

# PROSPECTUS

for the permanent offer of shares in

## **SYCOMORE FUND SICAV**

an investment company with variable capital (*société d'investissement à capital variable*) under Luxembourg law with multiple sub-funds

**March 2018**

Shares in the various Sub-Funds of **SYCOMORE FUND SICAV** (the “**Company**”) may only be subscribed on the basis of the information contained in this prospectus (the “**Prospectus**”) and the appended schedules for each Sub-Fund as mentioned in this document, which contain descriptions of the Company’s various Sub-Funds.

This Prospectus may only be distributed in conjunction with the latest Company’s annual report and the latest interim report if published after the annual report.

No information should be taken into account other than that contained in the Prospectus, the Key Investor Information Document (the “**KIID**”) and the documents mentioned therein, which are available for consultation by the general public.

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**SYCOMORE FUND SICAV** (the “**Company**”), the subject of this document, was created on 13 February 2012 and is promoted by Sycomore Asset Management, 14 avenue Hoche, F-75008 Paris, France. Before subscribing to shares in this Company, potential subscribers are advised to read this prospectus (the “**Prospectus**”) carefully and to consult the latest annual report of the Company of which copies are available at the Company’s registered office and from the companies that service and market the Company’s shares. Subscription requests can only be made based on the terms and conditions indicated in this document. Potential investors are advised to consult their own legal and tax advisors before investing in the Company. No one is authorised to provide information other than that contained in this Prospectus and the documents referred to therein, and which the public may freely consult.

The Company is registered as an Undertaking for Collective Investment in Transferable Securities (UCITS) in Luxembourg and is authorised to market and sell its shares there. No measures have been taken to allow the offer of the Company’s shares in any jurisdiction other than the countries listed in the section entitled “Important” where such measure may be necessary. This Prospectus does not constitute an offer or solicitation of sale. It may not be used for this purpose in any jurisdiction where such use would not be authorised, nor provided to any unauthorised person.

The distribution of the Prospectus and/or the offer and sale of the shares in certain jurisdictions or to certain investors may be restricted or prohibited by law. No action has been taken with a view to registering the Company with the Securities and Exchange Commission as required by the law of 1940 governing American investment companies, and its amendments, or any other regulations concerning transferable securities. Consequently this document has not been approved by the above-mentioned authority. Any use of this document, especially on the basis of any statement to the contrary, its introduction or transmission to the United States of America (the “**United States**”), their territories and dependencies, to an American citizen or resident, to a commercial company, an association or any other entity registered in this country or governed by its laws (all the foregoing constituting a “**United States national**”) is likely to violate American transferable securities regulations. Moreover, the Company’s shares may only be offered or sold in the United States or to a United States national at the risk of the United States national and at the discretion of the Company’s board of directors (the “**Board of Directors**”). The Board of Directors reserves the right to request the immediate redemption of shares purchased or held by United States nationals, including by investors who become United States nationals after the purchase of said shares.

In view of the economic and stock market risks involved, no assurances can be given that the Company will achieve its investment objectives. The value of its shares may go down as well as up.

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

## **COMPANY ORGANISATION**

### **REGISTERED OFFICE**

60, avenue J.F Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### **BOARD OF DIRECTORS:**

*Chairman of the Board of Directors:*

Laurent DELTOUR  
Chief Executive Officer  
Sycomore Asset Management  
14, avenue Hoche  
F-75008 Paris  
France

*Board of Directors Members:*

Emmanuel de SINETY  
Portfolio Manager  
Sycomore Asset Management  
14, avenue Hoche  
F-75008 Paris  
France

Jean-Baptiste BLANC  
Head of Legal and Compliance  
Sycomore Asset Management  
14, avenue Hoche  
F-75008 Paris  
France

### **MANAGEMENT COMPANY**

Sycomore Asset Management  
14, avenue Hoche  
F-75008 Paris  
France

#### **Directors of the Management Company**

Laurent Deltour, Président  
Cyril Charlot, Co-reponsable de la gestion  
Christine Kolb, Responsable du développement  
Emeric Préaubert, Co-reponsable de la gestion

**INITIATOR**

Sycomore Asset Management  
14, avenue Hoche  
F-75008 Paris  
France

**INVESTMENT MANAGER**

Sycomore Asset Management  
14, avenue Hoche  
F-75008 Paris  
France

**DISTRIBUTOR**

Sycomore Asset Management  
14, avenue Hoche  
F-75008 Paris  
France

**DEPOSITARY AGENT**

BNP Paribas Securities Services, Luxembourg Branch  
60, avenue J.F Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**REGISTRAR, TRANSFER AGENT AND DOMICILIARY AGENT**

BNP Paribas Securities Services, Luxembourg Branch  
60, avenue J.F Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**ADMINISTRATIVE AGENT**

BNP Paribas Securities Services, Luxembourg Branch  
60, avenue J.F Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**INDEPENDENT AUDITOR**

PricewaterhouseCoopers Société coopérative  
2, rue Gerhard Mercator  
L-2182 Luxembourg  
Grand Duchy of Luxembourg

## IMPORTANT

The Company is a registered collective investment scheme pursuant to the law of 17 December 2010 governing collective investment schemes, as may be amended from time to time (the “**Law**” or the “**2010 Law**”), and with the law of 10 August 1915 governing commercial companies, as may be amended from time to time. It is in particular subject to the provisions of Part I of the Law, specific to collective investment schemes as defined in the European Directive of 13 July 2009 (2009/65/EC), as may be amended from time to time. However, this registration does not require any authority in Luxembourg to comment, favourably or otherwise, upon the appropriateness or the accuracy of this Prospectus, nor the portfolio of securities held by the Company. Any declaration to the contrary would be unauthorised and unlawful.

The Board of Directors has taken all the necessary precautions to ensure that the facts presented in the Prospectus are accurate and correct and that nothing of significance has been omitted that might invalidate any of the statements made herein. All of the members of the Board of Directors accept their responsibility in this matter.

Any information or statement not contained in this Prospectus, the Key Investor Information Document, the schedules of each of the Sub-Funds (the “**Schedules**”) or the reports that form an integral part thereof, must be considered to be unauthorised. Neither the provision of this Prospectus and the simplified Prospectus, nor the offer, issue or sale of the Company’s shares constitute a statement to the effect that the information given in this Prospectus shall continue to be accurate at any time after the date of the Prospectus. This Prospectus and the Schedules shall be updated whenever necessary in order to take into account any significant changes, especially the opening of a new Sub-Fund or categories or classes of shares. Investors are consequently advised to contact the Company to find out whether an updated Prospectus has been published. In the same way, potential subscribers and purchasers of shares in this Company are advised to ascertain the existence of any fiscal implications, legal controls and exchange restrictions and controls likely to affect them in their country of domicile or residence or their country of origin that might regulate the subscription, purchase, ownership or sale of the Company’s shares.

The Company is authorised as an Undertaking for Collective Investment in Transferable Securities (UCITS) in Luxembourg.

The terms and acronyms listed below refer to the following:

<b>"Articles of Incorporation"</b>	The Company’s articles of incorporation, as updated regularly.
<b>"Business Day"</b>	A day on which the banks in Luxembourg are open.
<b>"Calculation Day"</b>	The day on which the Net Asset Value per share is calculated for each Category of shares according to the frequency defined in the Prospectus.
<b>"CHF"</b>	Swiss Franc
<b>"Company"</b>	SYCOMORE FUND SICAV
<b>"Depositary"</b>	BNP Paribas Securities Services, Luxembourg Branch.
<b>"Delegated Manager"</b>	A investment manager that is external to the management company and to which the Company’s financial

	management may be delegated, if appropriate, under the terms and conditions provided for in Part II of this Prospectus.
<b>"Director"</b>	A member of the Board of Directors.
<b>"Eligible Countries"</b>	All European Union member states, all non-EU European countries, all the countries of North and South America, Africa, Asia, Asia-Pacific and Australia.
<b>"Eligible Market"</b>	A regulated market in an eligible country.
<b>"EU"</b>	The European Union including, when appropriate, the countries belonging to the European Economic Area.
<b>"EUR" or "EURO"</b>	The legal tender of the EU member states that have adopted the single currency.
<b>"FATF"</b>	Financial Action Task Force against money laundering.
<b>"GBP"</b>	British Pound
<b>"Investment Manager"</b>	Any investment manager which may be appointed from time to time by the Management Company, as further detailed in Part II of the Prospectus.
<b>"Law" or "2010 Law"</b>	The Law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
<b>"Management Company"</b>	Sycomore Asset Management, a management company licensed by the french financial markets authority (AMF) under the n°GP01030 as a management company benefiting from the European passport according to the European Directive 2009/65/EC, as amended and as further detailed in the Prospectus.
<b>"Net Asset Value"</b>	The net asset value per share is determined by dividing the value of the net assets attributable to a given Sub-Fund or share category by the number of shares in issue of that Sub-Fund or share category.
<b>"OECD"</b>	Organisation for Economic Cooperation and Development.
<b>"Regulated Market"</b>	A market referred to in Article 1, point 13 of European Directive 93/22/EEC as amended and any other regulated, recognised markets, which are functioning normally and open to the public.
<b>"SFTR"</b>	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
<b>"SFTs"</b>	Securities financing transactions, which are defined in the SFTR as a repurchase or reverse-repurchase transaction, securities lending and securities borrowing, a buy-sell back transaction or sell-buy back transaction or a margin lending transaction
<b>"Sub-Funds"</b>	The Company may create different sub-funds that constitute distinct masses of assets and liabilities and are differentiated by their respective investment objectives and policies and/or denominated in a different currency.
<b>"TRS"</b>	Total return swap, i.e. a derivative contract 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
<b>"UCI"</b>	Undertaking for Collective Investment or investment fund.
<b>"UCITS"</b>	Undertaking for Collective Investment in Transferable Securities governed by European Directive 2009/65/EC, as amended.
<b>"UCITS V Directive"</b>	Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities
<b>"USD"</b>	U.S. Dollars, i.e the currency of the United States of America.
<b>"Valuation Day"</b>	The Luxembourg business day corresponding to the Net Asset Value dated on that valuation day and calculated and communicated on the Calculation Day according to the frequency determined in the Prospectus.



## I. GENERAL DESCRIPTION

### 1. INTRODUCTION

**SYCOMORE FUND SICAV** is an investment company with variable capital (*société d'investissement à capital variable*) comprising a number of Sub-Funds, each holding a portfolio of distinct assets consisting of transferable securities denominated in a variety of currencies. The characteristics and investment strategy of each Sub-Fund are defined in the Sub-Fund Schedules appended to this Prospectus.

The Company's capital is divided between a number of Sub-Funds, each able to offer several categories of shares as defined for each Sub-Fund below. Some categories may offer several classes of shares as defined in chapter IV below.

The Company has the option of creating new Sub-Funds, categories and/or share classes. Whenever new Sub-Funds, categories and/or classes of shares are created, the appropriate amendments shall be made to this Prospectus.

The opening of any new Sub-Fund, or of any category or class of shares of a Sub-Fund mentioned in the Prospectus, shall be subject to a resolution by the Board of Directors that will determine in particular the price and period of initial subscription, and the payment date of said initial subscriptions. Shareholders shall be informed of any opening of a new Sub-Fund by a notice in the press, as provided for in chapter XII.

For each Sub-Fund, the investment objective shall be to maximise growth of capital and returns.

The Company's shares shall be issued and redeemed at a price set in Luxembourg for each Sub-Fund, category and/or share class according to the frequency indicated in the Schedules (the day of calculation is referred to hereinafter as the "**Calculation Day**").

For each Sub-Fund, category and/or class of share, the price is based on the net asset value per share.

The net asset value of each Sub-Fund, category or class of share shall be denominated in the currency in which the Sub-Fund is denominated or in a number of other currencies as indicated in the relevant Schedules.

In principle, a transfer from one Sub-Fund, category or class of share to another may be made on any Valuation Day by converting the shares of one Sub-Fund, category or class of share to shares of another Sub-Fund, category or class of share in exchange for a conversion fee, as indicated in the Schedules.

### 2. THE COMPANY

The Company was incorporated in Luxembourg on 13 February 2012 for an unlimited term, under the name "**UNITED INVESTORS SYNERGY**". As per an extraordinary general meeting dated 28 July 2015, the name of the Company changed from "**UNITED INVESTORS SYNERGY**" to "**SYCOMORE FUND SICAV**". The Articles of Incorporation have been published in the Mémorial by date of 25 August 2015.

Copies of the Articles of Incorporation may be obtained from the Trade and Companies Registry in Luxembourg on payment of the registrar's fee.

The Company's minimum capital is set at EUR 1,250,000 (one million two hundred and fifty thousand euros). The Company's capital is expressed in euros and is at all times equal to the net asset value of all the Company's Sub-Funds, categories or classes of shares and is represented by shares with no nominal value.

Variations in capital take place automatically and do not have to be advertised or recorded in the Luxembourg Trade and Companies Registry, as is required for increases and reductions in capital of sociétés anonymes (limited companies).

The Company is registered in the Luxembourg Trade and Companies Registry under n° B.166.946.

## II. MANAGEMENT AND ADMINISTRATION

### 1. BOARD OF DIRECTORS

The Board of Directors is responsible for the overall administration and management of the Company and of the assets of each Sub-Fund. It may carry out all acts of management and administration on the Company's behalf, especially the purchase, sale, subscription or exchange of transferable securities or other instruments, and may exercise all rights connected directly or indirectly with the Company's assets.

The list of members of the Board of Directors and the other governing bodies is provided in this Prospectus and in the periodic reports.

### 2. MANAGEMENT COMPANY

Sycomore Asset Management (the "**Management Company**") has been appointed as the management company of the Company. It has been incorporated under the name of Sycomore Asset Management on July 4, 2001 as a *société anonyme* under French law for ninety nine (99) years and is registered with the French Trade Register (RCS) under number B 438 230 104. Its registered seat is 14, avenue Hoche, 75008 Paris, France. The articles of incorporation have been deposited with the French RCS.

The corporate purpose of the Management Company consists in the launch and management of investment funds under French law and under the laws of states members of the European Union, when applicable.

The Company has appointed the Management Company by a management company services agreement (the "**Management Company Services Agreement**") effective on 13 February 2012 as management company of the Company to provide it with investment management, administration and marketing services (the "**Services**"). The Management Company Services Agreement has been concluded for an unlimited period and can be terminated by either party upon giving to the other party not less than three months written notice. The responsibilities of the Company remain unchanged further to the appointment of the Management Company.

In the provision of the Services, the Management Company is authorised, in order to conduct its business efficiently, to delegate with the consent of the Company and the Luxembourg supervisory authority, under its responsibility and control, part or all of its functions and duties to any third party.

In particular, the management function includes the following tasks:

- to give all opinions or recommendations as to the investments to be made;
- to conclude contracts, to purchase, sell, exchange and deliver all transferable securities and all other assets;
- on behalf of the Company, to exercise all voting rights attached to the transferable securities constituting the Company's assets.

In particular, the functions of administrative agent include calculation and publication of the Net Asset Value of the shares of each Sub-Fund in accordance with the Law and the Articles of Incorporation, on behalf of the Company, of all the administrative and accounting services necessitated by its management.

As keeper of the register and transfer agent, Sycomore Asset Management is responsible for processing subscription, redemption and conversion applications regarding shares of the Company and for keeping the register of shareholders of the Company in accordance with the provisions described in more detail in the agreement concluded between the Company and Sycomore Asset Management.

The functions of principal distributor include the marketing of the shares of the Company in Luxembourg and/or abroad.

The rights and obligations of Sycomore Asset Management are governed by agreements concluded for an indefinite term.

In accordance with the Laws and regulations in force and with the prior consent of the Board of Directors, Sycomore Asset Management is authorised, at its own cost, to delegate its functions and powers or part thereof to any person or company it deems appropriate (hereinafter called the “**delegate/s**”), provided the prospectus is updated in advance and Sycomore Asset Management retains full liability for acts committed by its delegate/s.

At the present time, the functions of investment management, administrative agent, registrar and transfer agent, and distribution are delegated.

The Management Company has in place a remuneration policy in line with the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

The remuneration policy sets out principles applicable to the remuneration of senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions.

In particular, the remuneration policy complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

1. it is consistent with and promotes sound and effective risk management and

- does not encourage risk taking which is inconsistent with the risk profiles, rules or Articles of Incorporation of the Company;
2. if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
  3. it is in line with the business strategy, objectives, values and interests of the Management Company and the Company and of the shareholders, and includes measures to avoid conflicts of interest;
  4. 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.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on [www.sycomore-am.com](http://www.sycomore-am.com), a paper copy will be made available free of charge upon request.

The remuneration policy will be reviewed at least on annual basis.

The Management Company will comply in particular with the principles set out in the UCITS V Directive as well as the relevant regulations (in particular those to be implemented by its host supervisory authority, ie *Autorité des Marchés Financiers*) in a way and to the extent that will be appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

**The Management Company is managing other UCITS than the Company. A full list is available upon request at the registered office of the Management Company.**

### 3. **DEPOSITARY**

BNP Paribas Securities Services, Luxembourg Branch has been appointed Depositary of the Company under the terms of a written agreement with effect as from March 18, 2016 between BNP Paribas Securities Services, Luxembourg Branch (the “**Depositary**”), the Management Company and the Company.

BNP Paribas Securities Services Luxembourg is a branch of BNP Paribas Securities Services SCA, a wholly-owned subsidiary of BNP Paribas SA. BNP Paribas Securities Services SCA is a licensed bank incorporated in France as a *Société en Commandite par Actions* (partnership limited by shares) under No.552 108 011, authorised by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and supervised by the *Autorité des Marchés Financiers* (AMF), with its registered address at 3 rue d’Antin, 75002 Paris, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, and is supervised by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”).

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in article 34(1) of the 2010 Law, (ii) the monitoring of the cash flows of the Company (as set out in article 34(2) of the 2010 Law) and (iii) the safekeeping of the Company's assets (as set out in article 34(3) of the 2010 Law).

Under its oversight duties, the Depositary is required to:

- (1) ensure that the sale, issue, repurchase, redemption and cancellation of shares effected on behalf of the Company are carried out in accordance with the 2010 Law or with the Company's Articles of Incorporation,
- (2) ensure that the value of shares is calculated in accordance with the 2010 Law and the Company's Articles of Incorporation,
- (3) carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the 2010 Law or the Company's Articles of Incorporation,
- (4) ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits;
- (5) ensure that the Company's revenues are allocated in accordance with its Articles of Incorporation.

The overriding objective of the Depositary is to protect the interests of the shareholders of the Company, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Company maintains other business relationships with BNP Paribas Securities Services, Luxembourg Branch in parallel with an appointment of BNP Paribas Securities Services, Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to

- Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas Securities Services or its affiliates act as agent of the Company or the Management Company, or
- Selection of BNP Paribas Securities Services or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of Shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - o Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;

- Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest.
- Implementing a deontological policy;
- recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
- setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the Shareholders are fairly treated.

The Depositary may delegate to third parties the safe-keeping of the Company's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationships with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from cristalizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and/or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available in the following website

<http://securities.bnpparibas.com/solutions/depositary-bank-trustee-services.html>.

Such list may be updated from time to time. Updated information on the Depositary's custody duties, a list of delegations and sub-delegations and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

Updated information on the Depositary's duties and the conflict of interests that may arise are available to investors upon request.

The Company may release the Depositary from its duties with ninety (90) days written notice to the Depositary. Likewise, the Depositary may resign from its duties with ninety (90) days written notice to the Company. In that case, a new depositary must be designated to carry out the duties and assume the responsibilities of the Depositary, as

defined in the agreement signed to this effect. The replacement of the Depositary shall happen within two months.

In the case of master-feeder structures, if the master and the feeder UCITS have a different depositary from the Depositary, the Depositary will enter into an information-sharing agreement with the other depositary in order to ensure the fulfilment of both depositaries.

#### **4. DOMICILIARY AND LISTING AGENT**

The Company has appointed BNP Paribas Securities Services, Luxembourg Branch as its domiciliary and listing agent (the "**Domiciliary and Listing Agent**"). In such capacity, it will be responsible for all corporate agency duties required by Luxembourg law, and in particular for providing and supervising the mailing of statements, reports, notices and other documents to the shareholders, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

The rights and duties of the Domiciliary and Listing Agent, Registrar and Transfer Agent are governed by an agreement entered into for an unlimited period of time effective on 13 February 2012 and which may be terminated at any time by the Company or BNP Paribas Securities Services, Luxembourg Branch on giving a three months prior written notice.

#### **5. REGISTRAR AND TRANSFER AGENT**

The Company has appointed BNP Paribas Securities Services, Luxembourg Branch as its registrar (the "**Registrar**") and transfer agent (the "**Transfer Agent**") 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 Company, the delivery of share certificates, if requested redemption or conversion, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

#### **6. ADMINISTRATIVE AGENT**

BNP Paribas Securities Services, Luxembourg Branch, with its registered office at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, performs the functions of delegate administrative agent, by virtue of an agreement between Sycomore Asset Management, the Company and BNP Paribas Securities Services, Luxembourg Branch with effect as from 13 February 2012.

In this context, BNP Paribas Securities Services, Luxembourg Branch performs the administrative functions required by the Law such as the bookkeeping of the Company and calculation of the Net Asset Value per share.

Furthermore, as remuneration for its services, the administrative agent shall be entitled, all costs included, to the payment of a maximum commission of 0.05% per annum.

#### **7. INVESTMENT MANAGER(S)**

Sycomore Asset Management as Management Company manages the Company's

various Sub-Funds. It can delegate its investment management to investment managers.

Sycomore Asset Management, having its registered office located at 14, avenue Hoche, F-75008 Paris, France, with share capital of EUR 3.600.000.- has been appointed as investment manager (the "**Investment Manager**") pursuant to an investment management agreement effective on 13 February 2012. This Investment Manager was approved as an investment management company by the *Autorité des Marchés Financiers* (previously *Commission des Opérations de Bourse*) under no. 01-030 on 24 July 2001. Its main activity is third-party asset management and, on an ancillary basis, any related financial and commercial transactions.

Sycomore Asset Management may also authorise investment managers to delegate their functions or part of these to one or several delegate fund managers (the "**Delegated Managers**") providing it obtains prior authorisation from the Board of Directors.

