Prestazioni Di Servizi Di Gestione Del Risparmio" (Asset Management Services). Its capital is currently of EUR 1,670,000 (one million six hundred seventy thousand euros).

5. Form and Classes of Shares

| Class | A | H | I |
|----------------------------|---|---|---|
| Eligible Investors | Retail | Retail | Institutional |
| Reference Currency | EUR | EUR | EUR |
| Initial Subscription Price | EUR 100 | EUR 100 | EUR 100 |
| Min. Subscription | EUR 1,000 | EUR 1,000 | EUR 50,000 |
| ISIN Code | LU0519457864 | LU0519457948 | LU0519457781 |
| Management Fee | Up to 2.60% of the Net Asset Value per Share | Up to 2.60% of the Net Asset Value per Share | Up to 2.60% of the Net Asset Value per Share |
| Subscription Fee | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share | N/A |
| Redemption Fee | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share |
| Performance Fee | Up to 20%, subject to a high water mark | Up to 20%, subject to a high water mark | Up to 20%, subject to a high water mark |
| Management Company Fee | Up to 0.20% of the Net Asset Value per Share* | Up to 0.20% of the Net Asset Value per Share* | Up to 0.20% of the Net Asset Value per Share* |
| Marketing Fee | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share |
| Risk Management Fee | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share |
| Domiciliation Fee | Up to 0.05% of the | Up to 0.05% of the | Up to 0.05% of the |

| Class | A | H | I |
|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Net Asset Value per Share** | Net Asset Value per Share** | Net Asset Value per Share** |
| Distribution or accumulation | Accumulation | Accumulation | Accumulation |

* with a minimum of EUR 20,000 p.a. for the Sub-Fund

** with a minimum of EUR 2,000 p.a. for the Sub-Fund

6. Subscriptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg not later than 12.00 noon, Luxembourg time, on the Business Day preceding such Valuation Day and must be accepted. Subscription forms received after this time and date will take effect on the next following Valuation Day.

Payment shall be received by the Fund not later than three (3) Business Days following such Valuation Day for the account of the Fund referencing the Sub-Fund and the relevant Class.

A Subscription Fee as set out under section 4 of this chapter I of Part B "Specific Information" of the Prospectus may be levied upon subscription for Shares of the Sub-Fund. The corresponding Shares will be issued only upon receipt of the payment.

7. Redemptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg not later than 12.00 noon, Luxembourg time, on the Business Day preceding such Valuation Day. Redemption requests received after this time and date will take effect on the next following Valuation Day.

A Redemption Fee as set out under section 4 of this chapter I "SUB-FUND MainTower SICAV – High Income" of Part B "Specific Information" of the Prospectus may be levied upon redemption of Shares of the Sub-Fund. The redemption price shall be paid three (3) Business Days following the applicable Valuation Day.

8. Conversions

Shares of any Class of the Sub-Fund may be converted into Shares of any other Class of the Sub-Fund or into Shares of any Class of any other Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

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

9. Publication of the NAV

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

10. Remuneration of the Management Company

The Management Company will be entitled to receive a Management Fee payable monthly in arrears and accrued with every NAV calculation on the assets of the Sub-Fund, a Management Company Fee, a Marketing Fee, a Risk Management Fee as well as a Performance Fee as set out under section 11 below. The Management Company will remunerate the Investment Manager and the Distributors out of the Management Fee.

11. Performance Fee

The Management Company will be entitled to receive from the Sub-Fund a performance fee (the "Performance Fee") calculated and accrued daily as an expense of the relevant Class, over the relevant Performance Period (as defined below). The Performance Fee will be equivalent to such percentage as set out under section 4 above of the increase in the Net Asset Value per Share, multiplied by the number of Shares outstanding in respect of each Performance Period and subject to a high water mark.

Each quarter ending on 31 March, 30 June, 30 September or 31 December will be a "Performance Period".

The Performance Fee is subject to a high water mark which ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

The high water mark is the greater of:

- the last highest Net Asset Value per Share at the end of the Performance Period on which a Performance Fee has been paid; and
- the Initial Subscription Price.

No provision for the Performance Fee will be made if the Net Asset Value is lower than the high water mark.

In the event that a shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Management Company at the end of the relevant Performance Period.

The Performance Fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and is adjusted to take account of all subscriptions, redemptions, dividends and distributions.

However, the high water mark will be reset after each eight (8) calendar quarter period (a calendar quarter ending on 31 March, 30 June, 30 September and 31 December) after the launch of the relevant Class, if the NAV per Share is below the high water mark.

12. Taxation

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

II. SUB-FUND MainTower SICAV – Ambrosia

1. Specific Investment Policy and Investment Restrictions

Investment Objective

The Sub-Fund's investment objective is to gradually increase the capital invested.

The Sub-Fund aims at achieving an annual average return in line with the JP MORGAN 3 MONTH EMU CASH index + 150 bps.

Investment Approach

The investment approach is based in a long oriented strategy by investing as its main strategy in shares or units of UCITS and/or other UCIs.

Investments are selected on the basis of the short-term macro/microeconomic outlook, as well as on the basis of a series of mathematical/statistical indicators that provide information on short-term trends in the reference financial markets and the volatility thereof.

Investment Policy

The Sub-Fund will invest between 51% to 100% of its net assets (within the limits set forth under Part A of the Prospectus) in UCITS or other UCIs,

The Sub Fund may pick from a wide range of UCITS and other UCIs order to get exposure to:

- any assets class such as equities, fixed income, currencies, volatility and other; and
- any type of strategy, be it long bias, short bias, market neutral or without any bias.

The choice of investments will neither be limited by geographical area (excluding emerging markets), a particular sector of economic activity or a given currency. However, depending on market conditions, this exposure may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency.

On an ancillary basis the Sub-Fund may invest in other asset classes such as equities, bonds (including, but not limited to, Euro-bonds, government bonds, corporate bonds and short-term transferable debt securities), and Money Market Instruments. The Sub-Fund will invest up to 40% of its net assets in bonds and Money Market Instruments depending on financial market conditions. The choice of bonds will be based on different factors, including, but not limited to, a minimum composite Bloomberg rating (COMP) of at B- or an equivalent rating from other rating agencies. The Sub-Fund may invest up to 40% of its net assets in high-yield bonds.