The Investment Manager has sole responsibility for controlling the activities of the Delegated Managers and shall report on the management to the Board of Directors. Accordingly, the Board of Directors bears the ultimate responsibility for the management.

The Investment Manager and/or Delegated Managers are authorised to buy and sell blocks of securities with a view to allocating these to the various structures they manage.

## **8. INVESTMENT ADVISORS**

The Management Company, respectively the Investment Manager, is authorised to seek advice, at its own or the Company's expenses, for managing the investment of the Company's assets, for one or several Sub-Fund(s), from any person or corporation which it may consider appropriate (hereafter referred to as the "**Investment Advisor(s)**"), it being understood that the Board of Directors respectively the Investment Manager will remain entirely liable for acting under such advice unless in the event of any established wilful misconduct and gross disregard on the part of the Investment Advisor. The Board of Directors, respectively the Investment Manager, shall not be bound to act, purchase or sell securities, by any advice or recommendation given by the Investment Advisor.

The Investment Advisor shall advise the Board of Directors, respectively the Investment Manager of the Company on a day-to-day basis and subject to its overall control and responsibilities. Based on this advice, the Board of Directors, respectively the Investment Manager, will purchase and sell securities, in other words manage the Company's portfolios.

The Company or the Investment Manager, as the case may be, will pay the fees of the Investment Advisor (if any) it may appoint from time.

## **9. DISTRIBUTORS AND NOMINEES**

In its capacity as Management Company, Sycomore Asset Management may decide to appoint nominee distributors to assist in the distribution of the Company's shares in



countries where these may be promoted. It may be that some nominee distributors do not offer all the Sub-Funds, categories or classes of shares to their customers. The customers concerned are advised to contact their nominee distributor for further information in this respect.

Sycomore Asset Management, 14, avenue Hoche, F-75008 Paris, France shall be appointed distributor.

Nominee and distributor agreements may be concluded between the Company, Sycomore Asset Management and the various nominees/distributors providing for the delegation of this function to sub-distributors.

In accordance with the nominee and distributor agreements, the nominee shall be recorded on the shareholders' register and not the customers who have invested in the Company. The terms and conditions of the nominee and distributor agreement shall stipulate, among other things, that any customers who have invested in the Company through a nominee may at any time demand that the shares subscribed through the nominee be transferred into their name, subsequent to which the customer shall be recorded on the shareholders' register under their own name as soon as transfer instructions are received from the nominee.

Shareholders may make subscriptions directly with the Company without having to subscribe through a distributor/nominee.

Shareholders that have subscribed through a nominee/distributor may consult the relevant nominee/distributor agreement at the Management Company's registered office and at the offices of the Administrative Agent and of the nominee distributor, during normal office hours.

If a nominee is appointed, it must apply the prevention of money laundering procedures as described in chapter IV. "1. The Shares – B Fight against Money Laundering".

The distributors are allowed to delegate all or part of their functions and powers with the written authorisation of the global distributor.

The nominees may not delegate their functions and powers, in whole or in part.

## **10. INDEPENDENT AUDITOR**

The auditing of the Company's accounts and annual reports has been entrusted to the independent auditor, PricewaterhouseCoopers, société coopérative, 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand-Duchy of Luxembourg.

## **11. ASSET POOLING, POOLING TECHNIQUE**

For the purposes of management efficiency and subject to the provisions of Chapter III "Investment Policies" of the present Prospectus and the applicable Laws and Regulations, the Board of Directors may decide that all or some of the assets of several Sub-Funds may be managed on a common basis when this is appropriate ("pooling technique").

Such an asset pool (the "**Asset Pool**") will be formed by the transfer of liquidities or (subject to the limitations indicated below) other assets of each of the participating Sub-

Funds. The directors may from time to time make other contributions or withdrawals of assets having regard to their respective sectors of investment.

These Asset Pools should not be considered as separate legal entities, and likewise the units of those Asset Pools should not be considered as shares of the Company.

The rights and duties of each Sub-Fund managed on this global basis will apply to each of them and relate to each of the investments made within the Asset Pools in which they hold units.

Dividends, interest and other distributions similar to income received on behalf of an Asset Pool will immediately be credited to the Sub-Funds in proportion to the respective participations in the Asset Pool at the time of their receipt. On the dissolution of the Company, the assets in an Asset Pool will be allocated to the Sub-Funds in proportion to their respective participations in the Asset Pool.

### III. INVESTMENT POLICIES

The Company's principal aim is to offer shareholders the option of benefiting from professional management of portfolios of securities and equivalent short term instruments as defined in article 41. (1) of the Law relating to undertakings for collective investment and as defined in the investment policy for each Sub-Fund (see Schedules).

#### 1. INVESTMENT POLICIES – GENERAL PROVISIONS

The Board of Directors has defined the individual investment policies described in each Sub-Fund Schedule.

The Company allows shareholders to change the focus of their investments and the currency of investment, if appropriate, by converting the shares of one Sub-Fund, category and/or class of shares into the shares of another Sub-Fund, category and/or class of the Company's shares.

For each Sub-Fund, the investment objective is to maximise the value of the assets invested. The Company takes all the risks it considers reasonable to achieve said objective, nonetheless, given the risk of market fluctuations and other risks inherent to investments in transferable securities, the Company cannot guarantee that it will achieve its objective.

#### 2. SPECIFIC INVESTMENT RULES AND LIMITS

##### 1. The Company's investments shall consist of:

- (a) Transferable Securities and money market instruments admitted to or traded on a regulated market within the meaning of European Directive 2004/39/EC, as amended or supplemented from time to time;
- (b) Transferable Securities and money market instruments traded on another regulated, recognised market, that is functioning normally and open to the public in another European Union ("EU") member state;
- (c) Transferable Securities and money market Instruments officially listed on the stock market or traded on another regulated, recognised market, that is functioning normally and open to the public in any other country in Europe, Asia, Asia/Pacific, North and South America and Africa;
- (d) Newly-issued securities and money market Instruments, on condition that the terms of issue include a commitment to apply for an official listing on a stock market or other recognised, regulated, market that is functioning normally and open to the public as mentioned in (a), (b) and (c) above and that said application obtains approval within one year of the date of issue; and/or
- (e) Units of undertakings for collective investment in transferable securities (UCITS) as authorised under European Directive 2009/65/EC as amended or supplemented from time to time and/or other UCI, within in the meaning of the first and second sub-paragraphs of article 1, paragraph (2) of European Directive 2009/65/EC as amended or supplemented from time to time, irrespective of whether they are based in an EU member state, on condition that:
  - said UCI comply with legislation providing for supervision that the

- Luxembourg financial authority deems equivalent to that required by EU legislation and that there is an adequate level of cooperation between the two supervisory bodies;
  - the level of protection extended to holders of units in these UCI is equivalent to that given to holders of units in UCITS and in particular that the rules governing the division of assets, borrowings, loans, and short sales of securities and money market Instruments are equivalent to those provided for in European Directive 2009/65/EC as amended or supplemented from time to time;
  - the activities of said other UCI are the subject of half-year and annual reports that enable an evaluation of the assets and liabilities, profits and transactions for the period in question;
  - no more than 10% of the assets of the UCITS or other investment funds in which it intends to invest may be invested entirely in units of other UCITS or investment funds as provided for in their respective Articles of Incorporation; and/or
- (f) Deposits with a credit institution that can be withdrawn on demand or have a term of less than 12 months provided that the credit institution has its registered office in an EU member state, or if the credit institution's registered office is located in another country, that it is subject to prudential rules that the Luxembourg financial authority deems equivalent to those provided for under EU legislation; and/or
- (g) Financial derivatives, including similar instruments settled for cash, traded on a regulated market of the type specified in points (a), (b) and (c) above, and/or financial derivatives traded over-the-counter ("**over-the-counter derivatives**") provided that :
- the underlying consists of instruments listed in this section 1, of financial indices, interest rates, foreign exchange rates or currencies, in which the Company may make investments in accordance with its investment objectives,
  - the counterparties to the over-the-counter derivatives transactions are effectively supervised credit institutions belonging to the categories approved by the Luxembourg financial authority, and
  - these over-the-counter derivatives are reliably and transparently valued on a daily basis and may be sold, liquidated or closed out by a reverse transaction at any time at their fair value;
- and providing that the overall risk relating to financial derivative does not exceed the portfolio's total net asset value, with the overall risk calculated taking into account the present value of the underlying assets, the counterparty risk and foreseeable market trends and the time available to liquidate the positions.
- (h) Money market Instruments other than those traded on a regulated market and referred to in Article 1 of the 2010 Law, provided that the issuer or issuer of these instruments are themselves subject to regulations intended to protect investors and savings, and that these instruments are:
- issued or guaranteed by a central, regional or local authority, by the central bank of an EU member state, by the European Central Bank, by the EU or by the European Investment Bank, by another sovereign state, or, in the case of a federal state, by one of the members comprising the federation, or by an international public body of which one or more EU member states is a member; or
  - issued by a company whose securities are traded on the regulated markets referred to in points (a), (b) and (c) above; or
  - issued or guaranteed by an institution that is subject to effective supervision according to the criteria set down in EU law, or by an institution that is subject to and complying with prudential rules that the Luxembourg

financial authority considers to be at least as strict as those provided for in EU legislation; or

- issued by other entities belonging to the categories approved by the Luxembourg financial authority, provided that investments in these instruments are subject to investor protection regulations equivalent to those provided for in the first, second and third sub-paragraphs, and that the issuer is a company with capital and reserves of at least ten million euros (EUR 10,000,000) and which prepares and publishes its annual financial statements in compliance with European Directive 2013/34/EC as amended or supplemented from time to time - either an entity whose principal activity is group financing within a group that includes one or more listed companies, or an entity whose principal activity is the financing of securitisation vehicles using funding provided by a bank.

## **2. The Company may also, within each Sub-Fund:**

- (a) Invest up to 10% of the each Sub-Fund's net assets in securities and money market instruments other than those referred to in section 1. points (a) to (h) above.
- (b) Hold cash and cash equivalents on an ancillary basis.
- (c) The Company may also: (i) borrow in an amount of up to 10% of each Sub-Fund's net assets provided these are temporary borrowings; (ii) borrow in an amount of up to 10% of the Sub-Fund's net assets providing such borrowings are for the purchase of property assets directly necessary for the continuation of its operations; in such cases, these borrowings and those referred to in point (i) may not together exceed 15% of the net assets. The Company may acquire currencies through the medium of back to back loans.

## **3. In addition, the Company shall observe the following investment limits for each Sub-Fund:**

- (a) Investment in securities and money market instruments issued by one and the same issuer are limited as follows:
  - (i) In general, the Company may not invest more than 10% of each Sub-Fund's net assets in securities and money market instruments issued by one and the same issuer.

The Company may not invest more than 20% of its assets in deposits placed with a single entity. The counterparty risk on over-the-counter derivatives transactions may not exceed 10% of the gross assets after deduction of the cash portion when the counterparty is a credit institution referred to in section 1. point (f) and may not exceed 5% in all other cases.

- (ii) Moreover, the total value of securities and money market instruments held by the Company in issuers in which it has invested more than 5% of the net assets of a given Sub-Fund may not exceed 40% of the net asset value of the said Sub-Fund;

This limit does not apply to deposits held with financial institutions that are subject to effective supervision and to over-the-counter derivatives transactions with these institutions.

Notwithstanding the individual limits established under (a) (i), the Company's aggregate investments in:

- securities and money market instruments issued by one and the same issuer,
  - deposits with a single entity, and/or -risk arising on over-the-counter derivative transactions with a single entity, may not exceed 20% of its assets.
- (iii) The 10% limit set in point (a) (i) may be raised to 35% if the securities and money market instruments are issued or guaranteed by an EU member state, by its regional public bodies, by another sovereign state or by international public organisations to which one or more EU member states belong;
- (iv) The 10% limit set in point (a)(i) increases to 25% for certain bonds issued by a credit institution having its registered office in an EU member state and subject, by law, to specific supervision by the public authorities to protect the holders of this type of bond. In particular, the sums raised from the issue of these bonds must be invested, in compliance with the legislation, in assets that, for the lifetime of the bonds, can cover the liabilities created by the bonds, and in the event of the issuer's insolvency would be used primarily for the repayment of principal and the payment of interest outstanding. If the Company invests more than 5% of the net assets of a given Sub-Fund in bonds issued by one and the same issuer, the total value of its investments in such bonds may not exceed 80% of the value of the said Sub-Fund's net assets;
- (v) The 10% limit may be raised to 20% for investments in share and/or bonds issued by one and the same issuer when, according to the Company's documentation, the Sub-Fund's investment policy consists of replicating a specific share or bond index that is recognised by the Luxembourg financial authority based on (i) its diversified composition, (ii) its representativeness of a given market and (iii) proper publication. This 20% limit may be raised to 35% if so justified by exceptional market conditions, but only in respect of one issuer.

The securities and money market instruments mentioned under (a) (iii) and (iv) are not taken into account when calculating the 40% threshold stipulated in point (a) (ii).

The limits provided for in paragraphs 3. (a) (i), (ii), (iii) and (iv) may not be aggregated and accordingly investments in securities and instruments issued by one and the same issuer, or in deposits or derivative transactions with said entity as provided for in paragraphs 3. (a) (i), (ii), (iii) and (iv) may in no circumstances exceed 35% of the net assets of each Sub-Fund.

Companies that are grouped for consolidation purposes, as defined in European Directive 2013/34/EC as amended or supplemented from time to time or under recognised international accounting standards shall be considered a single entity for the purpose of calculating the limits referred to in this section.

The Company may invest up to an aggregate total of 20% of its assets in

securities and money market instruments issued by one and the same group.

**Notwithstanding the limits described in paragraph (a) (i), (ii) and (iii), each Sub-Fund is authorised to invest, in line with the risk spreading principle, up to 100% of its assets in different issues of securities and money market instruments issued or guaranteed by an EU member state, by its regional public bodies, by a member state of the Organisation for Economic Cooperation and Development (OECD) or by international public bodies to which one or more EU member states adhere, provided that these securities are spread across at least six different issues and that the securities of any single issue do not exceed 30% of the Sub-Fund's net assets.**

(b) The Company may invest in units of other undertakings for collective investments, within the following limits:

(i) The Company may not invest more than 20% of its assets in the units of a single UCITS or other investment funds, as defined in section 1 point (e). For application of this investment limit, each sub-fund of a UCITS or other investment funds with multiple sub-funds shall be considered a separate issuer provided the UCITS or investment fund applies the principle of segregation of commitments to third parties to its various sub-funds.

(ii) Investments in units of investment funds other than UCITS may not exceed 30% of the UCITS' total assets. When the Company acquires units in other investment funds, the assets of these investment funds are not aggregated for the purpose of calculating the limits provided for in section 2 (a).

(iii) When the Company invests in units of other UCITS or investment funds managed directly or by delegation by the same fund manager or by another company to which the fund manager is linked by shared or joint management or control or by a major direct or indirect shareholding, the said management company may not charge the Company subscription or redemption fees on its investments in said UCITS or investment fund.

With regard to investment in the sub-fund of a UCITS or other investment fund linked to the Company as described above, the total management fee (excluding performance fees, if any) attributed to this sub-fund and or each UCITS or investment fund concerned may not exceed 4% of the net assets in question. In its annual report, the Company shall indicate the total amount of the management fees borne by the Sub-Fund in question and by the UCITS or other investment funds in which the Sub-Fund has invested during the period in question.

(iv) The Company may not acquire more than 25% of the units of a single UCITS and/or other investment fund.

The Company may not acquire shares with voting rights attached that would give the Company a significant influence over the management of the issuer.

(c) The Company may not acquire more than 10% of shares without voting rights of a same and single issuer.

- (d) The Company may not acquire more than 10% of the bonds issued by a same and single issuer.
- (e) The Company may not acquire more than 10% of the money market instruments issued by a same and single issuer.

It is possible that the limits set in points (d) and (e) and in section 3. (b) (iv) might not be complied with if, at the time of acquisition, the gross amount of bonds or money market instruments, or the net amount of securities issued, cannot be calculated.

The limits provided for in points (c) to (e) and in section 3. (b) (iv) do not apply in respect of:

- Securities and money market instruments issued or guaranteed by an EU member state or its regional public agencies.
  - Securities and money market instruments issued or guaranteed by a state that does not belong to the EU.
  - Securities and money market instruments issued by international public bodies of which one or more EU member states are members.
  - Shares in the capital of a company in a non-EU state, provided that this company invests its assets mainly in the securities of issuers based in this state, and when under this state's legislation, a shareholding of this kind constitutes the sole means by which the Company can invest in the securities of issuers in this state, and this company's investment strategy complies with the rules stipulated in paragraphs 3.(b) (i), 3.(a) (i) (ii) (iii) (iv) and 3. (c) to (e). If the limits provided for in paragraphs 2. (e)(i) and 3. (a)(i) (ii) (iii) (iv), paragraph 4. below shall apply mutatis mutandis.
  - Shares in the capital of subsidiaries providing management, advisory or marketing services to the Company.
- (f) The Company may not purchase commodities, precious metals, or even certificates representing ownership of the aforementioned. However, transactions involving currencies, and related forward, swap and options contracts, are not considered to be transactions involving goods within the meaning of this restriction.
  - (g) The Company may not make short sales of securities, money market instruments or other financial instruments mentioned in section 1 points (e), (g) and (h).
  - (h) The Company may not purchase real property except where such acquisitions are required directly in the operation of its business.
  - (i) The Company may not grant loans or stand guarantee for third parties.

**4. The limits provided for under sections 2 and 3 need not be complied with by the Company during the exercise of subscription rights attached to the securities comprising its assets.**

In the same way, in the event of a new Sub-Fund being created, and while complying with the principle of risk diversification, it is possible that the new Sub-Fund may not comply with the limits provided for in articles 43, 44, 45 and 46 of the 2010 Law during the first six months following its creation.



In the event of any limit being breached for reasons beyond the Company's control, or as a result of the exercising of subscription rights, the Company must aim primarily, through its sales transactions, to rectify the situation whilst taking shareholders' interests into account.

## **5. Cross-Investments.**

Finally, a Sub-Fund of the Company may subscribe, acquire and/or hold securities to be issued or issued by one or more other Sub-Funds of the Company, in accordance with the provisions set forth in the sales documents of the Company and with the restrictions set forth in the 2010 Law provided that:

- the target fund does not, in turn, invest in the Sub-Fund investing in the target fund;
- the target fund may not, according to its investment policy, invest more than 10% of its net assets in other UCITS or UCIs;
- voting rights, attaching to the shares of the target fund are suspended for as long as they are held by the Sub-Fund;
- in any event, for as long as the shares are held by the Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purpose of verifying the minimum threshold of the net assets imposed by the Law;
- subscription, redemption or conversion fees may only be charged either at the level of the Sub-Fund investing in the target fund or at the level of the Target Fund;
- no management fee is due on that portion of assets invested in the target fund, either at the level of the Sub-Fund or the level of the target fund.

## **6. Master-Feeders structures**

Under the conditions set forth in Luxembourg laws and regulations, the Board of Directors may, at any time it deems appropriate and to the widest extent permitted by applicable Luxembourg laws and regulations but in accordance with the provisions set forth in the sales documents of the Company:

- create any Sub-Fund and/or class of shares qualifying either as a feeder UCITS or as a master UCITS,
- convert any existing Sub-Fund and/or class of shares into a feeder UCITS Sub-Fund and/or class of shares or- change the master UCITS of any of its feeder UCITS Sub-Fund and/or class of shares.

A "connected" person may not purchase, sell or loan securities (excluding the shares of the Company) as principal, or grant or receive loans, to or from the Company for its own account, unless the transaction is made within the restrictions set forth in the Articles of Incorporation or other regulations adopted by the Company, and either:

- (i) in the case of securities, the price is determined by current publicly available quotations on internationally recognised securities markets or on an arms' length basis determined from time to time by the Board of Directors; or
- (ii) in the case of loans, the interest rates are competitive in the light of those prevailing from time to time on internationally recognised money markets.

For this purpose a "connected person" means any investment manager, any investment adviser, any depositary, any domiciliary agent, any transfer agent, any registrar and any authorised agents and any of their directors, officers or employees or any of their major shareholders (meaning a shareholder who, to the knowledge of the Board of Directors holds in his own or any other name, including a nominee's name, more than ten per cent (10%) of the total issued and outstanding shares or stock of such company).

Investments of the Company may be made either directly or indirectly through wholly-owned subsidiaries. When investments of the Company are made in the capital of subsidiary companies which, exclusively on its behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, with regard to the redemption of units at the request of shareholders, paragraphs (1) and (2) of article 48 of the 2010 Law, do not apply. Any reference in the Articles of Incorporation to "investments" and "assets" shall mean, as appropriate, either investments made and assets beneficially held directly or investments made and assets beneficially held indirectly through the aforesaid subsidiaries.

By way of derogation from Article 46 of the 2010 Law, the Company or any of its sub-funds which acts as a feeder (the "Feeder") of a master-fund shall invest at least 85% of its assets in another UCITS or in a sub-fund of such UCITS (the "Master").

The Feeder may not invest more than 15% of its assets in the following elements:

- 1) ancillary liquid assets in accordance with Article 41, paragraph (2), second subparagraph of the 2010 Law;
- 2) financial derivative instruments which may be used only for hedging purposes, in accordance with Article 41 first paragraph, point g) and Article 42 second and third paragraphs of the 2010 Law;
- 3) movable and immovable property which is essential for the direct pursuit of the Company' business.

### **3. FINANCIAL INSTRUMENTS AND TECHNIQUES**

#### **A. General provisions**

For the purposes of sound portfolio management and/or in order to protect its assets and liabilities, the Company may, unless otherwise stipulated for a given Sub-Fund, make use in each Sub-Fund/category of instruments and techniques relating to transferable securities and money market instruments.

To that end, each Sub-Fund or category is authorised in particular to carry out transactions which have as their object the sale or purchase of future foreign exchange contracts, the sale or purchase of future contracts on currencies and the sale of call options and the purchase of put options on currencies, with the aim of protecting its assets against exchange rate fluctuations or of optimising its return, for efficient management of the portfolio.

A Sub-fund may also invest in OTC financial derivative instruments including but not limited to non deliverable forwards, total return swaps, interest rate swaps, currency swaps, swaptions, credit default swaps, and credit linked note for either investment or for hedging purposes and may employ techniques and instruments relating to Transferable Securities and Money Market Instruments (including but not limited to securities lending and borrowing, repurchase and reverse

repurchase agreements) for investment purpose and efficient portfolio management.

In doing so, the Sub-Fund shall comply with applicable restrictions and in particular with ESMA guidelines on ETFs and other UCITS issues as described in CSSF circulars 13/559 and 14/592. Furthermore, for the avoidance of doubt, ETFs will be understood within the definition and meaning of the aforementioned ESMA guidelines.

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of European Directive 2009/65/EC as amended or supplemented from time to time.

Total Return Swaps and other financial derivative instruments with the same characteristics may have as underlying a security, a financial index, a basket of securities and/or financial indices, a portfolio of securities and/or financial indices. In accordance with its investment objectives and policy, the Sub-Fund may use Total Return Swaps and other financial derivative instruments with the same characteristics in order to gain exposure to securities if entering into these transactions is more efficient or otherwise advantageous to the Sub-Fund. Counterparties involved in this type of transaction are selected from within first class counterparties approved by the Board of Directors in line with the requirements of the counterparty risk management process of the Management Company. In any case the counterparty does not assume any discretion over composition or management of the Sub-Fund's investment portfolio or over the underlying of the financial derivative instrument. The approval of the counterparty is not required in relation to any investment portfolio transaction of the Sub-Fund.

Financial indices used as underlying of financial derivative instruments are generally subject to periodic rebalancing. The major rebalancing frequency is normally between a month and a year. The rebalancing does not normally affect the index return.

If these transactions involve the use of derivatives, the terms and limits set out previously in section 2 "Specific investment rules and limits" must be complied with.

In no event should the use of transactions involving derivatives or other financial instruments and techniques result in the Sub-Fund failing to achieve the investment objectives set out in its specific Schedule.

In its financial reports, the Company must disclose:

- \* the underlying exposure obtained through OTC financial derivative instruments;
- \* the identity of the counterparty(ies) to these OTC financial derivative transactions; and
- \* the type and amount of collateral received by the UCITS to reduce counterparty exposure.

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Company. In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees

may be calculated as a percentage of gross revenues earned by the Company through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary, the Management Company or the Investment Manager – will be available in the annual report of the Company.

The Company and its Sub-Funds will not use for the time being securities financing transactions (as such terms are defined in 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 total return swaps. Securities financing transactions include in particular repurchase transactions, securities lending and borrowing, as well as buy-sell back or sell-buy back transactions. This Prospectus would be amended prior to the use of such instruments and transactions should any Sub-Fund intend to use them.

### **Risks - Disclaimer**

*In order to optimise the investment return from their portfolio, all the Sub-Funds are authorised to make use of the techniques and derivatives described above (especially interest rate and currency swaps and other financial instruments, contracts for difference “CFD”, forward contracts, and options on securities, interest rates or forward contracts) in compliance with the aforementioned terms and conditions.*

*Investors are reminded that market conditions and regulations may limit the use of these instruments. No guarantees can be given as to the success of these strategies. The Sub-Funds using these instruments and techniques incur risks and costs connected to these investments that they would not have incurred if they had not used these strategies.*

*Investors are also reminded of the increased risk of volatility entailed by the use of these instruments and techniques for purposes other than hedging. If the managers' and sub-managers' expectations concerning equity, currency and interest rate market movements turn out to be incorrect, the Sub-Fund in question might find itself in a worse position than if these strategies had not been used.*

*When using derivatives, each Sub-Fund may enter into over-the-counter forward and spot contracts on indices and other financial instruments, as well as index or other financial swaps with specialised first-class banks or brokerages as counterparties. Although the corresponding markets are not necessarily reputed to be more volatile than other forward markets, operators are less protected against losses resulting from their transactions on these markets because contracts traded thereon are not guaranteed by a clearing agency.*

## **B. Guidelines for the use of financial derivatives**

### **\* Risk measurement system adapted to the risk profile**

Under Article 42 (1) and Circular 11/512, each Sub-Fund must have a risk measurement system adapted to its risk profile, in order to ensure accurate measurement of all significant risks.

### **\* Limiting overall risk on financial derivatives**

Each Sub-Fund must ensure that the overall risk arising on derivatives

does not exceed the net value of its portfolio. This means that the overall risk linked to use of financial derivatives may not exceed 100% of the UCITS net asset value and that the global risk assumed by the UCITS may not exceed 200% of its net asset value on a lasting basis.

\* **Calculation of overall risk**

The overall risk is calculated taking into account the present value of the underlying assets, the counterparty risk, foreseeable market trends and the time available to liquidate the positions.

\* **Utilisation of the commitments-based approach**

The overall risk is measured using the commitments approach, according to which the Sub-Fund's positions on financial derivatives are converted into equivalent positions on the underlying assets, with buy/sell positions on a same underlying being offset. To this end, certain other criteria should also be taken into account with regard to the use of derivatives, such as: the type, purpose, number and frequency of derivatives contracts subscribed by the Sub-Fund and the investment techniques used.

**C. Lending and borrowing of securities (efficient portfolio management techniques)**

The Company may enter into securities lending and borrowing transactions which are complying with the CSSF Circular 08/356, CSSF circulars 13/559 and 14/592 and ESMA Guidelines 2014/937 concerning the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments, as amended from time to time, as follow:

- (i) The Company may only lend or borrow securities through a standardised system organised by a recognised clearing institution or through a first class financial institution specialising in this type of transaction.
- (ii) As part of lending transactions, the Company must in principle receive a guarantee, the value of which at all times during the contract must be at least equal to the global valuation of the securities lent.

This guarantee must be given in the form of liquid assets and/or in the form of securities, issued or guaranteed by a Member State of the OECD or by their local authorities or by supranational institutions, and undertaking of a community, regional or worldwide nature and blocked in the name of the Company until the expiry of the loan contract.

Such a guarantee shall not be required if the securities lending is made through Clearstream Banking or EUROCLEAR or through any other organisation assuring to the lender a reimbursement of the value of the securities lent, by way of a guarantee or otherwise.

- (iii) Securities lending transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund. Securities lending and borrowing transactions may not extend beyond a period of 30 (thirty) days. These limitations do not apply where the Company is entitled at all times to the cancellation of the contract and the restitution of the securities lent.

- (iv) The securities borrowed by the Company may not be disposed of during the time they are held by the Company, unless they are covered by sufficient financial instruments which enable the Company to reconstitute the borrowed securities at the close of the transaction.
- (v) All assets received by the Company in the context of efficient portfolio management techniques should be considered as collateral. The collateral which must comply with the conditions set forth below under "collateral management".
- (vi) Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund.
- (vii) The Company may borrow securities under the following circumstances in connection with the settlement of a sale transaction : (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement, when the Depositary fails to make delivery and (d) as a technique to meet its obligation to deliver the securities being the object of a repurchase agreement, when the counterparty to such agreement exercises its right to repurchase these securities, to the extent such securities have been previously sold by the Company.
- (viii) With respect to securities lending, the Company will generally require the borrower to post collateral representing, at any time during the lifetime of the agreement, at least the total value of the securities lent (interest, dividends and other potential rights included). Repurchase agreement and reverse repurchase agreements will generally be collateralised, at any time during the lifetime of the agreement, at least their notional amount.
- (ix) The Company must further ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate any securities lending agreement into which it has entered.
- (x) In its financial reports, the Company must disclose:
  - \* the exposure obtained through efficient portfolio management techniques;
  - \* the identity of the counterparty(ies) to these efficient portfolio management techniques;
  - \* the type and amount of collateral received by the UCITS to reduce counterparty exposure;
  - \* the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

#### **D. Repurchase agreements (efficient portfolio management techniques)**

The Company may, on an ancillary basis, enter into repurchase agreement transactions, which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement, in accordance with the provisions of CSSF circular 08/356, CSSF circulars 13/559 and 14/592 and ESMA Guidelines 2014/937.

The Company can act either as purchaser or seller in repurchase agreement

transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

- (i) The Company may not buy or sell securities using a repurchase agreement transaction unless the counterparty in such transactions is a first class financial institution specialised in this type of transaction, including a member bank of the U.S. Federal Reserve System.
- (ii) During the life of a repurchase agreement contract, the Company cannot sell the securities, which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent it has borrowed similar securities in compliance with the provisions set forth here above in respect of securities borrowing transactions.
- (iii) As the Company is exposed to redemptions of its own shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.
- (iv) In its financial reports, the Company must disclose:
  - \* the exposure obtained through efficient portfolio management techniques;
  - \* the identity of the counterparty(ies) to these efficient portfolio management techniques;
  - \* the type and amount of collateral received by the UCITS to reduce counterparty exposure;
  - \* the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

The Company must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement must be used for the calculation of the Net Asset Value of the relevant Sub-Funds.

The Company must further ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Fixed-term repurchase and reverse repurchase agreements that do not exceed seven (7) days are to be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

## **E. Collateral Management and collateral policies**

### **General**

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, the Company may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by

the Company in such case. All assets received by the Company in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

### **Eligible collateral**

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

- 1. Liquidity** – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the European Directive 2009/65/EC as amended or supplemented from time to time reflected under chapter III, section 2 “SPECIFIC INVESTMENT RULES AND LIMITS” herein.
- 2. Valuation** – the 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.
- 3. Issuer credit quality** – the collateral received should be of high quality.
- 4. Correlation** – the collateral received by the Company 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.
- 5. Collateral diversification (asset concentration)** – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Company receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Company is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
6. The Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
7. Where there is a title transfer, the collateral received should be held by the Depositary (or a sub-custodian thereof). 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.
8. The Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.



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

- Liquid assets including cash, short-term bank certificates and money market instruments, 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,
- Bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope,
- Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent,
- Shares or units issued by UCITS investing mainly in bonds/shares mentioned in the two points below,
- Bonds issued or guaranteed by first class issuers offering adequate liquidity, or
- Shares admitted to or dealt in on a Regulated Market of a Member State or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

### **Level of collateral**

The Company will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

### **Haircut policy**

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

Considering that, as of the date of this Prospectus, the Company has not received any collateral aimed at reducing its counterparty risk in the context of OTC financial derivatives transactions and efficient portfolio management techniques, no haircut is currently being applied in practice. Appropriate discounts applicable to the relevant type of collateral to be received by the Company shall however be disclosed accordingly in this Prospectus as soon as applicable.

### **Reinvestment of collateral**

Non-cash collateral received should not be sold, re-invested or pledged.

Cash collateral received should only be:

- placed on deposit with entities prescribed in Article 50 (f) of the European Directive 2009/65/EC as amended or supplemented from time to time reflected under chapter III, section 2 “SPECIFIC INVESTMENT RULES AND LIMITS” herein;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

The re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

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.

The above provisions apply subject to any further guidelines issued from time to time by ESMA amending and/or supplementing ESMA Guidelines 2014/937 on ETFs and other UCITS issues and/or any additional guidance issued from time to time by the regulatory authority in relation to the above.

#### **4. RISKS WARNINGS**

##### **A. Custody Risk**

The assets owned by the Company are held in custody for account of the Company by a depositary that is also regulated by the CSSF. The Depositary may entrust the safekeeping of the Company's assets to Sub-Custodians in the markets where the Company invests. Luxembourg law provides that the Depositary's liability shall not be affected by the fact that it has entrusted the assets of the Company to third parties. The CSSF requires that the Depositary ensures that there is legal separation of non-cash assets held under custody and that records are maintained that clearly identify the nature and amount of all assets under custody, the ownership of each asset and where the documents of title to that asset are located. Where the Depositary engages a Sub-Custodian, the CSSF requires that the Depositary ensures that the Sub-Custodian maintains these standards and the liability of the Depositary will not be affected by the fact that it has entrusted to a Sub-Custodian some or all of the assets of the Company.

However, certain jurisdictions have different rules regarding the ownership and custody of assets generally and the recognition of the interests of a beneficial owner such as a Sub-Fund. There is a risk that in the event the Depositary or Sub-Custodian becomes insolvent, the relevant Sub-Fund's beneficial ownership

of assets may not be recognised in foreign jurisdictions and creditors of the Depositary or Sub-Custodian may seek to have recourse to the Sub-Fund's assets. In jurisdictions where the relevant Sub-Fund's beneficial ownership is ultimately recognised, the Sub-Fund may suffer a delay in recovering its assets, pending the resolution of the relevant insolvency or bankruptcy proceedings. In respect of cash assets, the general position is that any cash accounts will be designated to the order of the Depositary for the benefit of the relevant Sub-Fund. However, due to the fungible nature of cash, it will be held on the balance sheet of the bank with whom such cash accounts are held (whether a Sub-Custodian or a third party bank), and will not be protected from the bankruptcy of such bank. A Sub-Fund will therefore have counterparty exposure risk to such bank. Subject to any applicable government guarantee or insurance arrangements in respect of bank deposits or cash deposits, where a Sub-Custodian or third party bank holds cash assets and subsequently becomes insolvent, the Sub-Fund would be required to prove the debt along with other unsecured creditors. The Sub-Fund will monitor its exposure in respect of such cash assets on an ongoing basis.

Securities held with a local correspondent or clearing / settlement system or securities correspondent ("**Securities System**") may not be as well protected as those held within Luxembourg. In particular, losses may be incurred as a consequence of the insolvency of the local correspondent or Securities System. In some markets, the segregation or separate identification of a beneficial owner's securities may not be possible or the practices of segregation or separate identification may differ from practices in more developed markets.

## **B. Conflicts of interest of the Management Company**

The Management Company, the distributor(s), the Investment Manager, the Investment Adviser, the Depositary and the Administrative Agent may, in the course of their business, have potential conflicts of interest with the Company. Each of the Management Company, the distributor(s), the Investment Manager, the Investment Adviser, the Depositary and the Administrative Agent will have regard to their respective duties to the Company and other persons when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts do arise, each of such persons has undertaken or will be requested by the Company to undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the shareholders are fairly treated.

## **C. Interested dealings**

The Management Company, the distributor(s), the Investment Manager, the Investment Adviser, the Depositary and the Administrative Agent and any of their respective subsidiaries, affiliates, associates, agents, directors, officers, employees or delegates (together the "**Interested Parties**" and, each, an "**Interested Party**") may:

- contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company, in securities in any company or body any of whose investments or obligations form part of the assets of the Company or any Sub-Fund, or be interested in any such contracts or transactions;

- invest in and deal with shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party; and
- deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the Company through, or with, the Investment Manager or the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof.

Any assets of the Company in the form of cash may be invested in certificates of deposit or banking investments issued by any Interested Party. Banking or similar transactions may also be undertaken with or through an Interested Party (provided it is licensed to carry out this type of activities).

There will be no obligation on the part of any Interested Party to account to shareholders for any benefits so arising and any such benefits may be retained by the relevant party.

Any such transactions must be carried out as if effected on normal commercial terms negotiated at arm's length.

#### **D. Conflicts of interest of the Investment Manager**

The Investment Manager may also be appointed as the lending agent of the Company under the terms of a securities lending management agreement. Under the terms of such an agreement, the lending agent is appointed to manage the Company's securities lending activities and is entitled to receive a fee which is in addition to its fee as investment manager. The income earned from stock lending will be allocated between the Company and the Investment Manager and the fee paid to the Investment Manager will be at normal commercial rates. Full financial details of the amounts earned and expenses incurred with respect to stock lending for the Company, including fees paid or payable, will be included in the annual and semi-annual financial statements. The Management Company will, at least annually, review the stock lending arrangements and associated costs.

The Investment Manager may execute trades through its affiliates on both a principal and agency basis, as may be permitted under applicable law. As a result of these business relationships, the Investment Manager's affiliates will receive, among other benefits, commissions and mark-ups/mark-downs, and revenues associated with providing prime brokerage and other services.

Certain conflicts of interest may arise from the fact that affiliates of the Investment Manager, the Investment Adviser or the Management Company may act as sub-distributors of interests in respect of the Company or certain Sub-Funds. Such entities may also enter into arrangements under which they or their affiliates will issue and distribute notes or other securities the performance of which will be linked to the relevant Sub-Fund.

Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment by a Sub-Fund in the units of another collective investment scheme, this commission must be paid into that Sub-Fund or deducted from the management fees to be paid by the Sub-Fund to the Management Company.

## **E. Conflicts of interest in the case of securities lending**

The Depositary may also be appointed as the lending agent of the Company under the terms of a securities lending agreement. Under the terms of such an agreement, the lending agent is appointed to manage the Company's securities lending activities and is entitled to receive a fee which is in addition to its fee as Depositary. The income earned from stock lending will be allocated between the Company and the Depositary and the fee paid to the Depositary will be at normal commercial rates. Full financial details of the amounts earned and expenses incurred with respect to stock lending for the Company, including fees paid or payable, will be included in the annual and semi-annual financial statements. The Management Company will, at least annually, review the stock lending arrangements and associated costs.

The Depositary may execute trades through its affiliates on both a principal and agency basis, as may be permitted under applicable law. As a result of these business relationships, the Depositary's affiliates will receive, among other benefits, commissions and mark-ups/mark-downs, and revenues associated with providing prime brokerage and other services. Certain conflicts of interest may arise from the fact that affiliates of the Depositary or the Management Company may act as sub-distributors of interests in respect of the Company or certain Sub-Funds. Such entities may also enter into arrangements under which they or their affiliates will issue and distribute notes or other securities the performance of which will be linked to the relevant Sub-Fund.

Where a commission (including a rebated commission) is received by the Depositary by virtue of an investment by a Sub-Fund in the units of another collective investment scheme, this commission must be paid into that Sub-Fund.

## **F. Emerging Markets**

- (a) 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.
- (b) 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 Company 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.

- (c) 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 will 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.
- (d) The Company 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 Company 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.
- (e) 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 Company's claims in any of these events.
- (f) 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.

## **G. Russia**

Investments in Russia and CIS either through the Russian Trading System (RTS) and Moscow Interbank Currency Exchange (MICEX) or on other non-Regulated Markets are subject to increased risk with regard to ownership and custody of securities. There are significant risks inherent in investing in Russia and the CIS including:

- (a) delays in settling transactions and the risk of loss arising out of the systems of securities registration and custody;
- (b) the lack of corporate governance provisions or general rules or regulations relating to investor protection;
- (c) pervasiveness of corruption, insider trading, and crime in the Russian and CIS economic systems;
- (d) difficulties associated in obtaining accurate market valuations of many Russian and CIS securities, based partly on the limited amount of publicly available information;
- (e) tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary or onerous taxes;

- (f) the general financial condition of Russian and CIS companies, which may involve particularly large amounts of inter-company debt;
- (g) banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings and
- (h) the risk that the governments of Russia and CIS member states or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union. The concept of fiduciary duty on the part of a company's management is generally non-existent. Local laws and regulations may not prohibit or restrict a company's management from materially changing the company's structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner.

Evidence of legal title in many cases will be maintained in 'book-entry' form and a fund could lose its registration and ownership of records are maintained by registrars who are under contract with the issuers. The registrars are neither agents of, nor responsible to, the Company, the Depositary or their local agents in Russia or in the CIS. Transferees of securities have no proprietary rights in respect of securities until their name appears in the register of holders of the securities of the issuer. The law and practice relating to registration of holders of securities are not well developed in Russia and in the CIS and registration delays and failures to register securities can occur. Although Russian and CIS sub-depositaries will maintain copies of the registrar's records ("**Records**") on its premises, such Records may not, however, be legally sufficient to establish ownership of securities. Further a quantity of forged or otherwise fraudulent securities, Records or other documents are in circulation in the Russian and CIS markets and there is therefore a risk that a Fund's purchases may be settled with such forged or fraudulent securities.

In common with other emerging markets, Russia and the CIS have no central source for the issuance or publication of corporate actions information. The Depositary therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications. Although exposure to these equity markets is substantially hedged through the use of ADRs and GDRs, Funds may, in accordance with their investment policy, invest in securities which require the use of local depository or custodial services.

#### **H. Not in Bank Assets**

The Depositary has to ensure the safekeeping duties of the Company's assets, including "Financial instruments" and "Other assets". "Other assets" are considered as "Not In Bank" ("**NIB**") assets as the counterparty which holds these NIB assets is chosen by the Company which is fully responsible for this choice and cannot liaise with the Depositary's responsibility. The Depositary is responsible for these NIB assets' recordkeeping and ownership verification, but cannot offer the same protection as required if the assets are held at the Depositary or its representative (i.e. as for "financial instruments"), particularly in case of the counterparty's bankruptcy. Therefore, these NIB assets may not be as well protected as "financial instruments". Moreover, reports are the sources of these records, which are periodically provided by the relevant counterparties or their agents to the Depositary. Due to the nature of these investments, the responsibility of servicing and maintaining these assets falls under the jurisdiction of the counterparties with which the investments are placed and not the

Depository. Similarly, the reporting of investment information and the accuracy of the same is the responsibility of the same counterparties and their agents. The Depository has no liability for any errors, mistakes or inaccuracies in the information provided by these sources.

#### IV. THE COMPANY'S SHARES

##### 1. THE SHARES

The Company's capital is represented by the assets of the Company's various Sub-Funds. Subscriptions are invested in the assets of the Sub-Fund in question.

The Board of Directors may decide to issue, within a Sub-Fund, categories and/or classes of shares with specific characteristics such as (i) shares giving entitlement to distribution of income ("**distribution shares**") or shares not giving entitlement to distribution of income ("**capitalisation shares**"), and/or (ii) a specific issue or redemption fee structure, or a specific structure of expenses earned by the distributors or the Company and/or (iii) a specific advisory or management fee structure, and/or (iv) a specific reference currency and exchange rate hedging policy, and/or (v) any other specific characteristic applying to a category or class of shares. All shares must be fully paid up.

All shareholders may request the conversion of their shares into shares of one or more other Sub-Funds, categories and/or classes of shares on the terms and conditions provided for below.

Any private person or legal entity may purchase shares in the Company's various Sub-Funds, categories or classes of shares, subject to the specific conditions provided for in the Sub-Fund Schedules, in exchange for payment of the subscription price as defined in point 2 of this chapter.