Investments in equity securities may not exceed 30% of the Sub-Fund's net assets.

The Sub-Fund may also invest up to 10% in UCITS or other eligible UCIs pursuing alternative investment strategies and closed-ended real estate trusts (REITs) qualifying as transferable securities as per article 2 of the Grand-Ducal Regulation dated 8 February 2008.

No investment will be made in asset-backed securities (ABS), mortgage-backed securities (MBS) Distressed Debt Securities or Defaulted Debt Securities.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees (including investment management and performance fees) charged both to the Sub-Fund and to the other UCITS and/or other UCIs may not exceed 3%.

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

Notwithstanding the above provisions and if justified by exceptional market conditions, the Sub-Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and Money Market Instruments dealt in on a Regulated Market and whose maturity does not exceed twelve (12) months, monetary UCITS and UCIs, provided that sufficient diversification (duration, counterparty, etc.) is ensured. In general terms, the Sub-Fund will then comply with the applicable investment restrictions and the principle of risk spreading set forth under chapter II in Part A of the Prospectus. There is no restriction as to the currency of these securities and instruments. Term deposits and liquid assets may not exceed 49% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Depositary may not exceed 20% of the Sub-Fund's net assets.

Techniques and instruments

The Sub-Fund may invest in financial derivative instruments for hedging and/or for investment purposes (in the latter case, for up to 20% of the Sub-Fund's net assets). These strategies currently include the use of options, forward currency exchange contracts, futures contracts and options thereon, as described under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the Prospectus. The Sub-Fund will not make use of SFT or TRS within the meaning of SFTR.

The Sub-Fund shall ensure that its global exposure relating to these transactions and to transactions provided for in Part A of the Prospectus does not exceed the total net asset value of its portfolio.

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

Investment Restrictions

The Sub-Fund is subject to the investment restrictions set out in Part A of the Prospectus under chapter II. In addition, the Sub-Fund may use techniques and instruments as set forth under chapter III in Part A of the Prospectus.

The investment restrictions may not be complied with during a transitional period of six (6) months from the date on which the Sub-Fund has been authorised, provided that the Sub-Fund will endeavour to ensure, at all times, an appropriate level of diversification of risk within the portfolio of the Sub-Fund.

Risk Profile

The Sub-Fund may invest in other UCITS and other UCIs. Shareholders funds will, in addition to the fees, costs and expenses payable by a shareholder in the Sub-Fund, also indirectly bear a portion of the fees, costs and expenses of the underlying UCITS and other UCIs, including management, investment management and, administration and other expenses. The accumulation of these costs may cause higher costs and expenses that would have been charged to the Sub-Fund if the latter had invested directly. The Sub-Fund will however seek to avoid any irrational multiplication of costs and expenses to be borne by shareholders.

The performance of the target UCITS and UCIs will largely depend on the management of such UCITS's and other UCI's investment manager. Also, the Sub-Fund must ensure that its portfolios of target UCITS and other UCIs present appropriate liquidity features to enable them to meet their obligation to redeem or repurchase their Shares. However, there is no guarantee that the market liquidity for such investments will always be sufficient to satisfy redemption requests favourably at the exact time they are submitted. Any absence of liquidity may impact in the liquidity of the Shares and the value of the Sub-Fund's investments.

It is possible that certain underlying UCIs may invest in the same security or in issues of the same asset class, industry, currency, country or commodity at the same time. Accordingly, there can be no assurance that effective diversification of the Sub-Fund's portfolio will always be achieved.

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

The creditworthiness (solvency and willingness to pay) of an issuer of a security held by the Sub-Fund may fall. Bonds or debt instruments involve a credit risk with regard to the issuers, for which the issuers' credit rating can be used as a benchmark. Bonds or debt instruments floated by issuers with a lower rating are generally viewed as securities with a higher credit risk and greater risk of default on the part of the issuers than those instruments that are floated by issuers with a better rating. If an issuer of bonds or debt instruments gets into financial or economic difficulties, this can affect the value of the bonds or debt instruments (this value could drop to zero) and the payments made on the basis of these bonds or debt instruments (these payments could drop to zero).

Debt securities may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). In addition, evaluation of credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for debt securities may be inefficient and illiquid, making it difficult to accurately value financial instruments.

The Sub-Fund may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, the Sub-Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments (and the Sub-Fund is not required to hedge, and may choose not to do so). High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the Sub-Fund would not be subject in the absence of the use of these strategies. However, the Sub-Fund will not engage in such portfolio strategies to an extent which would a priori have a negative influence on the assets of the Sub-Fund.

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

Profile of the typical investor

The Sub-Fund is suitable for any investor seeking to achieve a steady performance with a moderate volatility, moderate correlation with major market via exposure to a balanced

portfolio of UCITS and other eligible UCIs of any asset classes such as equities, fixed income, currencies, volatility and others and any types of strategy, be it long bias, short bias, market neutral or without any bias.

No guarantee can be given that the Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment.

2. Distribution Policy

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

However, the distribution of dividends may be proposed by the Board of Directors to the General Meeting at any time.

3. Frequency of the Net Asset Value calculation and Valuation Day

The Net Asset Value per Share of each Class of the Sub-Fund will be determined on each Business Day ("Valuation Day") in Luxembourg.

4. Form and Classes of Shares

| Class | A | H | I |
|----------------------------|--|--|--|
| Eligible Investors | Retail | Retail | Institutional |
| Reference Currency | EUR | EUR | EUR |
| Initial Subscription Price | EUR 100 | EUR 100 | EUR 100 |
| Min. Subscription | EUR 1,000 | EUR 1,000 | EUR 50,000 |
| ISIN Code | LU0956001829 | LU0956002041 | LU0956002124 |
| Management Fee | Up to 2.60% of the Net Asset Value per Share | Up to 2.60% of the Net Asset Value per Share | Up to 2.60% of the Net Asset Value per Share |
| Subscription Fee | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share | N/A |
| Redemption Fee | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share |
| Performance Fee | Up to 20%, subject to a high water | Up to 20%, subject to a high water | Up to 20%, subject to a high water |

| Class | A | H | I |
|------------------------------|--|--|--|
| | mark | mark | mark |
| Management Company Fee | Up to 0.20% of the Net Asset Value per Share* | Up to 0.20% of the Net Asset Value per Share* | Up to 0.20% of the Net Asset Value per Share* |
| Marketing Fee | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share |
| Risk Management Fee | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share |
| Domiciliation Fee | Up to 0.05% of the Net Asset Value per Share** | Up to 0.05% of the Net Asset Value per Share** | Up to 0.05% of the Net Asset Value per Share** |
| Distribution or accumulation | Accumulation | Accumulation | Accumulation |

* with a minimum of EUR 20,000 p.a. for the Sub-Fund

** with a minimum of EUR 2,000 p.a. for the Sub-Fund

5. Subscriptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg not later than 12.00 noon, Luxembourg time, on the Business Day preceding such Valuation Day and must be accepted. Subscription forms received after this time and date will take effect on the next following Valuation Day.

Payment shall be received by the Fund not later than three (3) Business Days following such Valuation Day for the account of the Fund referencing the Sub-Fund and the relevant Class.

A Subscription Fee as set out under section 4 of this chapter II of Part B "Specific Information" of the Prospectus may be levied upon subscription for Shares of the Sub-Fund. The corresponding Shares will be issued only upon receipt of the payment.

6. Redemptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg not later than 12.00 noon, Luxembourg time, on the Business Day preceding such Valuation Day. Redemption requests received after this time and date will take effect on the next following Valuation Day.

A Redemption Fee as set out under section 4 of this chapter II of Part B "Specific Information" of the Prospectus may be levied upon redemption of Shares of the Sub-Fund. The redemption price shall be paid three (3) Business Days following the applicable Valuation Day.

7. Conversions

Shares of any Class of the Sub-Fund may be converted into Shares of any other Class of the Sub-Fund or into Shares of any Class of any other Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

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

8. Publication of the NAV

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

9. Remuneration of the Management Company

The Management Company will be entitled to receive a Management Fee payable monthly in arrears and accrued with every NAV calculation on the assets of the Sub-Fund, a Management Company Fee, a Marketing Fee, a Risk Management Fee as well as a Performance Fee as set out under section 10 below. The Management Company will remunerate the Distributors out of the Management Fee.

10. Performance Fee

The Management Company will be entitled to receive from the Sub-Fund a performance fee (the "Performance Fee") calculated and accrued daily as an expense of the relevant Class, over the relevant Performance Period (as defined below). The Performance Fee will be equivalent to such percentage as set out under section 4 above of the increase in the Net Asset Value per Share, multiplied by the number of Shares outstanding, in respect of each Performance Period and subject to a high water mark.

Each quarter ending on 31 March, 30 June, 30 September or 31 December will be a "Performance Period".

The Performance Fee is subject to a high water mark which ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

The high water mark is the greater of:

- the last highest Net Asset Value per Share at the end of the Performance Period on which a Performance Fee has been paid; and
- the Initial Subscription Price.

No provision for the Performance Fee will be made if the Net Asset Value is lower than the high water mark.

In the event that a shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Management Company at the end of the relevant Performance Period.

The Performance Fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and is adjusted to take account of all subscriptions, redemptions, dividends and distributions.

However, the high water mark will be reset after each eight (8) calendar quarter period (a calendar quarter ending on 31 March, 30 June, 30 September and 31 December) after the launch of the relevant Class, if the NAV per Share is below the high water mark.

11. Taxation

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

III. SUB-FUND MainTower SICAV – Amaranto Italian Market

1. Specific Investment Policy and Investment Restrictions

Investment Objective

The Sub-Fund's investment objective is to gradually increase the capital invested.

Investment Approach

The investment approach is flexible and provides for the possibility of concentrating or dividing up investments, as appropriate, on the basis of the investment adviser's expectations with regard to short/medium-term market and securities trends. Investments are selected on the basis of the short-term macro/microeconomic outlook, as well as on the basis of a series of mathematical/statistical indicators that provide information on short-term trends in the reference financial markets and the volatility thereof, so as to comply with Italian Law No. 232 of 11 December, 2016 (the "Italian Budget Law") as further set out under the paragraph entitled "Profile of typical investor" below.

Investment Policy

The Sub-Fund will invest at least 70% of its total net assets in financial instruments (equity and bonds), of which at least 50% of its total net assets shall be composed of equity instruments, issued by companies not engaged in real estate business, which are resident in Italy, or in an EU or EEA Member State and have a permanent establishment in Italy.

At least 30% of such financial instruments, corresponding to 21% of the Sub-Fund's total net assets, shall be issued by companies which are not listed in the FTSE MIB index or in any other equivalent indices of other regulated markets.

On an ancillary basis, and up to 30% of its total net assets, the Sub-Fund may invest (i) in bonds (including, but not limited to, Euro-bonds, government bonds, corporate bonds and short-term transferable debt securities) different from those mentioned in the preceding paragraph and Money Market Instruments based on different factors, including, but not limited to, a minimum composite Bloomberg rating (COMP) above BBB- or an equivalent rating from other rating agencies or those deemed of equivalent quality by the Investment Manager, and (ii), to a lesser extent, (a) within this limit and in compliance with article 41 a) to d) of the Act of 2010 and the Grand Ducal Regulation of 2008 in warrants on Transferable Securities as well as (b) within this limit and in compliance with article 41 e) of the Act of 2010 and the Grand Ducal Regulation of 2008 in ETFs. The Sub-Fund may have exposure to listed derivatives with underlying with single securities and/or indices.

The portion of the portfolio which will be invested in UCITS and UCIs may represent up to 10% of the Sub-Fund's net assets (within the limits set forth under Part A).

If the Sub-Fund invests in shares/units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or

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

No investment will be made in asset-backed securities (ABS), mortgage-backed securities (MBS), Distressed Debt Securities or Defaulted Debt Securities and no investments will be made in financial instruments issued by companies which are not established in countries that allow an adequate exchange of information with Italy.

The Sub-Fund cannot invest more than 10% of its total net assets in financial instruments issued by, or entered into with the same company, or companies belonging to the same group, or in cash deposits.