The shares have no face value and grant no preferential subscription rights when new shares are issued. All shares grant a voting right at shareholders' general meetings, irrespective of the net asset value.

All the Company's shares must be fully paid-up.

The shares, irrespective of the Sub-Fund to which they relate, shall be in registered or bearer form but dematerialised. The Company shall not deliver a physical security and will therefore not deliver bearer share certificates. Fractions of shares of up to five decimal points may be issued for registered or bearer shares.

Registered shares may be converted into bearer shares and vice-versa at the request and expense of the shareholder. If a bearer shareholder requests conversion into different denominations or if a shareholder requests the issue of more than one certificate for his shares, the cost of this conversion or of the additional certificates may be charged to the shareholder.

If expressly requested by the shareholder, the shareholder shall receive written confirmation of registration in the shareholders' register.

Registered share certificates are issued only for a whole number of shares.



Share transfer forms for the sale of registered shares are available from the Company's registered office and from the Depositary.

#### **A. Share Issues and Subscription Price**

Subscription requests may be made each business day in Luxembourg to the Depositary or at the counters of other institutions appointed by the Depositary where Prospectuses with subscription application forms are available.

The shares of each Sub-Fund, category or class of shares are issued at the subscription price determined on the first Calculation Day following receipt of the subscription request. The subscription lists are closed at the date and time specified in the Sub-Fund Schedule.

The subscription price is equal to the net asset value for the Sub-Fund, category or class of shares determined as set out in chapter V, plus a subscription fee whose rate may vary according to the Sub-Fund, category or class concerned as indicated in the Sub-Fund Schedules. Payment for shares subscribed is made in the reference currency of the Sub-Fund, the category and/or the class of shares in which the investor wishes to invest or in various other currencies within the deadline stipulated in the Schedules.

The Company may issue shares in exchange for a contribution in kind, for example in the case of a merger with an external fund, providing these securities comply with the investment objectives and policy of the Sub-Fund concerned and with the Law, including the obligation to present a valuation report drawn up by the Company's independent auditors and which must be available for consultation. All the expenses arising on the contribution in kind shall be borne by the shareholders concerned.

Any change to the maximum fees set out in the Sub-Fund Schedule must be authorised by the Board of Directors. This change shall be noted in the annual report and the Sub-Fund Schedule.

Any taxes and brokerage fees payable in connection with the subscription shall be borne by the subscriber. In no event may these charges exceed the maximum authorised by the laws, regulations and banking practices of the countries where the shares are purchased.

The Board of Directors may at any time suspend or interrupt the issue of shares of a Sub-Fund, category and/or class of the Company's shares. It may also, at its own discretion and without providing justification for its decision: refuse a share subscription; redeem any shares in the Company that are unlawfully held or subscribed.

When the Board of Directors decides to resume the issue of shares of one or more Sub-Funds after having suspended issues for any period of time, all outstanding subscriptions shall be executed on the basis of the same net value calculated following resumption of calculations.

If share certificates are not physically available, they may be replaced with a simple confirmation signed by the Depositary, pending delivery of the actual certificates.

## **B. Fight against Money Laundering**

As part of the fight against money laundering, the subscription application must be accompanied by a copy (certified by one of the following authorities: embassy, consulate, notary, police superintendent) of proof of the subscriber's identity in the case of a private individual, or the Articles of Incorporation and certificate of registration with the Registry of Trade in the case of a legal entity, in the following instances:

1. subscription made directly to the Company;
2. subscription made through a financial intermediary in a country that is not subject to identification requirements equivalent to the Luxembourg standards with regard to the prevention of use of the financial system for money laundering;
3. subscription made through a branch or subsidiary of a parent company subject to identification obligations equivalent to those required by Luxembourg law and regulations, if the law applicable to the parent company does not require it to comply with these provisions with regard to its branches or subsidiaries.

The Transfer Agent reserves the right at all times to request any further documentation it considers useful to make the necessary verification in the fight against money laundering.

This obligation is absolute, unless:

- a) the subscription form is presented to the Company by one of its distributor Agents located in a country that has adopted the recommendations for the prevention of money laundering issued by the Financial Action Task Force, or
- b) the subscription form has been sent directly to the Company and the subscription has been paid by:
  - a bank transfer through a bank located in a FATF country, or
  - a cheque drawn on the subscriber's personal account with a bank located in a FATF country or a bank draft issued by a bank located in a FATF country.

The Company is moreover required to identify the source of funds received from financial institutions not subject to identification obligations equivalent to those required by Luxembourg law. Subscriptions may be frozen temporarily until the source of the funds has been identified.

## **C. Market Timing – Late Trading**

The Board of Directors shall never knowingly authorise any practice associated with market timing or late trading and reserves the right to refuse share subscription, redemption or conversion requests from investors that the Board of Directors suspects of engaging in these or other similar practices and to take, where necessary, appropriate measures to protect the Company's other investors.

Market timing refers to the arbitrage technique by which an investor systematically subscribes and then redeems or converts the Company's shares over a short time scale by exploiting time differences and/or imperfections or shortcomings in the system for calculating the net asset value of the Company's shares.

Late trading refers to the acceptance of a share subscription, conversion or redemption application received after the cut-off time for accepting orders on the Valuation Day, and its execution at the price based on the net asset value applicable on that Valuation Day.

## **2. REDEMPTION OF SHARES**

All shareholders may at any time redeem part or all of their shareholdings for cash. Redemption requests which are irrevocable should be sent either to the Transfer Agent, to the counters of other institutions appointed by the Company, or to the Company's registered office. Each request must contain the following information: the identity and exact address of the person requesting redemption stating the number of shares to be redeemed and the account number, the Sub-Fund, category or class of shares, the Company's ISIN code and stating whether the shares are registered or in bearer form as well as the reference currency of the Sub-Fund, category or class of shares.

The redemption lists are closed at the date and time specified in each Sub-Fund Schedule. Redemption applications received after the set time shall automatically be treated as if they had been received on the following bank working day. The redemption price of the shares shall be paid in the currency in which the Sub-Fund is denominated. For each share tendered, the amount payable to the shareholder shall be equal to the net asset value of the Sub-Fund, category and/or class of shares concerned, determined on the first NAV Calculation Day following receipt of the redemption request, less any fees payable to the Company and/or financial intermediaries as specified in each Sub-Fund Schedule.

The redemption price may be higher than, equal to or lower than the subscription price. The redemption amount shall be paid within the time scale provided for in the Sub-Fund Schedules.

The Company may, with the written consent of the shareholders concerned, and providing the principle of equal treatment of shareholders is complied with, redeem shares, totally or in part, with payment in kind on the terms and conditions established by the Company (including, but not limited to, presentation of a valuation report by the independent auditors).

The suspension of calculation of the Company's net asset value shall result in the suspension of the issue, redemption and conversion of shares. Any suspension of redemption is notified as provided for in Chapter V point 2.2 of the Prospectus through all the appropriate channels to the shareholders who have sent in requests whose execution has thus been deferred or suspended. If the Board of Directors was unable to meet the redemption requests received if these exceed 10% of the Company's total assets, it could decide to reduce or defer the redemption requests received on a prorata basis so as to reduce the number of shares redeemed that day to 10% of the Company's assets during a period that shall be determined by the Board of Directors.

Neither the Board of Directors, nor Sycomore Asset Management nor the Depositary may be held responsible for a payment default of any kind that has resulted from the application of any exchange controls or other circumstances beyond their control, that might restrict or prevent the transfer overseas of the proceeds of a redemption of shares.

### **3. CONVERSION OF SHARES INTO SHARES OF OTHER SUB-FUNDS**

All shareholders may request conversion of part or all of their shares into shares of another Sub-Fund, category and/or class, by making their request in writing, by telex or by fax to the Depositary or the other institutions appointed by the Company, indicating the name of the Sub-Fund, category and/or class of shares into which the shares should be converted and whether they should be registered or bearer shares. Unless specified otherwise, shares shall be converted into shares of the same category and class. Conversion lists are closed at the same time as subscription and redemption lists as indicated in each Sub-Fund's Schedule.

As an exception to the above, only shareholders that can be classified as "Institutional Investors" may request the conversion of their shares into "I" category shares, as this category of shares is reserved exclusively for institutional investors. The conversion request must where appropriate be accompanied by the registered share certificate(s). Subject to a suspension of calculation of the net asset value, shares may be converted on each Valuation Day following receipt of the conversion request, based on the net asset value of the shares of the relevant Sub-Funds, categories and/or classes of shares calculated on said Valuation Day.

Shares may not be converted if the calculation of the net asset value of one of the Sub-Funds, categories and/or classes of shares concerned has been suspended. In the event of significant conversion requests, conversion may also be postponed in the same conditions as those that apply to redemption requests. The number of shares allocated in the new Sub-Fund, category and/or class of shares is calculated using the following formula:

$A = \frac{B \times C}{D}$  where: A is the number of shares of the new Sub-Fund, new category and/or class of shares to be attributed;

B is the number of shares presented for conversion;

C is the net asset value per share of the originating Sub-Fund, category and/or class of shares on the conversion date;

D is the net asset value per share of the new Sub-Fund, category and/or class of shares on the conversion date.

After conversion, the shareholders shall be advised by the Depositary of the number of shares of the new Sub-Fund, new category and/or class of shares that they have received as a result of the conversion, and their price.

With regard to dematerialised registered and bearer shares, the fractions of shares that may result from the conversion shall not be allocated and the shareholder shall be considered to have requested their redemption. In this case, the shareholder shall be reimbursed any difference between the net asset value of the shares exchanged, unless said difference is less than EUR 10 or an equivalent value. The fractions of shares not allocated shall be grouped and allocated to the Sub-Fund in question.

Conversion (or 'switching') of the shares of one Sub-Fund, category and/or class of shares into shares of another Sub-Fund, category and/or class of shares shall incur the charging of fees, as set out in the respective Sub-Fund Schedules.

#### **4. STOCK MARKET LISTING**

The shares of each of the Company's Sub-Funds, categories and/or classes of shares may, at the discretion of the Board of Directors, be admitted for official listing on the *Bourse de Luxembourg* (Luxembourg Stock Exchange), as specified in each Sub-Fund Schedule.

### **V. NET ASSET VALUE**

#### **1. GENERAL INFORMATION**

##### **A. Definition and Calculation of Net Asset Value**

The net asset value per share of each Sub-Fund, category and/or class of shares is calculated in Luxembourg by BNP Paribas Securities Services, Luxembourg Branch under the responsibility of the Board of Directors according to the frequency indicated in each Sub-Fund Schedule. The net asset value shall be calculated each day. If the day is a public holiday in Luxembourg, the net values of the Sub-Funds, categories and/or classes of shares shall be calculated on the next bank business day.

The accounts for each Sub-Fund, category and/or class of shares shall be kept separately. The net asset value shall be calculated for each Sub-Fund, category and/or class of shares and expressed in its reference currency, as indicated in the Sub-Fund Schedule.

The value of the shares of each Sub-Fund, category and/or class of shares is obtained by dividing the net asset value of the Sub-Fund category and/or class of shares in question by the number of shares in circulation. The net assets of each Sub-Fund, category and/or class of shares correspond to the difference between the total assets and the total liabilities of each Sub-Fund, category and/or class of shares.

##### **B. Definition of Blocks of Assets**

For each Sub-Fund the Board of Directors shall define a distinct block of net assets. In dealings between shareholders and with third parties, this block shall be allocated only to shares issued in respect of the Sub-Fund in question, if necessary allowing for the breakdown of this block between the various categories and/or classes of shares of this Sub-Fund in compliance as provided for in this chapter.

For the purpose of defining distinct blocks of assets corresponding to Sub-Fund or to two or more categories and/or classes of shares of a given Sub-Fund, the following rules shall apply:

- a) if two or more categories and/or classes of shares relate to a specific Sub-Fund, the assets allocated to these categories and/or classes shall be invested together, according to the investment policy specified for the Sub-Fund in question;
- b) the proceeds from the issue of shares of one category and/or class of shares shall be allocated in the Company's books to the Sub-Fund that offers this category and/or class of shares, on the understanding that if several categories and/or classes of shares are issued by said Sub-Fund,

- the corresponding amount shall increase the proportion of the Sub-Fund's net assets attributable to the category and/or class of shares to be issued;
- c) the assets, liabilities, income and charges relating to a given Sub-Fund shall be allocated to the categories and/or classes of shares corresponding thereto;
  - d) whenever an asset ensues from another asset, this asset shall be allocated in the Company's books to the same Sub-Fund, category and/or class of share as the asset from which it resulted, and on each revaluation of an asset, the increase or decrease in its value shall be allocated to the Sub-Fund, category and/or class of share to which this asset belongs;
  - e) whenever the Company bears a liability related to an asset of a specific Sub-Fund, category and/or class of share or to a transaction carried out in relation to an asset of a specific Sub-Fund, category and/or class of share this liability shall be allocated to this Sub-Fund;
  - f) in the event that an asset or liability of the Company cannot be allocated to a specific Sub-Fund, this asset or liability shall be allocated proportionally to all the Sub-Funds according to the net asset value of the categories and/or classes of shares concerned, or in a manner to be determined in good faith by the Board of Directors;
  - g) following the payment of dividends to holders of distribution shares, the net asset value of this Sub-Fund, category and/or class of shares shall be reduced by the amount of these dividends.

### **C. Valuation of Assets**

Unless indicated otherwise in the Sub-Fund Schedules, the assets and liabilities of each Sub-Fund shall be determined based on the following valuation rules:

1. cash in hand or on deposit, sight drafts and bills and receivables, prepaid expenses, and dividends and interest payable shall be valued at their face value, except where it appears unlikely that this value will be received. In the latter case the value shall be determined by writing off an appropriate sum in order to reflect the real value of these assets;
2. securities officially listed on a stock market or traded on a regulated, recognised market that is functioning normally and open to the public, shall be valued at the last known closing price, and if this security is traded on several markets the last known closing price in this security's main market. If the last known price is unrepresentative, the valuation shall be based on the probable market value, estimated conservatively and in good faith;
3. unlisted securities and money market instruments and securities not traded on a stock market or on a regulated, recognised market that is functioning normally and open to the public, shall be valued on the basis of their probable market value, estimated conservatively and in good faith.
4. securities quoted in a currency other than the currency of the Sub-Fund concerned are converted at the last known exchange rate;
5. the liquidation value of forward contracts and options contracts not traded on regulated markets shall be the equivalent of their net liquidation value determined according to the policies adopted by the Board of Directors, on a basis applied consistently to each type of contract. The liquidation value of forward contracts or options contracts traded on regulated markets shall be based on the last available settlement price of these contracts on the regulated markets on which the Company has placed these forward contracts or options contracts; if a forward or options contract cannot be liquidated on the day on which the net assets are valued, the Board of

Directors shall determine a fair and reasonable basis for calculating the liquidation value;

6. if accepted practice allows, liquid assets, money market instruments and any other instruments may be valued at the last known closing prices or using the straight-line depreciation method. In the case of straight line depreciation the portfolio's positions are reviewed regularly by the Board of Directors in order to determine whether there is any valuation difference between the last known closing price and the straight line depreciation method. If there is a difference likely to result in a dilution, or to be detrimental to shareholders, the appropriate corrective measures may be taken, including if necessary, calculation of the net asset value using the last known closing price;
7. units of UCITS and/or other investment funds shall be valued at their last known net asset value per share;
8. interest rate swaps shall be valued at their market value determined by reference to the applicable rate curves. Index swaps or swaps on financial instruments shall be valued at their market value determined by reference to the index or financial instrument in question. Swaps contracts relating to these indices or financial instruments shall be valued based on the market value of these swap transactions using the procedures defined by the Board of Directors;
9. any other securities and assets shall be valued at their market value determined in good faith and in compliance with the procedures determined by the Board of Directors;
10. all other assets are valued at their probable realisable value, which must be estimated conservatively and in good faith.

Appropriate deductions shall be made for expenses to be borne by the Company, by each Sub-Fund, category and/or class of share calculated weekly and taking into account the liabilities of the Company, each Sub-Fund, category and/or class of shares in a fair and reasonable manner.

## **2. SUSPENSION OF THE CALCULATION OF NET ASSET VALUE, ISSUE, CONVERSION AND REDEMPTION OF SHARES**

1. The Board of Directors is authorised to temporarily suspend the calculation of the net asset value of one or more Sub-Funds, categories and/or classes of the Company's shares and of the value per share of the Sub-Fund(s), category or categories, and/or classes of share(s) concerned, as well as the issue, redemption and conversion of shares of these Sub-Funds, in the following cases:
  - a) when a stock market providing quotes for a significant proportion of the assets of one or more of the Company's Sub-Funds is closed for periods other than the normal holidays, or when trading has been suspended or is subject to restrictions;
  - b) when the market for a currency in which a significant proportion of the assets of one or more of the Company's Sub-Funds is closed for periods other than the normal holidays, or when trading has been suspended or restricted;
  - c) when the communication media normally used in the calculation of the value of the assets of one or more the Company's Sub-Funds have been suspended or interrupted, or when for any reason the value of one of the Company's investments cannot be determined with the necessary speed and accuracy;

- d) when restrictions on foreign exchange or the movement of capital prevent the execution of transactions on behalf of the Company, or when purchase and sale transactions on the Company's behalf cannot be executed at normal exchange rates;
  - e) when factors resulting from, among others, the political, economic, military and monetary situation, and which are beyond the Company's control, responsibility and scope of action, prevent it from disposing of the assets of one or more of its Sub-Funds and from determining the net asset value of one or more of its Sub-Funds in a normal and reasonable manner;
  - f) following any decision to liquidate or dissolve the Company;
  - g) when a class of shares or a Sub-Fund is a Feeder of another UCITS, if the net asset value calculation of the Master UCITS or Sub-Fund or class of shares is suspended.
2. The suspension of calculation of the net asset value of the shares of one or more Sub-Funds shall be announced through all the appropriate channels, and especially in the newspapers that usually publish the prices of these securities. In the event of such a suspension, the Company shall notify the shareholders that have requested the redemption of shares in these Sub-Funds.
  3. In exceptional circumstances that could have an adverse effect on shareholders' interests, or in the event of substantial redemption or conversions requests relating to a given Sub-Fund, the Board of Directors reserves the right to postpone the calculation of the value of the Sub-Fund, category and/or class of shares until after securities have been sold on the Company's behalf, as necessary.

In this case, all the pending subscriptions and redemption requests shall be executed based on the first net asset value thus calculated.

## **VI. DIVIDENDS**

### **1. DIVIDEND DISTRIBUTION POLICY**

The shareholders' annual general meeting votes, on a proposal by the Board of Directors, on the allocation of net profits for the year based on the accounts for the financial year in question.

The annual general meeting of shareholders reserves the right to distribute the net assets of each of the Company's Sub-Funds up to the legal minimum capital requirement. The type of distribution (net investment income or capital) shall be specified in the Company's financial statements.

Any resolution by the general meeting concerning distribution of dividends to shareholders of a Sub-Fund, category and/or class of shares, must be approved beforehand by the shareholders of said Sub-Fund, category or class of shares by a majority vote, as specified in the Company's Articles of Incorporation.

The Board of Directors may decide to pay interim dividends.

### **2. PAYMENT**

Dividends and interim dividends shall be paid on the date and in the place determined



by the Board of Directors.

Dividends and interim dividends issued for payment but not claimed by the shareholder within five years of the payment date of payment may no longer be claimed, and shall revert to the Sub-Fund concerned.

No interest shall be paid on dividends or interim dividends that have been announced and are held by the Company on behalf of the beneficiary shareholders of the Sub-Fund concerned up to the aforementioned expiry date.

Dividends shall only be due and payable if the currency regulations in force in the beneficiary's country allow for payment thereof.

## **VII. EXPENSES TO BE BORNE BY THE COMPANY**

The Company assumes liability for the following costs:

- the costs incurred in connection with the formation of the Company, including the cost of printing the certificates and of services rendered in the formation of the Company, in obtaining official listing on the stock exchange and in obtaining the approval of the competent authorities;
- all compensation, fees and expenses to be paid to the Management Company, the Depositary (including remuneration for the Depositary's function as Registrar of the Company), to the distributors and to the Investment Advisors and Managers and, where appropriate, to the correspondent banks;
- the fees and commissions of the Administrative and Financial Agent;
- the costs and fees of the auditors;
- the directors' percentage of profits and reimbursement of their costs;
- the costs of printing and publishing information intended for the shareholders and, in particular, the costs of printing and distributing periodical reports as well as Prospectuses, Articles of Incorporation, KIIDs and brochures;
- brokerage fees and any other fees and commissions arising from transactions involving securities and investment instruments in the portfolio;
- taxes and deductions which may be payable on the Company's income;
- the capital duty (cf Point IX 1A) as well as the duties to be paid to supervisory authorities and the costs relating to the distribution of dividends;
- the costs of advisory services and other expenses in connection with extraordinary measures, in particular those arising from the consultation of experts and other such procedures intended to protect the shareholders' interests;
- membership fees paid to professional associations and stock market organisations which the Company decides to join in its own interest and in the interest of its shareholders.
- the costs of printing certificates, the costs of preparation and/or deposit of statutory documents and all other documents concerning the Company including any registration declaration, prospectus and explanatory note for any authorities (likened to those authorities are official associations of exchange agents) with competence over the Company and offers to issue shares of the Company; the costs of preparation, in the languages required in the interest of the shareholders, of sending and distributing annual and semi-annual reports, and all other reports and documents necessary under the applicable laws or regulations of the authorities indicated above (with the exception nonetheless of the costs of

- advertising and all other costs incurred directly by the offer or distribution of the shares of the Company including the costs of printing, of copying the documents listed above or the reports used by distributors of the shares within the context of their commercial activity);
- the costs of preparation, publication and sending of notices for the attention of shareholders; the fees, costs and expenses of local representatives appointed in accordance with the regulations of those authorities, the cost of amending statutory documents, the cost incurred to enable the Company to conform with the legislation and official regulations and in order to obtain and to maintain a stock market listing for the shares, provided that those expenses are incurred principally in the interest of the shareholders.

These costs and expenses shall be paid out of the assets of the different Sub-Funds prorata to their net assets. Fixed costs shall be divided between each Sub-Fund in proportion to the assets of that Sub-Fund in the Company, and costs specific to each Sub-Fund, category or class of shares shall be taken from that Sub-Fund, category or class of shares which incurred them. All general recurrent costs shall be deducted in the first instance from current income and, if that is insufficient, from realised capital gains.

The costs associated with the creation of any new Sub-Fund shall be borne by the Sub-Fund in question and may be depreciated over such period as is determined by the Board of Directors, except the Side-Pocket Sub-Funds which will only bear the expenses as mentioned in paragraphs 1 and 3 of the sub-section entitled "Depositary and Administration fees" and paragraph 3 of the sub-section entitled "Management Company's fees" of this section. The formation expenses of any Side-Pocket Sub-Fund will be borne by the Sub-Fund from which the illiquid or difficult-to-price assets will be transferred to it.

### **Depositary and Administration fees**

As remuneration for its activity as depositary to the Company, the Depositary shall receive a quarterly commission from the Company, calculated on the average Net Asset Values of the assets of the different Sub-Funds of the Company for the quarter considered, to a maximum of 0.5% per annum.

In addition, any reasonable disbursements and expenses incurred by the Depositary within the framework of its mandate, including (without this list being exhaustive) telephone, telex, fax, electronic transmission and postage expenses as well as correspondents' costs, shall be borne by the relevant Sub-Fund of the Company. The Depositary may charge the customary fee in the Grand Duchy of Luxembourg for services rendered in its capacity as paying agent.

As remuneration for its activity as administrative agent and the administrative services (accounts, bookkeeping, calculation of Net Asset Value, registrar functions, secretariat) it provides the company, the Administrative Agent shall receive a quarterly commission from the Company calculated on the average Net Asset Values of the assets of the different Sub-Funds of the Company for the quarter considered, to a maximum of 1.0% per annum.

Moreover, all reasonable expenses and costs advanced, including but without the list being limitative, the costs of telephone, telex, fax, electronic transmissions and postage incurred by the Administrative Agent within the context of its functions as well as the costs of correspondents, shall be borne by the Sub-Fund of the Company concerned.

### **Directors' fees and expenses**

All Directors may moreover be compensated, within reasonable limits, for travel, hotel and other expenses incurred for the purpose of attending meetings of the Board of Directors or general meetings of the Company.

### **Management Company's fees**

The Management Company will be remunerated out of the assets of each Sub-Fund as disclosed in the relevant Sub-Fund's schedule.

Under the terms of the agreements entered into by Sycomore Asset Management with the Investment Advisor(s) and/or Manager(s), the Company shall pay the relevant advisory and/or management and/or performance fee, to be calculated as stipulated in the particulars.

## **VIII. COSTS AND CHARGES TO BE BORNE BY THE SHAREHOLDER**

### **a) Subscription fees:**

The shares are issued at a price corresponding to the net asset value per share, increased, when applicable, by a subscription fee as stipulated in the Sub-Fund Schedule.

### **b) Redemption procedure:**

The redemption price of shares in the Company may be higher or lower than the subscription price paid by the shareholder depending on whether the net asset value has increased or decreased. The redemption price consists of the net asset value per share after deduction, if applicable, of a redemption fee as stipulated in the Sub-Fund Schedule.

### **c) Share conversion:**

The basis for share conversion is linked to the net asset value per share of the two Sub-Funds or categories or classes of shares concerned. No conversion fee is charged unless indicated otherwise in the schedules of the Sub-Funds concerned.

## **IX. TAXATION – GOVERNING LAW – OFFICIAL LANGUAGE**

### **1. TAXATION**

The following is a summary of certain material Luxembourg tax consequences of purchasing, owning and disposing of shares. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell shares. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. This summary does not allow any conclusion to be drawn with respect to issues not specifically

addressed. The following description of Luxembourg tax law is based on the Luxembourg law and regulations in effect and as interpreted by the Luxembourg tax authorities on the date of the Prospectus. These laws and interpretations are subject to change that may occur after such date, even with retroactive or retrospective effect.

## **A. Taxation of the Company**

The Company is subject to the Luxembourg tax laws.

In accordance with current legislation and regulations, the Company is liable for subscription tax at the annual rate of 0.05% (*except for Sub-Funds which may qualify for the reduced annual tax rate of 0.01% as specified in each Sub-Fund schedule*), assessed and payable quarterly, based on the net value of the Company's assets at the end of the quarter in question.

No duties or taxes shall be payable in Luxembourg on issues of the Company's shares except for the fixed duty payable at the time of incorporation, covering the raising of capital. The amount of this duty is EUR 1,250 or its equivalent in another currency. Income received by the Company from abroad may have been subject to withholding tax in the country of origin, and is consequently received by the Company after deduction of said withholding tax.

Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Company is structured as an investment company, certain double tax treaties signed by Luxembourg may directly be applicable to the Company. The Company may be subject to certain other foreign taxes.

No stamp duty or other tax is currently payable in Luxembourg on the issue of shares by the Company.

## **B. Taxation of the Company's Shareholders**

### **EU Tax considerations - Exchange of information**

Under certain conditions, Shareholders may be subject to withholding tax. The Luxembourg law of June 21, 2005, entered into force on July 1, 2005, has implemented Council Directive 2003/48/CE on taxation of savings income in the form of interest payments (the "**EU Savings Directive**"). This law has introduced a withholding tax system on savings income in the form of interest payments for beneficial owners, who are individual residents in an EU Member State other than Luxembourg.

Pursuant to this law, the applicable rate of withholding tax will be 35%. No withholding tax will apply if the beneficial owner expressly authorised the paying agent to communicate information to the tax authority of its resident state.

On November 10, 2015 the European Council adopted Council Directive (EU) 2015/2060 repealing the EU Savings Directive with effect as of 1 January 2017 for Austria and 1 January 2016 for all other EU Member States to among others prevent

the overlapping of the EU Savings Directive and the automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). In addition, as a result of the repeal of the EU Savings Directive, the Council Directive 2014/48/EU amending the EU Savings Directive no longer has to be transposed into national law.

Under the law of 18 December 2015 implementing the EU Council Directive 2014/107/UE on administrative cooperation in the field of direct taxation (the “DAC Directive”) and the OECD Common Reporting Standard (the “CRS”) (the “DAC Law”), since 1 January 2016, except for Austria which will benefit from a transitional period until January 1st 2017, the financial institutions of an EU Member State or a jurisdiction participating to the CRS are required to provide to the fiscal authorities of other EU Member States and jurisdictions participating to the CRS details of payments of interest, dividends and similar type of income, gross proceeds from the sale of financial assets and other income, and account balances held on reportable accounts, as defined in the DAC Directive and the CRS, of account holders residents of, or established in, an EU Member State and certain dependent and associated territories of EU Member States or in a jurisdiction which has introduced the CRS in its domestic law.

Payment of interest and other income derived from the Shares will fall into the scope of the DAC Directive and the CRS and are therefore be subject to reporting obligations.

The foregoing is only a summary based on the current interpretation of the said legal texts and does not purport to be complete in all respects. It does not constitute investment or tax advice.

**Prospective investors should consult their own tax advisor with respect to the application of the DAC Directive and the CRS to such investor in light of such investors' individual circumstances. Investors are further invited to request information regarding applicable laws and regulations (i.e. any particular tax aspects or exchange regulations) of the countries of which they are citizens, or in which they are domiciled or resident and which may concern the subscription, purchase, holding and redemption of the Shares.**

### **C. Foreign Account Tax Compliance Act (“FATCA”) Requirements**

The Foreign Account Tax Compliance Act (“**FATCA**”) is part of the Hiring Incentives to Restore Employment Act enacted on 18 March 2010 by the Congress of the United States of America (“**USA**”). The aim of FATCA is to avoid tax evasion of US persons and to encourage international tax cooperation between the USA and other countries. FATCA provisions impose on financial institutions outside USA (“**Foreign Financial Institutions**” or “**FFI**”) to provide the US Internal Revenue Service (“**IRS**”) with reporting containing information about financial accounts held directly or indirectly by US Persons outside the USA. Failure to provide the requested information could lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

In order to facilitate the transposition of the FATCA provisions, the governments of the Grand-Duchy of Luxembourg and USA entered into an intergovernmental agreement (“**IGA**”) on 28 March, 2014 and a memorandum of understanding in respect thereof. The IGA was transposed into Luxembourg law on 24 July 2015 (the “**FATCA Law**”). The Company intends to comply with the provisions of FATCA and notably the IGA,

FATCA Law and related regulations and circulars. According to the IGA and the FATCA Law, the Company shall collect information for the identification of its direct and indirect shareholders that are US persons and shall report specific information in relation to their accounts to the Luxembourg tax authorities (“Administration des Contributions Directes”). The Luxembourg tax authorities will then exchange this specific information on reportable accounts on an automatic basis with the IRS.

To ensure compliance with FATCA, the IGA and the FATCA Law in accordance with the foregoing, the Company shall have the right to:

- Request from any shareholder or beneficial owner of the shares to promptly furnish information or documentation, including but not limited to W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other evidence of a shareholder’s FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder’s FATCA status;
- Report to the Luxembourg tax authorities (“Administration des Contributions Directes”) (i) information concerning a shareholder or beneficial owner of the shares and his account holding in the Company if such account is deemed a US reportable account under the IGA and the FATCA Law and/or (ii) information concerning payments to account holders with FATCA status of non-participating FFI, as the case may be;
- Deduct from the payment of any dividend or redemption proceeds to a shareholder by or on behalf of the Company, a withholding tax in accordance with FATCA, the IGA and the FATCA Law.

In addition the Company will comply with the IGA and Luxembourg laws, regulations and circulars implementing FATCA provisions as a “Non-Reporting Luxembourg Financial Institution” or “deemed compliant FFI” (as such terms are defined under the IGA). From this point the Company will furthermore only deal with professional financial intermediaries which are FATCA compliant.

The Company, as “Non-Reporting Luxembourg Financial Institution” will not accept the Non-Participating Foreign Financial Institutions, the Passive Non-Financial Foreign Entities with U.S. controlling person and the U.S. person with the meaning of the FATCA Luxembourg Law.

## **2. GOVERNING LAW**

Any dispute arising between the Company and its shareholders shall be settled by arbitration. The arbitration shall be subject to the laws of Luxembourg and the arbitrators’ decision shall be final.

## **3. OFFICIAL LANGUAGE**

English is the official language of this Prospectus and of the Articles of Incorporation; however, the Board of Directors, Sycomore Asset Management and the Depositary may for their own benefit and for that of the Company decide it is necessary to translate the Prospectus into the languages of the countries where the Company’s shares are offered and sold. In the event of differences between the English text and the text in any other language into which the Prospectus has been translated, only the English version shall be considered authentic.

## **X. FINANCIAL YEAR – GENERAL MEETINGS - REPORTS**

### **1. FINANCIAL YEAR**

The Company's financial year shall start on 1 January and end on 31 December each year. The first financial year shall start on the date of incorporation and end on 31 December 2012.

### **2. GENERAL MEETINGS**

The Ordinary general meeting of shareholders of the Company shall represent all the shareholders of the Company. It shall enjoy the greatest powers for ordering, performing or ratifying all acts relating to the operations of the Company.

The annual general meeting of shareholders shall be held at the registered office of the Company or at any other location in the Grand Duchy of Luxembourg that shall be stipulated in the convocation, the fourth Thursday in March at 11.a.m.. In the event that this day is a public holiday or a bank holiday in Luxembourg, the annual general meeting shall be held the first subsequent day that banks are open. The annual general meeting may be held abroad if the Board of Directors states without appeal that exceptional circumstances require such a move.

The convocation indicates the place and the practical arrangements for providing the annual accounts, the report of the approved statutory auditor, and the management report (if applicable) to the shareholders and specifies that each shareholder may request that the annual accounts, the report of the approved statutory auditor and the management report (if applicable) are sent to him.

Decisions concerning the general interests of the shareholders of the Company shall be taken during a general meeting of the shareholders and the decisions concerning specific rights of shareholders of a Sub-Fund or of a category/class of shares shall be taken during a general meeting of the shareholders of that Sub-Fund or that category/class of shares.

The quorums and delays required by law shall regulate the convocations and the course of the general meetings of shareholders of the Company wherever these are not specified in the Articles of Incorporation.

Other general meetings may be held at such time and place as decided by the Board of Directors.

Any share of any Sub-Fund, category or class, whatever its value, provides the right to a single vote.

Every shareholder may take part in general meetings of shareholders appointing another person in writing as proxy or by telefax message or any other electronic means capable of evidencing such proxy, who cannot themselves be a shareholder. Such proxy shall be deemed valid, provided that it is not revoked, for any reconvened shareholders' meeting.

Except as otherwise required by law or as otherwise provided herein, resolutions at a meeting of shareholders or at a class meeting duly convened will be passed by a

simple majority of the votes cast. Votes cast shall not include votes in relation to shares in respect of which the shareholders have not taken part in the vote or have abstained or have returned a blank or invalid vote. A shareholder who is a corporation may execute a proxy under the hand of a duly authorized officer.

The Board of Directors may determine any other conditions to be complied with by the shareholders in order to take part in the general meeting.

Shareholders will meet upon call by the Board of Directors pursuant to convocation setting forth the agenda sent, in accordance with the applicable laws and regulations, to the shareholder's address in the Register of shareholders.

If and to the extent required by Luxembourg law, the convocation shall, in addition, be published in the *Recueil Electronique des Sociétés et des Associations* ("**RESA**") of the Grand-Duchy of Luxembourg, in a Luxembourg newspaper and in such other newspapers as the Board of Directors may decide.

If, however, all of the shareholders are present or represented at a meeting of shareholders, and if they state that they have been informed of the agenda of the meeting, the meeting may be held without prior notice or publication.

The general meeting of shareholders may only address the items contained in the agenda.

Following conditions set forth in Luxembourg laws and regulations, the convocation to any general meeting of shareholders may specify that the quorum and the majority applicable for this general meeting will be determined by reference to the shares issued and in circulation at a certain date and time preceding the general meeting (referred to as "**Record Date**"). The rights of a shareholder to attend a general meeting of shareholders and to exercise a voting right attaching to his/its/her shares will be determined by reference to the shares held by this shareholder at the Record Date.

### **3. PERIODIC REPORTS**

Annual reports for the financial year ended 31 December certified by the independent auditors and unaudited interim reports for the half-year to 30 June shall be available to shareholders free of charge at the offices of the Depositary and other designated institutions as well as at the Company's registered office. The Company is authorised to publish abbreviated financial reports indicating that the shareholders may obtain the full version of the financial report from the same institutions. However, a full version of the financial reports may be obtained free of charge at the offices of the Depositary and other designated institutions as well as at the Company's registered office. These reports relate to each of the Sub-Funds and to the assets of the Company as a whole.

The financial statements of each Sub-Fund are prepared in the currency of the Sub-Fund but the financial statements are consolidated in euros.

The annual reports shall be made available within four months of the end of the financial year and the interim reports shall be available to shareholders within two months of the end of the period.

The first unaudited semi-annual report to 30 June 2012 and the audited annual report



for the year ending 31 December 2012 shall be available to shareholders free of charge at the offices of the Depositary and other designated institutions as well as at the Company's registered office.

## **XI. LIQUIDATION – MERGER OF SUB-FUNDS**

### **1. LIQUIDATION OF THE COMPANY**

Liquidation of the Company shall be carried out in accordance with the Law and the law of 10 August 1915 governing commercial companies, as may be amended from time to time.

#### **A. Minimum Assets**

If the Company's capital falls below two-thirds of the minimum capital requirement, the Board of Directors must propose the dissolution of the Company to a general meeting of shareholders, which shall deliberate without any quorum requirements and shall pass the resolution by a straight majority of the shares represented at the general meeting of the shareholders.

If the Company's capital falls below one quarter of the minimum capital requirement, the Board of Directors must propose the dissolution of the Company to a general meeting of the Shareholders, which shall deliberate without any quorum requirements; the dissolution may be decided by shareholders holding one quarter of the shares represented at the general meeting of shareholders.

The notice of the meeting must be issued so that the general meeting is held within forty days of the date on which it is observed that the net assets have fallen below two thirds or one quarter of the minimum capital requirement. Furthermore, the Company must be dissolved by decision of a general meeting of the shareholders, passed in accordance with the provisions of the Articles of Incorporation concerning this matter.

The decision of the general meeting of the shareholders or of the Court to dissolve and liquidate the Company shall be published in RESA and in newspapers with an appropriate circulation, at least one of which must be a Luxembourg newspaper. The liquidator(s) shall be responsible for arranging publication.

#### **B. Voluntary Liquidation**

In the event of dissolution of the Company, it shall be liquidated by one or more liquidators appointed in accordance with the Company's Articles of Incorporation and the Law, specifying the allocation of the net proceeds of the liquidation between shareholders after deduction of liquidation costs.

Any sums not distributed at the end of the liquidation process shall be deposited at the Luxembourg *Caisse des Consignations* (official deposit office) for the benefit of their rightful owners as soon as possible.

The issue, redemption and conversion of shares shall be suspended as soon as the decision to dissolve the Company is taken.

## **2. CLOSURE AND MERGER OF SUB-FUNDS**

### **A. Closure of a Sub-Fund, Categories Or Classes**

In the event that the assets in any Sub-Fund, categories or classes should fall below a threshold considered by the Board of Directors as a minimum below which the management of that Sub-Fund, categories or classes, would become too problematic, or due to the liquidation or closing of a master fund of which a Sub-fund is the feeder fund (as further described below), the Board of Directors may decide to close the Sub-Fund, categories or classes. The same may also apply within the framework of a rationalization of the range of products offered to the Company's clients.

The decision and methods applying to the closing of the Sub-Fund, categories or classes shall be brought to the knowledge of shareholders of the concerned Sub-Fund by way of the publication of notices to that effect in such newspapers as are mentioned in section XII below.

A notice relating to the closing of the Sub-Fund, categories or classes shall also be communicated to all the registered shareholders of that Sub-Fund.

If a master fund of which a Sub-Fund is the feeder sub-fund is liquidated, terminated or closed, the Sub-Fund may also be terminated unless the CSSF has approved investment in another master fund or as the case may be the amendment of the Company's documentation so as to enable such Sub-Fund to convert into a Sub-Fund which is no longer a feeder fund.

A feeder Sub-Fund may also be terminated in case the master fund in which it invests, merges with another fund or is divided into two or more funds unless the Company decides that this feeder Sub-Fund continues to be the feeder of this master fund or of another master fund resulting from the merger or division operations, subject to the provisions of this Prospectus, or the CSSF has approved investment in another master fund or as the case may be the amendment of the Company's documentation so as to enable such feeder Sub-Fund to convert into a sub-fund which is no longer a feeder fund.

In such event, the net assets of the concerned Sub-Fund, categories or classes shall be divided among the remaining shareholders of the Sub-Fund, categories or classes. Amounts which have not been claimed by shareholders at the time of the closure of the liquidation operations of the Sub-Fund shall be deposited with the *Caisse de Consignation* in Luxembourg, for the profits of their rightful assignees, as soon as possible.

### **B. Merger of Sub-Funds, Categories Or Classes**

The Board of Directors may decide, in the interest of the shareholders, to categories or classes transfer the assets of one, categories or classes Sub-Fund, category or class of shares to those of another Sub-Fund, category or class of shares within the Company. Such mergers may be performed for reasons of various economic reasons justifying a merger of Sub-Funds, categories or classes of shares. The merger decision shall be published and be sent to all registered shareholders of the Sub-Fund, category or of the concerned class of shares at least one month before the effective date of the merger. The publication in question shall indicate, in addition, the characteristics of the new Sub-Fund, the new category or class of shares.

Every Shareholder of the relevant sub-funds, categories or classes shall have the opportunity of requesting the redemption or the conversion of his own shares without any cost (other than the cost of disinvestment) during a period of at least thirty (30) days before the effective date of the merger, it being understood that the effective date of the merger takes place five (5) business days after the expiry of such notice period.

In the same circumstances as described in the previous paragraph and in the interest of the shareholders, the transfer of assets and liabilities attributable to a Sub-Fund, category or class of shares to another UCITS or to a sub-fund, category or class of shares within such other Undertaking for collective investment offering equivalent protection to that of an undertaking for collective investment subject to Part I of the 2010 Law, UCITS (whether established in Luxembourg or another Member State and whether such UCITS is incorporated as a company or is a contractual type fund), may be decided by the Board of Directors. This decision shall be published in the same manner as described in the previous paragraph and such publication will contain information in relation to the new sub-fund, category or class of shares of the relevant undertaking for collective investment, in accordance with the provisions of the 2010 Law. The Company shall send a notice to the shareholders of the relevant Sub-Fund in accordance with the provisions of CSSF Regulation 10-5. Every shareholder of the Sub-Fund, category or class of shares concerned shall have the possibility to request the redemption or the conversion of his shares without any cost (other than the cost of disinvestment) during a period of at least thirty (30) days before the effective date of the merger, it being understood that the effective date of the merger takes place five (5) business days after the expiry of such notice period.

In the case of a contribution in a different Undertaking for collective investment, of the type "investment or mutual fund", the contribution shall only involve the shareholders of the Sub-Fund, the category or the class of shares in question who have expressly approved the contribution. Otherwise, the shares belonging to the other shareholders who have not made a statement regarding that merger shall be reimbursed. Such mergers may be carried out in various economic circumstances that justify a merger of sub-funds.

In case of a merger of a Sub-Fund, category or class of shares where, as a result, the Company ceases to exist, the merger needs to be decided by a meeting of shareholders of the Sub-Fund, category or class of shares concerned, for which no quorum is required and decisions are taken by the simple majority of the votes cast.

## **XII. INFORMATION – DOCUMENTATION AVAILABLE TO THE PUBLIC**

### **1. SHAREHOLDER INFORMATION**

#### **A. Net Asset Value**

The net asset values of the shares of each Sub-Fund, category and/or class of shares will be available on each working day at the Company's registered office. The Board of Directors may at a later date decide to announce these net values in the newspapers of the countries where the Company's shares are offered or sold. They will also be displayed each business day on *Reuters* screens

They may also be obtained from the registered office of the Depositary and from the banks providing financial services.

#### **B. Issue and Redemption Price**

The issue and redemption prices of the shares of each Sub-Fund, category and/or class of shares of the Company are advertised daily at the counters of the Depositary and at the banks providing financial services.