Techniques and instruments

The Sub-Fund may invest in financial derivative instruments for hedging and/or for investment purposes (in the latter case, for up to 20% of the Sub-Fund's net assets). These strategies currently include the use of options, forward currency exchange contracts, futures contracts and options thereon, as described under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the Prospectus. The Sub-Fund will not make use of SFT or TRS within the meaning of SFTR.

The Sub-Fund shall ensure that its global exposure relating to these transactions and to transactions provided for in Part A of the Prospectus does not exceed the total net asset value of its portfolio.

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

Investment Restrictions

Without prejudice to the above, the Sub-Fund is subject to the investment restrictions set out in Part A of the Prospectus under chapter II. In addition, the Sub-Fund may use techniques and instruments as set out under chapter III in Part A of the Prospectus.

The investment restrictions may not be complied with during a transitional period of six (6) months from the date on which the Sub-Fund has been authorised, provided that the Sub-Fund will endeavour to ensure, at all times, an appropriate level of diversification of risk within the portfolio of the Sub-Fund.

Risk Profile

The Sub-Fund will mainly invest in equity with a focus on the Italian market and, in particular, Italian small and medium capitalisation companies *inter alia* via AIM Italia, which is the market of Borsa Italiana devoted to the Italian small and medium enterprises, wishing to invest in their growth as well as companies listed on the FTSE MIB (*Milano Indice di Borsa*) index, which is the benchmark stock market index for the Borsa Italiana. Investing in the warrants and securities of smaller, lesser-known companies may involve

greater risk and the possibility of greater price volatility than investment in larger, more mature, better-known firms. The value of small company equity may fluctuate independently of larger company equity prices and broad stock market indices. This is caused by, among other things, the less certain growth prospects of smaller firms, the lower degree of liquidity of the markets for such stocks and the greater sensitivity of smaller companies to changing market conditions. As securities of smaller companies may experience more market price volatility than securities of larger companies, the Net Asset Value of the Sub-Fund may reflect this volatility. Furthermore, investors should note that AIM Italia is a multilateral trading facility where listing requirements are less stringent than the ones of Regulated Markets. AIM Italia also provides less liquidity than the liquidity available one of the official stock exchanges.

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

Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the Sub-Fund would not be subject in the absence of the use of these strategies. However, the Sub-Fund will not engage in such portfolio strategies to an extent which would a priori have a negative influence on the assets of the Sub-Fund.

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

Profile of typical investor

The Sub-Fund is oriented towards investors with medium-high risk inclination interested in medium-term returns, fully aware of the possibility of temporary capital losses associated to the relevant investments.

No guarantee can be given that the Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment.

The Shares of the Sub-Fund are included among the eligible investments that shall be held in a "Piano Individuale di Risparmio a lungo termine" ("PIR") under the Italian Budget Law and are therefore only available for subscriptions by persons who have established a PIR.

Under the Italian Budget law a PIR may only be opened by individuals resident in the territory of Italy who do not subscribe via the framework of an enterprise business. In accordance with the Italian Budget Law, a PIR held by a single investor may not exceed in aggregate €30,000 per calendar year and may not exceed the total amount of €150,000.

2. Distribution Policy

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

However, the distribution of dividends may be proposed by the Board of Directors to the General Meeting at any time.

3. Frequency of the Net Asset Value calculation and Valuation Day

The Net Asset Value per Share of each Class of the Sub-Fund will be determined on each Business Day ("Valuation Day") in Luxembourg.

4. Form and Classes of Shares

| Class | A | H | I |
|----------------------------|---|---|---|
| Eligible Investors | Retail | Retail | Institutional |
| Reference Currency | EUR | EUR | EUR |
| Initial Subscription Price | EUR 100 | EUR 100 | EUR 100 |
| Min. Subscription | EUR 1,000 | EUR 1,000 | EUR 50,000 |
| ISIN Code | LU0956002397 | LU0956002470 | LU0956002553 |
| Management Fee | Up to 2.60% of the Net Asset Value per Share | Up to 2.60% of the Net Asset Value per Share | Up to 2.60% of the Net Asset Value per Share |
| Subscription Fee | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share | N/A |
| Redemption Fee | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share |
| Performance Fee | Up to 20%, subject to a high water mark | Up to 20%, subject to a high water mark | Up to 20%, subject to a high water mark |
| Management Company Fee | Up to 0.20% of the Net Asset Value per Share* | Up to 0.20% of the Net Asset Value per Share* | Up to 0.20% of the Net Asset Value per Share* |
| Marketing Fee | Up to 0.25% of the | Up to 0.25% of the | Up to 0.25% of the |

| Class | A | H | I |
|------------------------------|--|--|--|
| | Net Asset Value per Share | Net Asset Value per Share | Net Asset Value per Share |
| Risk Management Fee | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share |
| Domiciliation Fee | Up to 0.05% of the Net Asset Value per Share** | Up to 0.05% of the Net Asset Value per Share** | Up to 0.05% of the Net Asset Value per Share** |
| Distribution or accumulation | Accumulation | Accumulation | Accumulation |

* with a minimum of EUR 20,000 p.a. for the Sub-Fund

** with a minimum of EUR 2,000 p.a. for the Sub-Fund

5. Subscriptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg not later than 12.00 noon, Luxembourg time, on the Business Day preceding such Valuation Day and must be accepted. Subscription forms received after this time and date will take effect on the next following Valuation Day.

Payment shall be received by the Fund not later than three (3) Business Days following such Valuation Day for the account of the Fund referencing the Sub-Fund and the relevant Class.

A Subscription Fee as set out under section 4 of this chapter III of Part B "Specific Information" of the Prospectus may be levied upon subscription for Shares of the Sub-Fund. The corresponding Shares will be issued only upon receipt of the payment.

6. Redemptions

Redemptions are only permitted once per week, as of each Wednesday that is a Valuation Day (each a **Redemption Day**). If a particular Wednesday is not a Valuation Day, the Redemption Day will be the previous Valuation Day.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Redemption Day, redemption requests must be received by the Fund in Luxembourg not later than 12.00 noon, Luxembourg time, on the Business Day preceding such Redemption Day. Redemption requests received after this time and date will take effect on the next following Redemption Day.