#### **C. Notice To Shareholders**

Other information for shareholders will be published in a Luxembourg newspaper.

#### **D. Data Protection**

In accordance with the provisions of the Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended, the Company, as data controller, collects, stores and processes, by electronic or other means, the data supplied by investors for the purpose of fulfilling the services required by the investors and complying with its legal obligations. The data processed includes in particular the name, contact details (including postal or email address), banking details, invested amount and holdings in the Company of investors (“**Personal Data**”). The investor may at his/her discretion refuse to communicate Personal Data to the Company. In this case, however, the Company may reject a request for Shares. Each investor has a right to access his/her Personal Data and may ask for Personal Data to be rectified where it is inaccurate or incomplete by writing to the Company. Personal Data supplied by investors is processed for the purposes of processing subscriptions, redemptions and conversions of Shares and payments of dividends to investors, performing controls on excessive trading and market timing practices, and complying with applicable anti-money laundering rules. Data supplied by shareholders is also processed for the purpose of maintaining the register of shareholders of the Company.

## **2. DOCUMENTATION AVAILABLE TO THE PUBLIC**

The Company’s Articles of Incorporation, the Prospectus, the KIID, the financial reports and all the agreements can be consulted by the public at the Company’s registered office and at the global distributor’s registered office. In case of master-feeder with two different depositaries: the information sharing agreement between the depositaries, as well as the agreement between the Master and the Feeder Fund can be consulted by the public at the Company’s registered office.

The agreements may be amended by mutual agreement between the parties concerned.

## APPENDIX 1 - SUB-FUNDS

The Sub-Funds' aim to achieve reasonably high performances while maintaining a prudent policy designed to preserve the capital. The Company takes the risks that it considers reasonable in order to achieve its investment objective. However, given stock market fluctuations and the other risks inherent to investing in securities, it cannot guarantee that it will achieve its objective.

**Disclaimer:** Past performance is no indication of future performance. The Sub-Fund is exposed to the risk arising on investments in equities. The price of the assets in which the Sub-Fund invests may go up or down. Accordingly, there is no guarantee that investors will recover their initial investment. No guarantee can be given that the Sub-Fund will achieve its objectives.

The Company can issue capitalisation shares ("class C" or "C shares") that pay no dividend and whose net asset value remains unchanged and distribution shares ("class D" or "D shares") that pay dividend or interim dividend in accordance with Chapter VI of the Prospectus.

At the moment the Company can issue the following categories of shares:

- (i) category "R" shares, which are open to all types of investors;
- (ii) category "I" shares, which are reserved exclusively for all institutional investors, where appropriate in the framework of discretionary portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company;
- (iii) category "X" shares, which are open to all types of institutional investors providing said investors have been approved beforehand by the Board of Directors;
- (iv) category "A" shares, which are open to all types of investors subject to other manager fees;
- (v) category "CS" shares, which are reserved exclusively for retail investors in the framework of portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company.

## SCHEDULE OF THE SYCOMORE FUND SICAV - SYNERGY EMERGING MARKETS

### FUND HEREINAFTER CALLED “SYNERGY EMERGING MARKETS”

#### 1. INVESTMENT POLICY

##### Investment objective:

The **SYNERGY EMERGING MARKETS** (denominated in EUR) aims for an appreciation of capital over a minimum investment horizon of five (5) years, through investments in equities and other financial instruments offering exposure to equities issued by companies with their registered offices or with a significant proportion of their interests in countries generally considered emerging.

The Sub-Fund's investment policy relies on portfolio exposure to equities and other financial instruments offering exposure to equities issued by companies with their registered offices or with a significant proportion of their interests for at least 60% of the assets up to 100% in countries generally considered emerging.

Financial management, supervised by Sycomore Asset Management, is divided into four specific groups of assets managed by delegation:

- a group of “Latin American securities”, managed by **Jardim Botânico Investimentos LTD**, exposed solely to the regulated equity markets of countries in Latin America, and principally Brazil;
- a group of “Asian and Pacific area securities”, managed by **Allard Partners Limited Ltd**, exposed solely to the regulated equity markets of the following countries: China, Hong Kong, Macao, Taiwan, Korea, Japan, Mongolia, Cambodia, Laos, Malaysia, Brunei, Indonesia, Singapore, Papua New Guinea, Australia, New Zealand, India, Vietnam, Sri Lanka, Bangladesh, Pakistan, Philippines and Thailand;
- a group of “Indian continent securities”, managed by **Quantum Advisors Private Limited Ltd**, exposed solely to the regulated equity markets of the following countries: India, Sri Lanka, Pakistan and Bangladesh;
- a group of “Eastern European securities”, managed by **As Avaron Asset Management**, exposed solely to the regulated equity markets of the following countries: Estonia, Latvia, Lithuania, Poland, Hungary, Czech Republic, Slovakia, Slovenia, Romania, Bulgaria, Serbia, Macedonia, Montenegro, Bosnia Herzegovina, Croatia, Albania, Turkey, Russia, Ukraine and Kazakhstan.

The financial managers by delegation are management companies selected by Sycomore Asset Management, in accordance with criteria of knowledge of their reference markets, compatibility of securities selection models, quality and continuity of the management models implemented.

The division of assets into groups is decided and reassessed periodically by Sycomore Asset Management in relation to the outlook they attribute to the different regional markets, in consultation with each financial manager by delegation.

Derivatives listed on regulated markets or traded over the counter may be used in the management of the Sub-Fund's assets, although the Sub-Fund's off-balance-sheet liabilities may not exceed the assets by more than one hundred per cent. These instruments will be used:

- to enhance investments made by the financial managers by delegation, particularly to obtain an exposure to emerging geographic areas not covered by the latter;
- to hedge a market risk or to hedge investments in currencies other than the Euro, the exchange risk being subject to discretionary management on the part of Sycomore Asset Management.

The Sub-Fund may also be exposed:

- to the units or shares of Luxembourg or European coordinated undertakings for collective investment, within the limit of 10% of its assets;
- to fixed income instruments issued by companies with their registered offices or a significant proportion of their interests in the said countries, without the constraint of a rating from a rating agency;
- to sovereign debt instruments issued by states in the said geographical areas and rated at least BBB- or equivalent by one of the three main credit rating agencies, on a discretionary basis, within the limits of 40% of the assets of the Sub-Fund for cash management purpose.

The Sub-Fund may use fixed-term deposits in currencies others than the Euro, for a maximum duration of twelve months, with credit institutions noted at least A- or equivalent by recognized rating agencies, within the limits of 40% of the assets of the Sub-Fund and 20% by credit institution.

The Sub-Fund may hold liquidities on an ancillary basis.

The Board of Directors will ensure at any time an overall liquidity.

### **Benchmark:**

MSCI Emerging Markets Equity Total Return Net (expressed in EUR).

This index reflects the performance of emerging country equity markets. As at 30 May 2011 it consisted of equity markets in the following countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey.

### **Risk profile:**

Risk of capital loss: the Sub-Fund benefits from no guarantee or protection, so it is therefore possible that the capital initially invested is not recovered in full.

Equity risk: the Sub-Fund is exposed up to 100% to variations of the emerging country equity markets and as a consequence suffers from the uncertainties of the equity markets. In this regard, investors' attention is drawn to the fact that the equity markets are particularly risky, that they can undergo periods of sharp falls lasting several years, resulting in severe capital losses for investors. If there is a fall of the equity markets to which the Sub-Fund is exposed the net asset value will fall.

Furthermore, it is possible that some securities in the portfolio might experience a period of sharp falls even when the equity markets are rising. If one or more equities in the portfolio fall then the net asset value may fall, irrespective of market trends.

Emerging country risk: investments in the emerging markets may be more volatile than investments in the developed markets. Some of these markets may have relatively unstable governments, economies based on a handful of companies and financial markets limited to trading just a small number of securities. Most emerging markets do not have a developed regulatory supervision system in place and information published is less reliable than that in the developed countries. There are greater risks of expropriation, nationalisation, political and economic instability in emerging markets than developed markets. Some of these markets may also subject investments made there to temporary or permanent tax charges.

Risks inherent in the settlement of transactions and risk factors specific to emerging countries: settlement systems in emerging countries may be less well organised than in the developed markets. Any shortcomings are likely to delay the settlement of transactions and to endanger the Sub-Fund's amounts in cash or securities. In particular, the practice on these markets may require that the settlement occurs prior to receipt of the securities purchased or that the securities are delivered before payment is received. Insofar as possible, the Company will endeavour to use counterparties with financial situations which are a guarantee in relation to the risk of insolvency; nevertheless, the risk of losses due to a cessation of payment may not be totally eliminated. Incidentally, at the present time, investments in emerging countries are subject to risks in relation to the ownership and deposit of securities.

Foreign exchange risk: as eligible securities in the portfolio may be quoted in currencies other than the euro and deposits may be made in currencies others than the Euro, up to 100% of the Sub-Fund's assets may be exposed to foreign exchange risk, the hedging of that risk being subject to a discretionary policy on the part of the management team.

Risk related to discretionary management: this risk is inherent in the style of management which rests on anticipation of the evolution of different markets. There is a risk that the Sub-Fund is not at a given time invested on the most profitable markets or in the most profitable securities. The Sub-Fund's performance therefore depends on the manager's ability to anticipate market or security trends. This risk may result in a fall of the net asset value.

Credit risk: up to 40% of the Sub-Fund's assets are exposed to fixed income instruments and deposits, generating credit risk. It represents the possible risk of deterioration of the issuer's signature or failure, and this will have a negative impact on the price of debt securities issued by it or on the reimbursement of the deposits and therefore the Sub-Fund's net asset value, resulting in a capital loss. The level of credit risk is variable depending upon expectations, maturities and the degree of confidence in each issuer, which may reduce the liquidity of the securities of an issuer and have a negative impact on the net asset value, particularly in the case of liquidation by the Sub-Fund of its positions in a market with reduced transaction volumes.

Interest rate risk: up to 40% of the Sub-Fund's assets are exposed to fixed income instruments, generating an interest rate risk. It represents the possible risk that interest rates fall if investments are made at a variable rate or that interest rates increase if investments are made at a fixed rate, the value of an interest rate product being an inverse function of the level of interest rates. In case of unfavourable variation of interest rates the net asset value may fall.



Counterparty risk: is the risk of failure of a counterparty leading to a payment default. The Sub-Fund may be exposed to counterparty risk resulting from the use of financial contracts traded over the counter with a credit establishment. The Sub-Fund is therefore exposed to the risk that one of these credit establishments cannot honour its commitments under such transactions, resulting then in a fall of the net asset value.

### **Investor profile:**

This Sub-Fund is intended for investors seeking a capital appreciation on a minimum investment horizon of five (5) years who accept exposure to a significant equity risk as well as risks specific to emerging countries.

## **2. GENERAL INFORMATION**

**Reference currency:** EUR

### **Shares:**

For this Sub-Fund, the Company issues shares:

1. in category “R”, open to all types of investors;
2. in category “I”, open to all types of institutional investors, where appropriate in the framework of discretionary portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company.

For this Sub-Fund, the Company will only issue registered or dematerialised bearer shares, in the capitalisation class, which do not receive a dividend (shares in class “C” or “C” shares).

Bearer shares may not be evidenced by the delivery of a certificate.

**Calculation of the Net Asset Value “NAV”:** on each bank business day in Luxembourg (Valuation Day), insofar as the financial markets corresponding to a significant fraction (70%) of the Sub-Fund’s assets have been open at least one day after that serving as a basis for calculation of the previous NAV.

The NAV will be calculated on the bank business day following the Valuation Day, on the basis of the last known price on Valuation Day.

**Investment Manager:** Under the terms of an agreement for an indefinite term which may be ended by one or other party by prior notice of a minimum three months, Sycomore Asset Management performs the tasks of investment manager.

Under the terms of an agreement with effect as from 15 May 2012 for an indefinite term which may be ended by one or other party by three months notice, **Jardim Botânico Investimentos LTD** performs the tasks of Delegated Manager.

Under the terms of an agreement with effect as from 15 May 2012 for an indefinite term which may be ended by one or other party by three months notice, **Allard Partners Limited Ltd** performs the tasks of Delegated Manager.

Under the terms of an agreement with effect as from 15 May 2012 for an indefinite term which may be ended by one or other party by three months notice, **Quantum Advisors Private Limited Ltd** performs the tasks of Delegated Manager.

Under the terms of an agreement with effect as from 15 May 2012 for an indefinite term which may be ended by one or other party by three months notice, **AS Avaron Asset Management** performs the tasks of Delegated Manager.

**Management fee:**

The Management Company will receive a management fee as follows:

CATEGORY	CLASS	MANAGEMENT FEE
I	C	2.00% max
R	C	2.50% max

**Performance fee:**

A performance fee may be charged, based on a comparison of the performance of the Sub-Fund, over the Fund's financial year, and the benchmark, MSCI Emerging Markets Equity Total Return Net (expressed in EUR).

The performance of the Sub-Fund is calculated after deduction of operating and management fees and before the performance fee.

If, over the Fund's financial year, the performance of the Sub-Fund, whether positive or negative, is superior to the benchmark, the performance fee will represent 20% (all taxes included) of the difference between the performance of the Sub-Fund and the performance of the benchmark.

If, over the Fund's financial year, the performance of the Sub-Fund is inferior to the benchmark, no performance fee will be charged.

If, over the Fund's financial year, the performance of the Sub-Fund, since the beginning of the Fund's financial year, is superior to the benchmark calculated over the same period, whether positive or negative, a provision will be posted for that out-performance by way of performance fee on calculation of the Sub-Fund's NAV.

In the case of an under-performance of a the Sub-Fund in relation to the benchmark between two net asset values, any provision posted earlier will be readjusted by a provision reversal. Provision reversals will not exceed the initial provisions.

The performance fee will only be definitively charged at the close of each financial year if, over the fund's past financial year, the performance of the Sub-Fund was superior to the benchmark, whether positive or negative.

In addition, if shares were redeemed (or converted into other Shares of any class of the same Sub-Fund or any class of another existing Sub-Fund) during the reference period, and for those Shares a performance fee is accrued, it will be crystallized at the date of redemption or conversion and it will be considered as payable to the Management Company.

**Subscriptions/ Redemptions/ Conversions:**

The subscription price corresponds to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 3% of the NAV in favour of the financial intermediaries for shares in category "R". No subscription fee will be charged for shares in category "I".

The redemption price is equal to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus, without redemption fee. Notice of five business days must be given for the redemption of shares. Redemption requests that do not comply with this notice period shall be subject to a 3% redemption fees, retained by the Sub-Fund and calculated based on the Sub-Fund's net assets.

The terms of conversion of shares of one Sub-Fund into another are described in Chapter IV Point 3 of the Prospectus, without conversion fee.

Subscription/ redemption/ conversion lists shall close no later than 5 p.m. and will be executed on the NAV of the following business day (D), which is calculated one business day after (D+1).

Investors' attention is nonetheless drawn to the fact that a redemption fee in favour of the Sub-Fund is applicable systematically to any redemption application presented to the Registrar and Transfer Agent less than five business days in Luxembourg prior to establishment of the NAV desired.

The settlement of subscriptions, redemptions and conversions will be in the reference currency of the Sub-Fund, category or class of shares and within a deadline of three bank business days in Luxembourg following calculation of the NAV applied.

Shares in categories "R" and "I" are not subject to a minimum initial subscription.

**Launch date of the Sub-Fund:** 15 May 2012

**Initial and subsequent subscription amount:** 100 EUR

**Listing on the Luxembourg Stock Exchange:**

The shares of this Sub-Fund are not listed on the Luxembourg Stock Exchange.

**Subscription tax:**

Category "I": 0.01% p.a. calculated on the basis of the net assets of the Sub-Fund at the end of each quarter.

Category "R": 0.05% p.a. calculated on the basis of the net assets of the Sub-Fund at the end of each quarter.

## SCHEDULE OF THE SYCOMORE FUND SICAV - SYCOMORE CASH

### FUND HEREINAFTER CALLED “SYCOMORE CASH”

#### 1. INVESTMENT POLICY

##### Investment Objective:

The **SYCOMORE CASH** (denominated in EUR) aims to deliver a performance equivalent to the EONIA index capitalised, reduced by management costs, whilst favouring security, liquidity and a regular increase of the net asset value on an investment horizon of less than three months.

In order to achieve its objective, the Sub-Fund will invest in negotiable debt instruments, money market instruments of the European Union and the United States, fixed and variable-rate bonds. The rating of these securities will be between A- and AAA. The Sub-Fund will not hold so-called high-yield bonds.

In addition, the Sub-Fund may invest in financial contracts traded on markets of the euro zone (or denominated in euros traded on markets of the European Union outside the euro zone) and carry out over-the-counter transactions (interest rate or currency swaps, forward exchange contract, futures, options, deposits) within the limit of 100% of the assets and with the aim of hedging portfolio risks.

Within the limit of 10% of the assets, the Sub-Fund may hold units or shares of European coordinated UCITS (including UCITS managed by Sycomore Asset Management).

Investments in currencies other than euros will be hedged automatically.

The portfolio's sensitivity falls within a range from 0 to 0.5.

##### Benchmark:

The EONIA index capitalised.

The EONIA index (the Euro Overnight Index Average) corresponds to a measure of the effective interest rate prevailing in the euro interbank overnight market. It is calculated as a weighted average of the interest rates on unsecured overnight lending transactions denominated in euro, as reported by a panel of contributing banks.

##### Risk profile:

Credit risk: this represents the possible risk of deterioration of the signature of the issuer or their default, which would have a negative impact on the price of the debt securities issued by it and therefore on the net asset value of the Sub-Fund, resulting in capital loss. The level of credit risk is variable in relation to expectations, maturities and the degree of confidence in each issuer, which may reduce the liquidity of the securities of an issuer and have a negative impact on the net asset value, particularly in the case of liquidation by the Sub-Fund of its positions on markets where transaction volumes are reduced.

**Rate risk:** this corresponds to the risks associated with an increase of bond market rates, which causes a fall of the price of bonds and as a consequence a fall of the net asset value.

**Risk of capital loss:** the Sub-Fund does not benefit from any guarantee or protection, so it is possible that the capital initially invested may not be fully restored.

**Risk associated with discretionary management:** this risk is inherent to the style of management which relies on anticipation of the evolution of different markets. There is a risk that the Sub-Fund is not invested at any time on the best performing markets or the best performing securities. The performance of the Sub-Fund therefore depends on the Manager's ability to anticipate movements of the market or securities. This risk may result in the bearer suffering a fall of net asset value.

**Counterparty risk:** this is the risk of default by a counterparty leading to a payment default. The Sub-Fund may be exposed to the counterparty risk arising from the use of over-the-counter financial contracts with credit institutions. The Sub-Fund is therefore exposed to the risk that one of these credit institutions cannot fulfil its commitments under these transactions, then resulting in a fall of the net asset value.

**Investor profile:**

This Sub-Fund is intended both for individual and for institutional investors seeking cautious capital growth over an investment horizon of less than three months.

**2. GENERAL INFORMATION**

**Reference currency:** EUR

**Shares:** Capitalisation shares in registered and in dematerialised bearer form of category "X", open to all types of investors.

**Calculation of the Net Asset Value "NAV":** Each bank business day in Luxembourg (Calculation Day).

**Investment Manager:** Under the terms of an agreement concluded on 13 February 2012 for an indefinite term which may be ended by one or other party by prior notice of a minimum three months, Sycomore Asset Management performs the tasks of Investment Manager.

**Management fee:**

The Management Company will receive a management fee as follows:

CATEGORY	CLASS	MANAGEMENT FEE
X	C	0.00% max

**Subscriptions/ Redemptions/ Conversions:**

The subscription price corresponds to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus. No subscription fee will be charged.

The redemption price is equal to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus, without redemption fee.

The terms of conversion of shares of one Sub-Fund into another are described in Chapter IV Point 3 of the Prospectus, without conversion fee.

Subscription/ redemption/ conversion lists shall close no later than 11 a.m. on the Valuation Day.

The settlement of subscriptions, redemptions and conversions will be in the reference currency of the Sub-Fund, category or class of shares and within a deadline of one bank business day in Luxembourg following calculation of the NAV applied.

Shares in categories "X" are not subject to a minimum initial subscription.

**Initial subscription day:**

The launch of the Sub-Fund will be decided by a Board of Directors resolution on a later stage.

**Initial and subsequent subscription amount:** 100 EUR

**Listing on the Luxembourg Stock Exchange:**

The shares of this Sub-Fund are not listed on the Luxembourg Stock Exchange.

**Subscription tax:**

Category "X": 0.01% p.a. calculated on the basis of the net assets of the Sub-Fund at the end of each quarter.

## SCHEDULE OF THE SYCOMORE FUND SICAV - SYCOMORE ECO SOLUTIONS

### FUND HEREINAFTER CALLED “SYCOMORE ECO SOLUTIONS”

#### 1. INVESTMENT POLICY

##### Investment objective:

The **Sycomore Eco Solutions** (denominated in EUR) aims to achieve a significant performance over a minimum investment horizon of five years, through a rigorous selection of stocks of companies whose business model, products, services, or production process significantly and positively contribute to the energy and ecological transition challenges. These companies have one or more activities related to energy, transportation and mobility, renovation and construction, circular economy and ecosystems (water, pollution, agriculture, food processing, wood, fishing...). These stocks, which at all times represent at least 80% of net assets, are selected from global equity markets, without any sector or capitalisation constraints, based on fundamental analysis. The aim of this stock selection process is to identify quality companies whose market price does not reflect the intrinsic value assessed by the management team. In addition, this process includes non-financial criteria, so as to favour companies whose ESG (Environment, Social, Governance) criteria reflect the search for sustainable growth and excludes activities which are the most destructive of natural capital.

In addition to equity investments, the portfolio may be exposed to the following financial instruments:

- Bonds (including convertibles) and other debt securities, up to a maximum of 20% of net assets, issued by companies that meet the above criteria and included in its overall fundamental analysis process, without rating constraints (thus potentially speculative) or even unrated, and without portfolio sensitivity constraints. In addition, this selection is fully flexible in terms of sector or geographical exposure
- Futures and derivatives traded on regulated markets and/or over the counter (contracts for difference) for the purpose of:
  - o hedging (no short selling) or exposing provisionally the portfolio to the equity markets without the possibility of overexposure of the portfolio.
  - o or to hedge the portfolio against currency risk.