A Redemption Fee as set out under section 4 of this chapter III of Part B "Specific Information" of the Prospectus may be levied upon redemption of Shares of the Sub-Fund. The corresponding Shares will be issued only upon receipt of the payment. The

redemption price shall be paid three (3) Business Days following the applicable Redemption Day.

7. Conversions

Shares of any Class of the Sub-Fund may be converted into Shares of any other Class of the Sub-Fund or into Shares of any Class of any other Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied. The Conversion of Shares of any Class of the Sub-Fund into Shares of any Class of another Sub-Fund will only be accepted on a Redemption Day.

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

8. Publication of the NAV

The Net Asset Value per Share and the issue and redemption prices of the Shares will be available at the registered office of the Fund and on Bloomberg.

9. Remuneration of the Management Company

The Management Company will be entitled to receive a Management Fee payable monthly in arrears and accrued with every NAV calculation on the assets of the Sub-Fund, a Management Company Fee, a Marketing Fee, a Risk Management Fee as well as a Performance Fee as set out under section 10 below. The Management Company will remunerate the Distributors out of the Management Fee.

10. Performance Fee

The Management Company will be entitled to receive from the Sub-Fund a performance fee (the "Performance Fee") calculated, and accrued daily as an expense of the relevant Class, over the relevant Performance Period (as defined below). The Performance Fee will be equivalent to such percentage as set out under section 4 above of the increase in the Net Asset Value per Share, multiplied by the number of Shares outstanding, in respect of each Performance Period and subject to a high water mark.

Each quarter ending on 31 March, 30 June, 30 September or 31 December will be a "Performance Period".

The Performance Fee is subject to a high water mark which ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

The high water mark is the greater of:

- the last highest Net Asset Value per Share at the end of the Performance Period on which a Performance Fee has been paid; and
- the Initial Subscription Price.

No provision for the Performance Fee will be made if the Net Asset Value is lower than the high water mark.

In the event that a shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Management Company at the end of the relevant Performance Period.

The Performance Fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and is adjusted to take account of all subscriptions, redemptions, dividends and distributions.

However, the high water mark will be reset after each eight (8) calendar quarter period (a calendar quarter ending on 31 March, 30 June, 30 September and 31 December) after the launch of the relevant Class, if the NAV per Share is below the high water mark.

11. Taxation

The Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. However, this tax is reduced to 0.01% per annum for the net assets attributable to Class I.

IV. SUB-FUND MainTower SICAV – Force Dynamique

1. Specific Investment Policy and Investment Restrictions

Investment Objective

The Sub-Fund's investment objective is to achieve a steady positive return with relative low volatility and limited correlation to market cycles affecting traditional fixed income and equity markets. It will seek to achieve this objective by investing in a well diversified portfolio.

Investment Approach

The investment approach is flexible and provides for the possibility of concentrating or dividing up investments, as appropriate, on the basis of the investment adviser's expectations with regard to short/medium-term market and securities trends.

Investments are selected on the basis of the short-term macro/microeconomic outlook, as well as on the basis of a series of mathematical/statistical indicators that provide information on short-term trends in the reference financial markets and the volatility thereof. The Sub-Fund bases its investment decisions on detailed macro analysis and market research using quantitative screening and qualitative due diligence.

Investment Policy

The Sub-Fund will invest:

- up to 100% of its net assets in equity with a focus on US markets and European Union markets;
- up to 100% of its net assets in bonds and Money Market Instruments based on different factors, including, but not limited to, a minimum composite Bloomberg rating (COMP) above BBB- or an equivalent rating from other rating agencies or those deemed of equivalent quality by the Investment Manager;
- up to 10% of its net assets in bonds and Money Market Instruments based on different factors, including, but not limited to, a minimum composite Bloomberg rating (COMP) below B- or an equivalent rating from other rating agencies or those deemed of equivalent quality by the Investment Manager;
- up to 10% of its net assets in units or shares of UCITS and/or other UCIs (including investments in other sub-funds of the Fund).

No investment will be made in asset-backed securities (ABS), mortgage-backed securities (MBS) Distressed Debt Securities or Defaulted Debt Securities.

Notwithstanding the above provisions and if justified by exceptional market conditions, the Sub-Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and Money Market Instruments dealt in

on a Regulated Market and whose maturity does not exceed twelve (12) months, monetary UCITS and UCIs, provided that sufficient diversification (duration, counterparty, etc.) is ensured. In general terms, the Sub-Fund will then comply with the applicable investment restrictions and the principle of risk spreading set forth under chapter II in Part A of the Prospectus. There is no restriction as to the currency of these securities and instruments. Term deposits and liquid assets may not exceed 49% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Depositary may not exceed 20% of the Sub-Fund's net assets.

Techniques and instruments

The Sub-Fund may invest in financial derivative instruments for hedging and/or for investment purposes (in the latter case, up to 10% of the Sub-Fund's net assets) to the fullest extent permitted, this including the use of options, forward currency exchange contracts, futures contracts and options thereon, as described under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the Prospectus. The Sub-Fund will not make use of SFT or TRS within the meaning of SFTR.

The Sub-Fund shall ensure that its global exposure relating to these transactions and to transactions provided for in Part A of the Prospectus does not exceed the total net asset value of its portfolio.

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

Investment Restrictions

The Sub-Fund is subject to the investment restrictions set out in Part A of the Prospectus under chapter II. In addition, the Sub-Fund may use techniques and instruments as set forth under chapter III in Part A of the Prospectus.

The investment restrictions may not be complied with during a transitional period of six (6) months from the date on which the Sub-Fund has been authorised, provided that the Sub-Fund will endeavour to ensure, at all times, an appropriate level of diversification of risk within the portfolio of the Sub-Fund.

Risk Profile

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

and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

The creditworthiness (solvency and willingness to pay) of an issuer of a security held by the Sub-Fund may fall. Bonds or debt instruments involve a credit risk with regard to the issuers, for which the issuers' credit rating can be used as a benchmark. Bonds or debt instruments floated by issuers with a lower rating are generally viewed as securities with a higher credit risk and greater risk of default on the part of the issuers than those instruments that are floated by issuers with a better rating. If an issuer of bonds or debt instruments gets into financial or economic difficulties, this can affect the value of the bonds or debt instruments (this value could drop to zero) and the payments made on the basis of these bonds or debt instruments (these payments could drop to zero).

Debt securities may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). In addition, evaluation of credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for debt securities may be inefficient and illiquid, making it difficult to accurately value financial instruments.

The Sub-Fund may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, the Sub-Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments (and the Sub-Fund is not required to hedge, and may choose not to do so). High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the Sub-Fund would not be subject in the absence of the use of these strategies. However the Sub-Fund will not engage in such portfolio strategies to an extent which would a priori have a negative influence on the assets of the Sub-Fund.

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

Investors should also consider the following specific risks of the Sub-Fund:

- Derivative risk.
- Interest risk.
- Market risk.
- Currency risk.

Profile of the typical investor

This Sub-Fund is a medium to high risk vehicle aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long term returns than minimising possible short term losses

No guarantee can be given that the Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment.

2. Distribution Policy

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

However, the distribution of dividends may be proposed by the Board of Directors to the General Meeting at any time.

3. Frequency of the Net Asset Value calculation and Valuation Day

The Net Asset Value per Share of each Class of the Sub-Fund will be determined on each Business Day ("Valuation Day") in Luxembourg.

4. Form and Classes of Shares

| Class | A | H | I |
|----------------------------|--|--|--|
| Eligible Investors | Retail | Retail | Institutional |
| Reference Currency | EUR | EUR | EUR |
| Initial Subscription Price | EUR 100 | EUR 100 | EUR 100 |
| Min. Subscription | EUR 1,000 | EUR 1,000 | EUR 50,000 |
| ISIN Code | LU1589683124 | LU1589683553 | LU1589683983 |
| Management Fee | Up to 2.60% of the Net Asset Value per Share | Up to 2.60% of the Net Asset Value per Share | Up to 2.60% of the Net Asset Value per Share |

| Class | A | H | I |
|------------------------------|--|--|--|
| Subscription Fee | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share | N/A |
| Redemption Fee | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share | Up to 2% of the Net Asset Value per Share |
| Performance Fee | Up to 20%, subject to a high water mark | Up to 20%, subject to a high water mark | Up to 20%, subject to a high water mark |
| Management Company Fee | Up to 0.20% of the Net Asset Value per Share* | Up to 0.20% of the Net Asset Value per Share* | Up to 0.20% of the Net Asset Value per Share* |
| Marketing Fee | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share |
| Risk Management Fee | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share | Up to 0.25% of the Net Asset Value per Share |
| Domiciliation Fee | Up to 0.05% of the Net Asset Value per Share** | Up to 0.05% of the Net Asset Value per Share** | Up to 0.05% of the Net Asset Value per Share** |
| Distribution or accumulation | Accumulation | Accumulation | Accumulation |

* with a minimum of EUR 20,000 p.a. for the Sub-Fund

** with a minimum of EUR 2,000 p.a. for the Sub-Fund

5. Subscriptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg not later than 12.00 noon, Luxembourg time, on the Business Day preceding such Valuation Day and must be accepted. Subscription forms received after this time and date will take effect on the next following Valuation Day.

Payment shall be received by the Fund not later than three (3) Business Days following such Valuation Day for the account of the Fund referencing the Sub-Fund and the relevant Class.

A Subscription Fee as set out under section 4 of this chapter IV of Part B "Specific Information" of the Prospectus may be levied upon subscription for Shares of the Sub-Fund. The corresponding Shares will be issued only upon receipt of the payment.

6. Redemptions

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg not later than 12.00 noon, Luxembourg time, on the Business Day preceding such Valuation Day. Redemption requests received after this time and date will take effect on the next following Valuation Day.

A Redemption Fee as set out under section 4 of this chapter IV of Part B "Specific Information" of the Prospectus may be levied upon redemption of Shares of the Sub-Fund. The redemption price shall be paid three (3) Business Days following the applicable Valuation Day.

7. Conversions

Shares of any Class of the Sub-Fund may be converted into Shares of any other Class of the Sub-Fund or into Shares of any Class of any other Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

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

8. Publication of the NAV

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

9. Remuneration of the Management Company

The Management Company will be entitled to receive a Management Fee payable monthly in arrears and accrued with every NAV calculation on the assets of the Sub-Fund, a Management Company Fee, a Marketing Fee, a Risk Management Fee as well as a Performance Fee as set out under section 10 below. The Management Company will remunerate the Distributors out of the Management Fee.

10. Performance Fee

The Management Company will be entitled to receive from the Sub-Fund a performance fee (the "Performance Fee") calculated and accrued daily as an expense of the relevant Class, over the relevant Performance Period (as defined below). The Performance Fee will be equivalent to such percentage as set out under section 4 above of the increase in the Net Asset Value per Share, multiplied by the number of Shares outstanding, in respect of each Performance Period and subject to a high water mark.

Each quarter ending on 31 March, 30 June, 30 September or 31 December will be a "Performance Period".

The Performance Fee is subject to a high water mark which ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

The high water mark is the greater of:

- the last highest Net Asset Value per Share at the end of the Performance Period on which a Performance Fee has been paid; and
- the Initial Subscription Price.

No provision for the Performance Fee will be made if the Net Asset Value is lower than the high water mark.

In the event that a shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be kept and paid to the Management Company at the end of the relevant Performance Period.

The Performance Fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and is adjusted to take account of all subscriptions, redemptions, dividends and distributions.

However, the high water mark will be reset after each eight (8) calendar quarter period (a calendar quarter ending on 31 March, 30 June, 30 September and 31 December) after the launch of the relevant Class, if the NAV per Share is below the high water mark.

11. Taxation

The Sub-Fund is liable to a tax of 0.05% per annum of its Net Asset Value (*taxe d'abonnement*), such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Fund at the end of the relevant calendar quarter. However, this tax is reduced to 0.01% per annum for the net assets attributable to Class I.

However the portion of assets which are invested in units or shares of UCI shall be exempt from such tax as far as those UCIs are already submitted to this tax in Luxembourg.