*When futures and derivatives are used for exposing the portfolio to the equity markets, they cannot tend to modify the nature of the Sub-Fund, whose investment strategy is focused on companies which contribute to the energy and ecological transition challenges. These themes also form a part of the counterpart's selection process.*

- European UCITS, up to a maximum of 10% of net assets, for the cash management of the Sub-Fund or in addition to direct equity investments.
- Public or corporate money market instruments, up to a maximum of 10% of net assets.

In all cases the exposure of the portfolio to emerging markets, all asset classes combined, shall be limited to 20% while exposure to currency risk shall be limited to 25% of the portfolio.

The Sub-Fund will not invest in neither distressed nor in-default securities.

The Sub-Fund may also hold cash on an ancillary basis.

The Sub-Fund will not invest in ABS and/or MBS.

The Sub-fund is eligible to the French PEA Tax wrapper and must therefore invest on a permanent basis at least 75% of its assets in equities of countries of the European Union, Norway and/or Iceland and in equivalent instruments and/or in UCITS themselves eligible for the PEA.

**Risk profile:**

Risk of capital loss: the Sub-Fund benefits from no guarantee or protection, so it is therefore possible that the capital initially invested is not recovered in full.

Equity risk: the Sub-Fund is exposed up to 20% to variations of the emerging country equity markets and as a consequence suffers from the uncertainties of the equity markets. In this regard, investors' attention is drawn to the fact that the equity markets are particularly risky, that they can undergo periods of sharp falls lasting several years, resulting in severe capital losses for investors. If there is a fall of the equity markets to which the Sub-Fund is exposed the net asset value will fall.

Furthermore, it is possible that some securities in the portfolio might experience a period of sharp falls even when the equity markets are rising. If one or more equities in the portfolio fall then the net asset value may fall, irrespective of market trends.

Emerging country risk: investments in the emerging markets may be more volatile than investments in the developed markets. Some of these markets may have relatively unstable governments, economies based on a handful of companies and financial markets limited to trading just a small number of securities. Most emerging markets do not have a developed regulatory supervision system in place and information published is less reliable than that in the developed countries. There are greater risks of expropriation, nationalisation, political and economic instability in emerging markets than developed markets. Some of these markets may also subject investments made there to temporary or permanent tax charges.

Risks inherent in the settlement of transactions and risk factors specific to emerging countries: settlement systems in emerging countries may be less well organised than in the developed markets. Any shortcomings are likely to delay the settlement of transactions and to endanger the Sub-Fund's amounts in cash or securities. In particular, the practice on these markets may require that the settlement occurs prior to receipt of the securities purchased or that the securities are delivered before payment is received. Insofar as possible, the Company will endeavour to use counterparties with financial situations which are a guarantee in relation to the risk of insolvency; nevertheless, the risk of losses due to a cessation of payment may not be totally eliminated. Incidentally, at the present time, investments in emerging countries are subject to risks in relation to the ownership and deposit of securities.

Foreign exchange risk: as eligible securities in the portfolio may be quoted in currencies other than the euro and deposits may be made in currencies others than the Euro, up to 100% of the Sub-Fund's assets may be exposed to foreign exchange risk, the hedging of that risk being subject to a discretionary policy on the part of the management team.

Risk related to discretionary management: this risk is inherent in the style of management which rests on anticipation of the evolution of different markets. There is a risk that the Sub-Fund is not at a given time invested on the most profitable markets or in the most profitable securities. The Sub-Fund's performance therefore depends on



the manager's ability to anticipate market or security trends. This risk may result in a fall of the net asset value.

Credit risk: up to 20% of the Sub-Fund's assets are exposed to fixed income instruments and deposits, generating credit risk. It represents the possible risk of deterioration of the issuer's signature or failure, and this will have a negative impact on the price of debt securities issued by it or on the reimbursement of the deposits and therefore the Sub-Fund's net asset value, resulting in a capital loss. The level of credit risk is variable depending upon expectations, maturities and the degree of confidence in each issuer, which may reduce the liquidity of the securities of an issuer and have a negative impact on the net asset value, particularly in the case of liquidation by the Sub-Fund of its positions in a market with reduced transaction volumes.

Interest rate risk: up to 20% of the Sub-Fund's assets are exposed to fixed income instruments, generating an interest rate risk. It represents the possible risk that interest rates fall if investments are made at a variable rate or that interest rates increase if investments are made at a fixed rate, the value of an interest rate product being an inverse function of the level of interest rates. In case of unfavourable variation of interest rates the net asset value may fall.

Counterparty risk: is the risk of failure of a counterparty leading to a payment default. The Sub-Fund may be exposed to counterparty risk resulting from the use of financial contracts traded over the counter with a credit establishment. The Sub-Fund is therefore exposed to the risk that one of these credit establishments cannot honour its commitments under such transactions, resulting then in a fall of the net asset value.

Currency risk – Hedged share class: The Sub-Fund may enter into currency exchange transactions to hedge against a change in currency exchange rates that would cause a decline in the value of class denominated in a currency other than the reference currency of the Sub-Fund in exchange for the currency in which the class is denominated.

### **Investor profile:**

This Sub-Fund is intended for investors seeking a capital appreciation on a minimum investment horizon of five (5) years who accept exposure to a significant equity risk as well as risks specific to emerging countries.

## **2. GENERAL INFORMATION**

**Reference currency:** EUR

### **Shares:**

For this Sub-Fund, the Company issues shares:

1. in category "I", open to all types of institutional investors, where appropriate in the framework of discretionary portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company, respectively denominated in Euro, USD, CHF and GBP;
2. in category "R", open to all types investors, respectively denominated in Euro, USD, CHF and GBP;

3. in category “X” shares, which are open to all types of institutional investors providing said investors have been approved beforehand by the Board of Directors;
4. in category “A” shares, which are open to all type of investors with a dedicated management fee, respectively denominated in Euro, USD, CHF and GBP;
5. in category “CS” shares, which are reserved exclusively for retail investors in the framework of portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company, denominated in Euro.

For this Sub-Fund, the Company will only issue registered or dematerialised bearer shares, in the capitalisation class, which do not receive a dividend (shares in class “C” or “C” shares).

Bearer shares may not be evidenced by the delivery of a certificate.

**Calculation of the Net Asset Value “NAV”:** Daily, (“Valuation Day”). The NAV will be calculated on the bank business day following the Valuation Day, on the basis of the last known price on Valuation Day. If the Valuation Day is a public holiday in Luxembourg, the NAV will be dated on the following bank working day.

**Investment Manager:**

Under the terms of an agreement concluded on 13 February 2012 for an indefinite term which may be ended by one or other party by prior notice of a minimum three months, Sycomore Asset Management performs the tasks of Investment Manager.

**Management fee:**

The Management Company will receive a management fee as follows:

CATEGORY	CLASS	CURRENCY	MANAGEMENT FEE	PERFORMANCE FEE
I	C	EUR	1% max	20% over the relevant benchmark
I	C	USD	1% max	20% over the relevant benchmark
I	C	CHF	1% max	20% over the relevant benchmark
I	C	GBP	1% max	20% over the relevant benchmark
R	C	EUR	2% max	20% over the relevant benchmark
R	C	USD	2% max	20% over the relevant benchmark
R	C	CHF	2% max	20% over the relevant benchmark
R	C	GBP	2% max	20% over the relevant benchmark
X	C	EUR	1% max	NIL
A	C	EUR	1,50% max	20% over the relevant benchmark
A	C	USD	1,50% max	20% over the relevant benchmark
A	C	CHF	1,50% max	20% over the relevant

				benchmark
A	C	GBP	1,50% max	20% over the relevant benchmark
CS	C	EUR	1% max	20% over the relevant benchmark

**Performance fee:**

A performance fee may be charged, based on a comparison of the performance of the Sub-Fund, over the Fund's financial year, and the benchmark, MSCI Daily Net TR Europe Index (expressed in Euros).

The performance of the Sub-Fund is calculated after deduction of operating and management fees and before the performance fee.

If, over the Fund's financial year, the performance of the Sub-Fund is positive and superior to the benchmark, the performance fee will represent 20% (all taxes included) of the difference between the performance of the Sub-Fund and the performance of the benchmark.

If, over the Fund's financial year, the performance of the Sub-Fund is inferior to the benchmark, no performance fee will be charged.

If, over the Fund's financial year, the performance of the Sub-Fund, since the beginning of the Fund's financial year, is positive and superior to the benchmark calculated over the same period a provision will be posted for that out-performance by way of performance fee on calculation of the Sub-Fund's NAV.

In the case of an under-performance of a the Sub-Fund in relation to the benchmark between two net asset values, any provision posted earlier will be readjusted by a provision reversal. Provision reversals will not exceed the initial provisions.

The performance fee will only be definitively charged at the close of each financial year if, over the Fund's past financial year, the performance of the Sub-Fund was positive and superior to the benchmark.

In addition, if shares were redeemed (or converted into other shares of any class of the same Sub-Fund or any class of another existing Sub-Fund) during the reference period, and for those shares a performance fee is accrued, it will be crystallized at the date of redemption or conversion and it will be considered as payable to the Investment Manager

The performance fee would be capped to prevent the NAV per share after performance fee to decrease below the reference NAV per share (last NAV per share after performance fee from the previous financial year) due to performance fee.

The first calculation of the performance fee will be between the launch date of the Sub-Fund and 30 December 2016.

**Subscriptions/ Redemptions/ Conversions:**

The subscription price corresponds to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 7% of the NAV in favour of the financial intermediaries for shares in categories "X" and "I".

The subscription price corresponds to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 5% of the NAV in favour of the financial intermediaries for shares in category "A".

The subscription price corresponds to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 3% of the NAV in favour of the financial intermediaries for shares in categories "R" and "CS".

The redemption price is equal to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus, without redemption fee.

The terms of conversion of shares of one Sub-Fund into another are described in Chapter IV Point 3 of the Prospectus, without conversion fee.

Subscription/ redemption/ conversion lists shall close no later than 11 a.m on the Valuation Day.

The settlement of subscriptions, redemptions and conversions will be in the reference currency of the Sub-Fund, category or class of shares and within a deadline of one bank business days in Luxembourg following calculation of the NAV applied.

Shares in categories "I", "X", "A", "CS" and "R" are not subject to a minimum initial subscription amount.

**Launch date of the Sub-Fund:** 31 August 2015.

**Launch date of class I (EUR):** 31 August 2015.

**Launch date of class X (EUR):** 31 August 2015.

**Launch date of class CS (EUR):** to be determined by the Board of Directors at a later stage.

**Initial launch price:**

The initial launch price of class I (EUR) share will be 1000 EUR

The initial launch price of class X (EUR) share will be 1000 EUR

The initial launch price of class CS (EUR) share will be 100 EUR

**Minimum subsequent subscription:** 100EUR.

**Listing investments on the Luxembourg Stock Exchange:**

The shares of this Sub-Fund are not listed on the Luxembourg Stock Exchange.

**Subscription tax:**

Categories "I" and "X": 0.01% p.a. calculated on the basis of the net assets of the Sub-Fund at the end of each quarter.

Categories "A", "CS" and "R": 0.05% p.a. calculated on the basis of the net assets of the Sub-Fund at the end of each quarter.

**SCHEDULE OF THE SYCOMORE FUND SICAV -  
SYCOMORE HAPPY @ WORK**

**FUND HEREINAFTER CALLED “HAPPY @ WORK”**

**1. INVESTMENT POLICY**

**Investment Objective:**

The **HAPPY @ WORK** (denominated in EUR) aims to outperform the Euro Stoxx Total Return index (with dividend reinvested) over a minimum recommended five-year investment horizon.

Stock-picking draws on an in-depth analysis of fundamentals to identify quality companies which are undervalued, i.e. the stock-market price does not represent the estimated intrinsic value of the company, without any sector or market capitalisation restrictions for the targeted companies. The portfolio structure does not need to reflect the composition of the benchmark index. The weighting of each company in the portfolio is therefore entirely independent from the weight of the same company in the index, and it may well be that a company whose securities are held in the portfolio is not a benchmark index component, or equally, that a company which is heavily weighted in the benchmark is not included in the Sub-Fund portfolio. Stocks are selected without sector or market capitalisation restrictions. The portfolio's exposure to European Union equities varies between 60% and 100%, stocks issued in other international markets may represent up to 40% of the portfolio with a sub limit of 10% for stocks issued in countries generally considered as emerging economies.

The management team includes non-financial criteria in their fundamental analysis of companies in the investment universe and favour those who target sustainable growth. This refers to all companies who take into account the long term growth prospects of all their stakeholders (clients, suppliers, environment, employees, local authorities). Environmental and Governance aspects are analysed through exclusion filters in order to blacklist companies that may not be compliant in those areas (industrial accidents, environmental pollution, accounting or tax fraud...) Focus is then given to the analysis of the Social aspects which are the main selection criteria for the stocks held in the portfolio. The additional filter used for this purpose leads to a further 50% reduction of the initial investment universe. For each company, the management team, through additional selection and exclusion filters, is able to value the human capital and the well-being of the employees as a commitment factor for their company and therefore as an indicator of performance and long term growth.

In addition to investment in equities that are the Sub-Fund's core investment strategy, derivatives listed on regulated markets or traded over-the-counter may be used in the management of assets of the Sub-Fund without exceeding portfolio exposure limits. These instruments will be used to supplement direct equity investments to hedge an anticipated drop of the stock markets or to hedge investments in currencies other than the Euro, the exchange risk being subject to discretionary management of Sycomore Asset Management within a 25% exposure limit.

The Sub-Fund may also be exposed up to 10% of its assets in units or shares of undertakings of UCITS which falls within the scope of European Council Directive 2009/65/EC as amended or supplemented from time to time, and up to 25% of the net asset value to fixed income instruments, including convertible and/or money-market instruments issued by governments or companies that have their registered office in

the above mentioned areas. The credit quality of the issuers is assessed by the investment team whose credit analysis takes into account, among other criteria, the ratings issued by the credit rating agencies. A minimum rating of BBB or equivalent is required for an investment to pass the first selection filter and be eligible to the portfolio. The Sub-Fund may also hold cash on an ancillary basis.

The Sub-Fund is eligible to the French PEA Tax wrapper and must therefore invest on a permanent basis at least 75% of its assets in equities of countries of the European Union, Norway and/or Iceland and in equivalent instruments and/or in UCITS themselves eligible for the PEA.

### **Risk profile:**

Risk of capital loss: the Sub-Fund benefits from no guarantee or protection, so it is therefore possible that the capital initially invested is not recovered in full.

Equity risk: the Sub-Fund is exposed up to 100% to variations of the equity markets and as a consequence suffers from the uncertainties of the equity markets. In this regard, investors' attention is drawn to the fact that the equity markets are particularly risky, that they can undergo periods of sharp falls lasting several years, resulting in severe capital losses for investors. If there is a fall of the equity markets to which the Sub-Fund is exposed the net asset value will fall.

Furthermore, it is possible that some securities in the portfolio might experience a period of sharp falls even when the equity markets are rising. If one or more equities in the portfolio fall then the net asset value may fall, irrespective of market trends.

Emerging country risk: the Sub-Fund is exposed up to 10% to emerging markets. Investments in the emerging markets may be more volatile than investments in the developed markets. Some of these markets may have relatively unstable governments, economies based on a handful of companies and financial markets limited to trading just a small number of securities. Most emerging markets do not have a developed regulatory supervision system in place and information published is less reliable than that in the developed countries. There are greater risks of expropriation, nationalisation, political and economic instability in emerging markets than developed markets. Some of these markets may also subject investments made there to temporary or permanent tax charges.

Risks inherent in the settlement of transactions and risk factors specific to emerging countries: settlement systems in emerging countries may be less well organised than in the developed markets. Any shortcomings are likely to delay the settlement of transactions and to endanger the Sub-Fund's amounts in cash or securities. In particular, the practice on these markets may require that the settlement occurs prior to receipt of the securities purchased or that the securities are delivered before payment is received. Insofar as possible, the company will endeavour to use counterparties with financial situations which are a guarantee in relation to the risk of insolvency; nevertheless, the risk of losses due to a cessation of payment may not be totally eliminated. Incidentally, at the present time, investments in emerging countries are subject to risks in relation to the ownership and deposit of securities.

Foreign exchange risk: as eligible securities in the portfolio may be quoted in currencies other than the euro and deposits may be made in currencies others than the Euro, up to 25% of the Sub-Fund's assets may be exposed to foreign exchange risk, the hedging of that risk being subject to a discretionary policy on the part of the

management team. Withing this 25% limit, the Sub-fun cannot be exposed for more than 10% to currencies outside the European Union.

Risk related to discretionary management: this risk is inherent in the style of management which rests on anticipation of the evolution of different markets. There is a risk that the Sub-Fund is not at a given time invested on the most profitable markets or in the most profitable securities. The Sub-Fund's performance therefore depends on the manager's ability to anticipate market or security trends. This risk may result in a fall of the net asset value.

Credit risk: up to 25% of the Sub-Fund's assets are exposed to fixed income instruments and deposits, generating credit risk. It represents the possible risk of deterioration of the issuer's signature or failure, and this will have a negative impact on the price of debt securities issued by it or on the reimbursement of the deposits and therefore the Sub-Fund's net asset value, resulting in a capital loss. The level of credit risk is variable depending upon expectations, maturities and the degree of confidence in each issuer, which may reduce the liquidity of the securities of an issuer and have a negative impact on the net asset value, particularly in the case of liquidation by the Sub-Fund of its positions in a market with reduced transaction volumes.

Interest rate risk: up to 25% of the Sub-Fund's assets are exposed to fixed income instruments, generating an interest rate risk. It represents the possible risk that interest rates fall if investments are made at a variable rate or that interest rates increase if investments are made at a fixed rate, the value of an interest rate product being an inverse function of the level of interest rates. In case of unfavourable variation of interest rates the net asset value may fall.

Counterparty risk: is the risk of failure of a counterparty leading to a payment default. The Sub-Fund may be exposed to counterparty risk resulting from the use of financial contracts traded over the counter with a credit establishment. The Sub-Fund is therefore exposed to the risk that one of these credit establishments cannot honour its commitments under such transactions, resulting then in a fall of the net asset value.

Currency risk – Hedged share class: The Sub-Fund may enter into currency exchange transactions to hedge against a change in currency exchange rates that would cause a decline in the value of class denominated in a currency other than the reference currency of the Sub-Fund in exchange for the currency in which the class is denominated.

Derivatives: The Sub-fund may enter into derivatives (including OTC derivatives) for hedging and investment purposes, in compliance with current legislation for UCITS. These financial instruments may add volatility to the performance of the underlying securities and involve peculiar financial risks. OTC derivatives will be entered into in accordance with the Investment Manager's criteria and rules, but will expose the Sub-Fund to the credit risk of its counterparties and their ability to satisfy the terms of such contracts.

### **Investor profile:**

This Sub-Fund is intended for investors seeking a capital appreciation on a minimum investment horizon of five (5) years who accept exposure to a significant equity risk.

## 2. GENERAL INFORMATION

**Reference currency:** EUR

### **Shares:**

For this Sub-Fund, the Company issues shares:

1. in category “I”, open to all types of institutional investors, where appropriate in the framework of discretionary portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company,
2. in category “R”, open to all types investors,
3. in category “X” shares, which are open to all types of institutional investors providing said investors have been approved beforehand by the Board of Directors,
4. in category “CS” shares, which are reserved exclusively for retail investors in the framework of portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company, denominated in Euro.

For this Sub-Fund, the Company will only issue registered or dematerialised bearer shares, in the capitalisation class, which do not receive a dividend (shares in class “C” or “C” shares).

Bearer shares may not be evidenced by the delivery of a certificate.

**Calculation of the Net Asset Value “NAV”:** Daily, (“Valuation Day”). The NAV will be calculated on the bank business day following the Valuation Day, on the basis of the last known price on Valuation Day. If the Valuation Day is a public holiday in Luxembourg, the NAV will be dated on the following bank working day.

### **Investment Manager:**

Under the terms of an agreement concluded on 13 February 2012 for an indefinite term which may be ended by one or other party by prior notice of a minimum three months, Sycomore Asset Management performs the tasks of Investment Manager.

### **Management fee:**

The Management Company will receive a management fee as follows:

<b>CATEGORY</b>	<b>CLASS</b>	<b>MANAGEMENT FEE</b>	<b>PERFORMANCE FEE</b>
I	C	1 % max	20% over the Euro Stoxx Total Return
R	C	2 % max	20% over the Euro Stoxx Total Return
X	C	1 % max	NIL
CS	C	1 % max	20% over the Euro Stoxx Total Return

### **Performance fee:**



A performance fee may be charged, based on a comparison of the performance of the Sub-Fund, from the first bank business day of October to the last bank business day of September (the "Calculation period"), and the benchmark, Euro Stoxx Total Return Index (expressed in Euros).

The performance of the Sub-Fund is calculated after deduction of operating and management fees and before the performance fee.

If, over the Calculation period, the performance of the Sub-Fund is positive and superior to the benchmark, the performance fee will represent 20% (all taxes included) of the difference between the performance of the Sub-Fund and the performance of the benchmark.

If, over the Calculation period, the performance of the Sub-Fund is negative or inferior to the benchmark, no performance fee will be charged.

If, over the Calculation period, the performance of the Sub-Fund, since the beginning of the Calculation period, is positive and superior to the benchmark calculated over the same period, a provision will be posted for that out-performance by way of performance fee on calculation of the Sub-Fund's NAV.

In the case of an under-performance of a the Sub-Fund in relation to the benchmark between two net asset values, any provision posted earlier will be readjusted by a provision reversal. Provision reversals will not exceed the initial provisions.

In addition, if shares were redeemed (or converted into other shares of any class of the same Sub-Fund or any class of another existing Sub-Fund) during the Calculation period, and for those shares a performance fee is accrued, it will be crystallized at the date of redemption or conversion and it will be considered as payable to the Investment Manager.

The performance fee would be capped to prevent the NAV per share after performance fee to decrease below the reference NAV per share (last NAV per share after performance fee from the previous Calculation period) due to performance fee.