DOCUMENTS AVAILABLE

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

- (i) the Articles;
- (ii) the Depositary Agreement;
- (iii) the agreement with the Administrative Agent, Registrar and Transfer Agent and on services referred to under the heading "Administrative Agent, Registrar and Transfer Agent";
- (iv) the agreement with the Domiciliary Agent and Management Company referred to under the heading "Management Company";
- (v) the agreements with each of the Investment Managers and the Investment Adviser referred to under the heading "Investment Managers and Investment Adviser";
- (vi) the latest reports and accounts referred to under the heading "General Information", subsection 2) "Meetings of, and Reports to, shareholders".

RISK FACTORS

Before making an investment decision with respect to Shares of any Class in any Sub-Fund, prospective investors should carefully consider all of the information set out in this Prospectus, as well as their own personal circumstances. Prospective investors should have particular regard to, among other matters, the considerations set out in this Section and under the Sections "Risk profile" and "Profile of the typical investor" in Part B of the Prospectus. The risk factors referred to therein, and in this document, alone or collectively, may reduce the return on the Shares of any Sub-Fund and could result in the loss of all or a proportion of a shareholder's investment in the Shares of any Sub-Fund. The price of the Shares of any Sub-Fund can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested in any Class or any amount at all.

The risks may include or relate to equity markets, bond markets, foreign exchange rates, interest rates, credit risk, the use of derivatives, counterparty risk, market volatility and political risks. The risk factors set out in this Prospectus, the KIID and the Sub-Fund sections under Part B of the Prospectus are not exhaustive. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

An investment in the Shares of any Sub-Fund is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

Before making any investment decision with respect to the Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, solicitor, accountant and/or financial adviser and carefully review and consider such an investment decision in the light of the foregoing and the prospective investor's personal circumstances.

The Fund is intended to be a medium to long-term investment vehicle (depending on the investment policy of the relevant Sub-Funds). Shares may however be redeemed on each Valuation Day. Substantial redemptions of Shares by shareholders within a limited period of time could cause the Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value per Share could make it more difficult for the Fund to generate trading profits or recover losses.

1. Investments in emerging markets

In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government

supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the Sub-Funds.

Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Fund may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.

Settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the **Counterparty**) through whom the relevant transaction is effected might result in a loss being suffered by Sub-Funds investing in emerging market securities.

The Fund will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Fund will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

In some Eastern European countries there are uncertainties with regard to the ownership of properties. As a result, investing in Transferable Securities issued by companies holding ownership of such Eastern European properties may be subject to increased risk.

2. Nominee arrangements

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

3. Investments in small capitalisation companies

There are certain risks associated with investing in small cap stocks and the securities of small companies. The market prices of these securities may be more volatile than those of larger companies. Because small companies normally have fewer shares outstanding than larger companies it may be more difficult to buy and sell significant amounts of shares without affecting market prices. There is typically less publicly available information about these companies than for larger companies. The lower capitalisation of these companies and the fact that small companies may have smaller product lines and command a smaller market share than larger companies may make them more vulnerable to fluctuation in the economic cycle.

4. Use of financial derivative instruments

While the prudent use of financial derivative instruments can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Sub-Fund.

(a) Market risk

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to a Sub-Fund's interests.

(b) Control and monitoring

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Sub-Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

(c) Liquidity risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Fund will only enter into OTC Derivatives if it is allowed to liquidate such transactions at any time at fair value).

(d) Counterparty risk

A Sub-Fund may enter into transactions in OTC markets, which will expose the Sub-Funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Sub-Fund may enter into swap arrangements or other derivative techniques as specified in the relevant Special Section, each of which exposes the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which

the Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. However, this risk is limited in view of the investment restrictions laid down under Section 5 of the General Section.

(e) Different maturity

The Fund will enter into derivative contracts with a maturity date which may be different from the maturity date of the Sub-Fund. There can be no assurance that any new derivative contracts entered into will have terms similar to those previously entered into.

(f) Other risks

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund. However, this risk is limited as the valuation method used to value OTC Derivatives must be verifiable by an independent auditor.

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Sub-Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following a Sub-Fund's investment objective.

(g) Particular risks in relation to interest rate, currency, TRS, credit default swaps and interest rate swaptions

A Sub-Fund may, as a part of its investment policy, enter into interest rate, currency, TRS, credit default swaps and interest rate swaptions agreements. Interest rate swaps involve the exchange by a Sub-Fund with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments.

Where a Sub-Fund enters into interest rate or TRS on a net basis, the two payment streams are netted out, with each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Interest rate or total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Sub-Fund is contractually obligated to make (or in the case of total return swaps, the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments). If the other party to an interest rate or total return swap defaults, in normal circumstances the Sub-Fund's risk of loss consists of

the net amount of interest or total return payments that the Sub-Fund is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

A Sub-Fund may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event (such as bankruptcy or insolvency) occurs or receive a cash settlement based on the difference between the market price and such reference price.

A Sub-Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, a Sub-Fund may buy protection under credit default swaps without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with credit default swaps purchased may not, at any time, exceed the net assets of the relevant Sub-Fund.

A Sub-Fund may also sell protection under credit default swaps in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such credit default swaps may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

A Sub-Fund may also purchase a receiver or payer interest rate swaption contract. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

The use of interest rate, currency, total return swaps, credit default swaps and interest rate swaptions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Fund and/or Investment Manager is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Sub-Fund would be less favourable than it would have been if these investment techniques were not used.

For the time being, no Sub-Fund is making use of total return swaps or other financial derivative instruments with the same characteristics. If and when a Sub-Fund intends to enter into total return swaps or to invest in other financial derivative instruments with similar characteristics, then the relevant Special Section will be updated.

(h) Specific risk relating to the use of TRS

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access

to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves counterparty risk. If the Sub-Fund engages in OTC Derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the Fund and any of its Sub-Funds enters into TRS on a net basis, the two payment streams are netted out, with Funds or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. TRS entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRS is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund's or relevant Sub-Fund's risk of loss consists of the net amount of total return payments that the Fund or Sub-Fund is contractually entitled to receive.

5. Use of structured finance securities

Structured finance securities include, without limitation, securitised credit and portfolio credit-linked notes.

Securitised credit is securities primarily serviced, or secured, by the cash flows of a pool of receivables (whether present or future) or other underlying assets, either fixed or revolving. Such underlying assets may include, without limitation, residential and commercial mortgages, leases, credit card receivables as well as consumer and corporate debt. Securitised credit can be structured in different ways, including "true sale" structures, where the underlying assets are transferred to a special purpose entity, which in turn issues the asset-backed securities, and "synthetic" structures, in which not the assets, but only the credit risks associated with them are transferred through the use of derivatives, to a special purpose entity, which issues the securitised credit.

Portfolio credit-linked notes are securities in respect of which the payment of principal and interest is linked directly or indirectly to one or more managed or unmanaged portfolios of reference entities and/or assets ("reference credits"). Upon the occurrence of a credit-related trigger event ("credit event") with respect to a reference credit (such as a bankruptcy or a payment default), a loss amount will be calculated (equal to, for example, the difference between the par value of an asset and its recovery value).

Securitised credit and portfolio credit-linked notes are usually issued in different tranches: Any losses realised in relation to the underlying assets or, as the case may be, calculated in relation to the reference credits are allocated first to the securities of the most junior tranche, until the principal of such securities is reduced to zero, then to the principal of the next lowest tranche, and so forth.

Accordingly, in the event that (a) in relation to securitised credit, the underlying assets do not perform and/or (b) in relation to portfolio credit-linked notes, any one of the specified credit events occurs with respect to one or more of the underlying assets or reference credits, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share. In addition the value of structured finance securities from time to time, and consequently the Net Asset Value per Share, may be adversely affected by macro economic factors such as adverse changes affecting the sector to which the underlying assets or reference credits belong (including industry sectors, services and real estate), economic downturns in the respective countries or globally, as

well as circumstances related to the nature of the individual assets (for example, project finance loans are subject to risks connected to the respective project). The implications of such negative effects thus depend heavily on the geographic, sector-specific and type-related concentration of the underlying assets or reference credits. The degree to which any particular asset-backed security or portfolio credit-linked note is affected by such events will depend on the tranche to which such security relates; junior tranches, even having received investment grade rating, can therefore be subject to substantial risks.

Exposure to structured finance securities may entail a higher liquidity risk than exposure to sovereign bonds which may affect their realisation value.

6. Specific restrictions in connection with the Shares

Investors should note that there may be restrictions in connection with the subscription, holding and trading in the Shares. Such restrictions may have the effect of preventing the investor from freely subscribing, holding or transferring the Shares.

7. EPM Techniques / SFTs

A Sub-Fund may enter into Repurchase Transaction agreements and reverse Repurchase Transaction agreements as a buyer or as a seller subject to the conditions and limits set out under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the Prospectus. If the other party to a Repurchase Transaction agreement or reverse Repurchase Transaction agreement should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Sub-Fund in connection with the Repurchase Transaction agreement or reverse Repurchase Transaction agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the Repurchase Transaction agreement or reverse Repurchase Transaction agreement or its failure otherwise to perform its obligations on the repurchase date, the Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the Repurchase Transaction agreement or reverse Repurchase Transaction agreement.

A Sub-Fund may enter into Securities Lending transactions subject to the conditions and limits set out under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the Prospectus. If the other party to a Securities Lending transaction should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Sub-Fund in connection with the Securities Lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the Securities Lending transaction or its failure to return the securities as agreed, the Sub-Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the Securities Lending agreement.

The Sub-Funds will only use Repurchase Transaction agreements, reverse Repurchase Transaction agreements or Securities Lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant Sub-Fund. When using such techniques, the Sub-Funds will comply at all times with the provisions set out under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the

Prospectus. The risks arising from the use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and Securities Lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. The use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and Securities Lending transactions is generally not expected to have a material adverse impact on a Sub-Fund's performance, subject to the above described risk factors.

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

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

The Fund may enter into securities lending, repurchase or reverse repurchase transactions with other companies. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Fund in a commercially reasonable manner. In addition, the Management Company or any Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the respective Sub-Fund and its shareholders. However, shareholders should be aware that the Management Company or any Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

The use of EPM Techniques, in particular with respect to the quality of the collateral received and/or reinvested, may lead to several risks such as liquidity risk, counterparty risk, issuer risk, valuation risk and settlement risk, which can have an impact on the performance of the Sub-Fund concerned.

In respect of Margin Lending Transactions, the Fund and any of its Sub-Funds cannot extend credit and may only receive credit subject to the restrictions in the General Section.

The use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and Securities Lending transactions is generally not expected to have a material adverse impact on a Sub-Fund's performance or risk profile, subject to the above described risk factors.

8. Taxation

Shareholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of a Sub-Fund, capital gains within a Sub-Fund, whether or not realised, income received or accrued or deemed received within a Sub-Fund etc., and this will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the shareholder.

Shareholders should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Sub-Fund. Taxes might be calculated based on income

received and/or deemed to be received and/or accrued in a Sub-Fund in relation to their direct investments, whereas the performance of a Sub-Fund, and subsequently the return shareholders receive after redemption of the Shares, might partially or fully depend on the performance of underlying assets. This can have the effect that the investor has to pay taxes for income or/and a performance which he does not, or does not fully, receive.

Shareholders who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, shareholders should be aware that tax regulations and their application or interpretation by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

9. Change of law

The Fund must comply with regulatory constraints, such as a change in the laws affecting the investment restrictions and limits applicable to UCITS, which might require a change in the investment policy and objectives followed by a Sub-Fund.

10. Political factors

The performance of the Shares or the possibility to purchase, sell, or redeem may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements.

11. Fees in underlying undertakings for collective investment

A Sub-Fund may invest in other undertakings for collective investment which may be operated and/or managed by the Management Company, the Investment Manager or a related party. As an investor in such other undertakings for collective investment, in addition to the fees, costs and expenses payable by a shareholder in the Sub-Funds, each shareholder will also indirectly bear a portion of the fees, costs and expenses of the underlying undertakings for collective investment, including management and administration and other expenses.

12. Transaction costs

Where a Sub-Fund does not adjust its subscription and redemption prices by an amount representing the duties and charges associated with buying or selling underlying assets this will affect the performance of that Sub-Fund.