The first calculation of the performance fee will be between the launch date of the Sub-Fund and 30 September 2016.

### **Subscriptions/ Redemptions/ Conversions:**

The subscription price corresponds to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 10% of the NAV in favour of the financial intermediaries for shares in category "X".

The subscription price corresponds to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 7% of the NAV in favour of the financial intermediaries for shares in category "I".

The subscription price corresponds to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be

increased by a maximum subscription fee of 3% of the NAV in favour of the financial intermediaries for shares in categories “R” and “CS”.

The redemption price is equal to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus, without redemption fee.

The terms of conversion of shares of one Sub-Fund into another are described in Chapter IV Point 3 of the Prospectus, without conversion fee.

Subscription/ redemption/ conversion lists shall close no later than 11 a.m on the Valuation Day.

The settlement of subscriptions, redemptions and conversions will be in the reference currency of the Sub-Fund, category or class of shares and within a deadline of one bank business days in Luxembourg following calculation of the NAV applied.

Shares in categories “I”, “X”, “CS” and “R” are not subject to a minimum initial subscription amount.

**Launch date of the Sub-Fund:** 4 November 2015

**Launch date of class I:** 4 November 2015

**Launch date of class X:** 4 November 2015

**Launch date of class R:** 4 November 2015

**Launch date of the class CS:** to be determined by the Board of Directors at a later stage.

**Initial launch price:**

The initial launch price of class I share will be 100 EUR

The initial launch price of class X share will be 100 EUR

The initial launch price of class R share will be 100 EUR

The initial launch price of class CS share will be 100 EUR

**Minimum subsequent subscription:** 100 EUR.

**Listing on the Luxembourg Stock Exchange:**

The shares of this Sub-Fund are not listed on the Luxembourg Stock Exchange.

**Subscription tax:**

Categories “I” and “X”: 0.01% p.a. calculated on the basis of the net assets of the Sub-Fund at the end of each quarter.

Categories “R” and “CS”: 0.05% p.a. calculated on the basis of the net assets of the Sub-Fund at the end of each quarter.

**SCHEDULE OF THE SYCOMORE FUND SICAV -  
SYCOMORE RENDEMENT DURABLE**

**FUND HEREINAFTER CALLED “SYCOMORE RENDEMENT DURABLE”**

**1. INVESTMENT POLICY**

**Investment Objective:**

The **SYCOMORE RENDEMENT DURABLE** (denominated in EUR) aims to outperform the Stoxx 600 Total Return index (with dividend reinvested) over a minimum recommended five-year investment horizon.

The Sub-Fund's investment strategy is based on the selection of stocks primarily issued in the European Union, Switzerland, Norway and Iceland, and secondarily in other international markets including the markets of emerging countries. These equities are selected based on a thorough fundamental analysis that aims to identify quality companies whose market valuation is not representative of their intrinsic value as determined by the Sub-Fund manager and with a significant, sustainable and responsible return. The management team therefore include non-financial criteria in their fundamental analysis of companies in the investment universe and favour those whose ESG criteria (Environment – Social – Governance) target sustainable growth. The portfolio is then structured in order to direct its investments towards the companies with a high return.

The portfolio structure does not need to reflect the composition of the benchmark index. The weighting of each company in the portfolio is therefore entirely independent from the weight of the same company in the index, and it may well be that a company whose securities are held in the portfolio is not a benchmark index component, or equally, that a company which is heavily weighted in the benchmark is not included in the Sub-Fund portfolio. Stocks are selected without sector or market capitalisation restrictions. The Sub-Fund may invest up to 10% of its assets in stocks issued outside of the European Union, Switzerland, Norway or Iceland, this includes stocks of companies that are based in the countries generally qualified as emerging economies.

Derivatives listed on regulated markets or traded over-the-counter may be used in the management of the assets of the Sub-Fund without exceeding portfolio exposure limits. These instruments will be used to supplement direct equity investments to hedge an anticipated drop of the stock markets or to hedge investments in currencies other than the Euro, the exchange risk being subject to discretionary management of Sycomore Asset Management.

The Sub-Fund may also be exposed up to 10% of its assets in units or shares of undertakings of UCITS which falls within the scope of European Council Directive 2009/65/EC as amended or supplemented from time to time, and up to 25% to fixed income instruments, including convertible and/or money-market instruments issued by governments or companies that have their registered office in the above mentioned areas. The credit quality of the issuers is assessed by the investment team whose credit analysis takes into account, among other things, the ratings issued by the credit rating agencies. A minimum rating of BBB or equivalent is required for an investment to pass the first selection filter and be eligible to the portfolio. The Sub-Fund may also hold cash on an ancillary basis.

The Sub-Fund is eligible to the French PEA Tax wrapper and must therefore invest on a permanent basis at least 75% of its assets in equities of countries of the European Union, Norway and/or Iceland and in equivalent instruments and/or in UCITS themselves eligible for the PEA.

**Risk profile:**

Risk of capital loss: the Sub-Fund benefits from no guarantee or protection, so it is therefore possible that the capital initially invested is not recovered in full.

Equity risk: the Sub-Fund is exposed up to 100% to variations of the equity markets and as a consequence suffers from the uncertainties of the equity markets. In this regard, investors' attention is drawn to the fact that the equity markets are particularly risky, that they can undergo periods of sharp falls lasting several years, resulting in severe capital losses for investors. If there is a fall of the equity markets to which the Sub-Fund is exposed the net asset value will fall.

Furthermore, it is possible that some securities in the portfolio might experience a period of sharp falls even when the equity markets are rising. If one or more equities in the portfolio fall then the net asset value may fall, irrespective of market trends.

Emerging country risk: the Sub-Fund is exposed up to 10% to emerging markets. Investments in the emerging markets may be more volatile than investments in the developed markets. Some of these markets may have relatively unstable governments, economies based on a handful of companies and financial markets limited to trading just a small number of securities. Most emerging markets do not have a developed regulatory supervision system in place and information published is less reliable than that in the developed countries. There are greater risks of expropriation, nationalisation, political and economic instability in emerging markets than developed markets. Some of these markets may also subject investments made there to temporary or permanent tax charges.

Risks inherent in the settlement of transactions and risk factors specific to emerging countries: settlement systems in emerging countries may be less well organised than in the developed markets. Any shortcomings are likely to delay the settlement of transactions and to endanger the Sub-Fund's amounts in cash or securities. In particular, the practice on these markets may require that the settlement occurs prior to receipt of the securities purchased or that the securities are delivered before payment is received. Insofar as possible, the Company will endeavour to use counterparties with financial situations which are a guarantee in relation to the risk of insolvency; nevertheless, the risk of losses due to a cessation of payment may not be totally eliminated. Incidentally, at the present time, investments in emerging countries are subject to risks in relation to the ownership and deposit of securities.

Foreign exchange risk: as eligible securities in the portfolio may be quoted in currencies other than the euro and deposits may be made in currencies others than the Euro, up to 100% of the Sub-Fund's assets may be exposed to foreign exchange risk, the hedging of that risk being subject to a discretionary policy on the part of the management team.

Risk related to discretionary management: this risk is inherent in the style of management which rests on anticipation of the evolution of different markets. There is a risk that the Sub-Fund is not at a given time invested on the most profitable markets or in the most profitable securities. The Sub-Fund's performance therefore depends on

the manager's ability to anticipate market or security trends. This risk may result in a fall of the net asset value.

Credit risk: up to 25% of the Sub-Fund's assets are exposed to fixed income instruments and deposits, generating credit risk. It represents the possible risk of deterioration of the issuer's signature or failure, and this will have a negative impact on the price of debt securities issued by it or on the reimbursement of the deposits and therefore the Sub-Fund's net asset value, resulting in a capital loss. The level of credit risk is variable depending upon expectations, maturities and the degree of confidence in each issuer, which may reduce the liquidity of the securities of an issuer and have a negative impact on the net asset value, particularly in the case of liquidation by the Sub-Fund of its positions in a market with reduced transaction volumes.

Interest rate risk: up to 25% of the Sub-Fund's assets are exposed to fixed income instruments, generating an interest rate risk. It represents the possible risk that interest rates fall if investments are made at a variable rate or that interest rates increase if investments are made at a fixed rate, the value of an interest rate product being an inverse function of the level of interest rates. In case of unfavourable variation of interest rates the net asset value may fall.

Counterparty risk: is the risk of failure of a counterparty leading to a payment default. The Sub-Fund may be exposed to counterparty risk resulting from the use of financial contracts traded over the counter with a credit establishment. The Sub-Fund is therefore exposed to the risk that one of these credit establishments cannot honour its commitments under such transactions, resulting then in a fall of the net asset value.

Currency risk: Hedged share class: The Sub-Fund may enter into currency exchange transactions to hedge against a change in currency exchange rates that would cause a decline in the value of class denominated in a currency other than the reference currency of the Sub-Fund in exchange for the currency in which the class is denominated.

Derivatives: The Sub-fund may enter into derivatives (including OTC derivatives) for hedging and investment purposes, in compliance with current legislation for UCITS. These financial instruments may add volatility to the performance of the underlying securities and involve peculiar financial risks. OTC derivatives will be entered into in accordance with the Investment Manager's criteria and rules, but will expose the Sub-Fund to the credit risk of its counterparties and their ability to satisfy the terms of such contracts.

### **Investor profile:**

This Sub-Fund is intended for investors seeking a capital appreciation on a minimum investment horizon of five (5) years who accept exposure to a significant equity risk.

## **2. GENERAL INFORMATION**

**Reference currency:** EUR

**Shares:**

For this Sub-Fund, the Company issues shares:

1. in category “I”, open to all types of institutional investors, where appropriate in the framework of discretionary portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company,
2. in category “R”, open to all types investors,
3. in category “X” shares, which are open to all types of institutional investors providing said investors have been approved beforehand by the Board of Directors,
4. in category “CS” shares, which are reserved exclusively for retail investors in the framework of portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company, denominated in Euro.

For this Sub-Fund, the Company will only issue registered or dematerialised bearer shares, in the capitalisation class, which do not receive a dividend (shares in class “C” or “C” shares) and in the distribution class, which is entitled to receive a dividend (shares in class “D” or “D” shares) .

Bearer shares may not be evidenced by the delivery of a certificate.

**Calculation of the Net Asset Value “NAV”:** Daily, (“Valuation Day”). The NAV will be calculated on the bank business day following the Valuation Day, on the basis of the last known price on Valuation Day. If the Valuation Day is a public holiday in Luxembourg, the NAV will be dated on the following bank working day.

**Investment Manager:**

Under the terms of an agreement concluded on 13 Février 2012 for an indefinite term which may be ended by one or other party by prior notice of a minimum three months, Sycomore Asset Management performs the tasks of Investment Manager.

**Management fee:**

The Management Company will receive a management fee as follows:

CATEGORY	CLASS	MANAGEMENT FEE	PERFORMANCE FEE
I	C	1 % max	20% over the Stoxx 600 Total Return
I	D	1 % max	20% over the Stoxx 600 Total Return
R	D	2 % max	20% over the Stoxx 600 Total Return
R	C	2 % max	20% over the Stoxx 600 Total Return
X	C	1 % max	NIL
CS	C	1 % max	20% over the Stoxx 600 Total Return

**Performance fee:**

A performance fee may be charged, based on a comparison of the performance of the

Sub-Fund, from the first bank business day of October to the last bank business day of September (the "Calculation period"), and the benchmark, Stoxx 600 Total Return Index (expressed in Euros).

The performance of the Sub-Fund is calculated after deduction of operating and management fees and before the performance fee.

If, over the Calculation period, the performance of the Sub-Fund is positive and superior to the benchmark, the performance fee will represent 20% (all taxes included) of the difference between the performance of the Sub-Fund and the performance of the benchmark.

If, over the Calculation period, the performance of the Sub-Fund is negative or inferior to the benchmark, no performance fee will be charged.

If, over the Calculation period, the performance of the Sub-Fund, since the beginning of the Calculation period, is positive and superior to the benchmark calculated over the same period, a provision will be posted for that out-performance by way of performance fee on calculation of the Sub-Fund's NAV.

In the case of an under-performance of a the Sub-Fund in relation to the benchmark between two net asset values, any provision posted earlier will be readjusted by a provision reversal. Provision reversals will not exceed the initial provisions.

In addition, if shares were redeemed (or converted into other shares of any class of the same Sub-Fund or any class of another existing Sub-Fund) during the Calculation period, and for those shares a performance fee is accrued, it will be crystallized at the date of redemption or conversion and it will be considered as payable to the Investment Manager

The performance fee would be capped to prevent the NAV per share after performance fee to decrease below the reference NAV per share (last NAV per share after performance fee from the previous Calculation period) due to performance fee.

The first calculation of the performance fee will be between the launch date of the Sub-Fund and 30 September 2016.

### **Subscriptions/ Redemptions/ Conversions:**

The subscription price corresponds to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 10% of the NAV in favour of the financial intermediaries for shares in category "X".

The subscription price corresponds to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 7% of the NAV in favour of the financial intermediaries for shares in category "I".

The subscription price corresponds to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 3% of the NAV in favour of the financial intermediaries for shares in categories "R" and "CS".

The redemption price is equal to the NAV of the Sub-Fund determined in accordance with Chapter V of the Prospectus, without redemption fee.

The terms of conversion of shares of one Sub-Fund into another are described in Chapter IV Point 3 of the Prospectus, without conversion fee.

Subscription/ redemption/ conversion lists shall close no later than 11 a.m on the Valuation Day.

The settlement of subscriptions, redemptions and conversions will be in the reference currency of the Sub-Fund, category or class of shares and within a deadline of one bank business day in Luxembourg following calculation of the NAV applied.

Shares in categories "I", "X", "CS" and "R" are not subject to a minimum initial subscription amount.

**Launch date of the Sub-Fund:** 4 November 2015

**Launch date of class I:** 4 November 2015

**Launch date of class I D:** 4 November 2015

**Launch date of class X:** 4 November 2015

**Launch date of class R:** 4 November 2015

**Launch date of class R D:** 4 November 2015

**Launch date of class CS:** to be determined by the Board of Directors at a later stage.

**Initial launch price:**

The initial launch price of class I share will be 100 EUR

The initial launch price of class I D share will be 100 EUR

The initial launch price of class X share will be 100 EUR

The initial launch price of class R share will be 100 EUR

The initial launch price of class R D share will be 100 EUR

The initial launch price of class CS share will be 100 EUR

**Minimum subsequent subscription:** 100 EUR.

**Listing on the Luxembourg Stock Exchange:**

The shares of this Sub-Fund are not listed on the Luxembourg Stock Exchange.

**Subscription tax:**

Categories "I" and "X": 0.01% p.a. calculated on the basis of the net assets of the Sub-Fund at the end of each quarter.



Categories "R" and "CS": 0.05% p.a. calculated on the basis of the net assets of the Sub-Fund at the end of each quarter.

## **SCHEDULE OF THE SYCOMORE FUND SICAV – SYCOMORE SELECTION RESPONSABLE (LUXEMBOURG)**

### **FUND HEREINAFTER CALLED “SYCOMORE SELECTION RESPONSABLE (LUXEMBOURG)”**

#### **1. INVESTMENT POLICY**

##### **Investment Objective:**

The **SYCOMORE SELECTION RESPONSABLE (LUXEMBOURG)** (denominated in EUR) (the “**Feeder Sub-Fund**”) aims to out perform the Euro Stoxx Total Return index over a minimum investment period of five years.

The Feeder Sub-Fund is a feeder fund of the master fund SYCOMORE SELECTION RESPONSABLE, an investment fund in the form of a French “*fond commun de placement*”, governed by French law and the Directive 2009/65/EC (the “**Master Fund**”).

The Feeder Sub-Fund will invest more than 95% of its total net exposure in the Master Fund and will look for a 100% exposure to the Master Fund, depending of the cash needed for ancillary purposes.

The rest of the assets will be invested in cash and/or in ancillary liquid assets in accordance with article 41, paragraph (2), second sub-paragraph of the 2010 Law.

The objective, the investment policy and the risk profile of the Feeder Sub-Fund and the Master Fund are similar. The performance of the Feeder Sub-Fund and the Master Fund are similar with the exception of the assets of the Feeder Sub-Fund which will not be invested in the Master Fund.

Investments in financial derivative instruments are prohibited for this Feeder Sub-Fund.

##### **Investment Policy and strategy of the Master Fund:**

###### **Investment Policy of the Master Fund**

The Master Fund aims to outperform the Euro Stoxx Total Return index over a minimum investment period of five years.

###### **Benchmark used in the Master Fund’s level**

Euro Stoxx Total Return index, with dividends reinvested. This index measures the growth of shares listed on Euro zone equity markets. The index consists of approximately 300 stocks. The free-float of each stock is used as a reference to determine its weight in the index.

###### **Investment Strategy of the Master Fund**

The Master Fund’s investment strategy is based on a portfolio exposure of 60% to 100% to Euro zone equities. These equities are selected based on a thorough fundamental analysis of companies, without sector or capitalisation restrictions. The portfolio can therefore be exposed up to 100% to small cap equities. It aims to identify

quality companies whose market valuation is not representative of their intrinsic value as determined by the management team.

The management team includes non-financial criteria in their fundamental analysis of companies in the investment universe and favour those whose ESG criteria (Environment – Social – Governance) target sustainable growth. As an example, the following criteria are in scope:

- Environment→ environmental certifications, products and services with environmental added value , contribution towards environmental and energy transition, particular measures to address environmental issues such as energy, climate, air quality, biodiversity ...
- Social→ training, health and safety, absenteeism and staff turnover, corporate culture and values, restructuring management, evaluation of social atmosphere, work life balance, responsible procurement policy and suppliers audits ...
- Governance→ alignment of interests between the management team and the shareholders, financial reporting quality (reliability and transparency), governing bodies structure, succession planning, consideration for minority shareholders...

ESG analysis is a fully integrated to the fundamental analysis of companies within our investment universe. The ESG rating assigned to each of these stocks aims to identify additional risks or opportunities not yet identified or reflected through the financial statements. The risk premium reflects the discrepancies between the results of the financial and the non-financial analysis. The ESG rating has an impact on the risk premium of companies and therefore on their target prices as well. Thus, depending on its ESG rating, an issuer risk premium and its target prices may shift up or down, and as a consequence, be included or not into the stock selection.

Equities eligible for the French plan d'épargne en actions (PEA, or shareholder savings plan) represent at least 75% of the portfolio at all times, which may, where applicable, focus on a limited number of stocks.

The portfolio may be exposed up to 10% to equities listed on stock markets outside the Euro zone such as Switzerland, Great Britain, Norway or the United States, following the same selection criteria. Investments in equities listed on emerging markets are prohibited. The currency risk exposure is limited to 10% of the Master Fund assets.

The portfolio structure may not reflect the composition of the benchmark. The weighting of each company in the portfolio is therefore entirely independent from the weight of the same company in the index, and it may well be that a company whose securities are held in the portfolio is not a benchmark component, or equally, that a company which is heavily weighted in the benchmark is not included in the Master Fund portfolio.

In addition to these equity investments, which represent the Master Fund's core investment strategy, the management team may expose the portfolio to the following financial instruments:

1. Bonds, including convertible bonds and other euro-denominated debt securities, without sector or regional restrictions (other than the prohibition of emerging market securities); exposure to these financial instruments may not exceed 25% of the Master Fund's assets. Their selection is based on the credit quality of their issuers and the proposed yield, without reference to a portfolio sensitivity objective.

2. Money-market instruments, to hedge the portfolio against expected downside in the above-mentioned equity markets. The management team may thus expose up to 25% of the Master Fund's assets to French treasury bonds and to negotiable certificates of deposit (henceforth referred to as "negotiable CDs") from private issuers having their registered office in an OECD member state and rated at least AA or the equivalent by the rating agencies (Standard & Poors or the equivalent, Moody's and Fitch Ratings), these negotiable CDs must have a residual life of less than three months.
3. French or European UCIT-compliant funds, up to 10% of the Master Fund's assets. These investments may be made in line with the investment strategy (equity, fixed income or diversified funds) or in order to manage the Master Fund's cash-flow (money-market funds).
4. Financial futures and embedded derivative instruments, used either to hedge the portfolio against expected downside in the above-mentioned equity markets or to expose it to potential upside in these same markets.

In these circumstances, the Master Fund may enter into over-the-counter contracts in the form of "Contracts for Difference" (henceforth referred to as "CFDs"). The underlying components of CFDs are shares or equity indices.

The portfolio's off-balance sheet commitments shall not exceed the total value of the Master Fund's assets at any time. Total exposure to equity risk relating to off-balance sheet commitments and equity positions cannot exceed the total value of the Master Fund's assets. The portfolio's total exposure to equities therefore cannot exceed 100%.

▪ **Asset classes and financial futures in the portfolio:** The following assets are likely to be included in the Master Fund's portfolio:

#### Equities

The portfolio's exposure to Euro zone equities (excluding Slovenia and Slovakia) varies between 60% and 100% of its assets, with the portfolio remaining at least 75% invested in equities eligible for the French *plan d'épargne en actions* (PEA, or shareholder savings plan).

Stock-picking is carried out without any sector or capitalisation restrictions. The portfolio can therefore be exposed up to 100% to small cap equities.

The portfolio may be exposed up to 10% to equities listed on stock markets outside the Euro zone such as Switzerland, Great Britain, Norway or the United States, following the same selection criteria. Investments in equities of companies listed on emerging markets are prohibited.

#### Debt securities and money-market instruments

The portfolio may include between 0% and 25% of bonds and other Euro denominated debt securities, without any sector restrictions. Their issuers must have their registered office in an OECD member state. They are selected based on credit ratings and proposed yield without reference to a modified duration target for the portfolio. The credit quality of the issuers is assessed by the investment team whose credit analysis takes into account, among other criteria, the ratings issued by the credit rating agencies (Standard & Poors, Moody's, Fitch Ratings). A minimum rating of BBB or equivalent is required for an investment to pass the selection filter and be eligible to the portfolio.

To manage the Master Fund's cash, the portfolio may include negotiable debt securities. No investments pertaining to this asset category may exceed 25% of the Master Fund's portfolio.

Such securities may come from public issuers (up to 25% of Master Fund assets in fixed-rate French treasury bonds) or corporate issuers (negotiable CDs up to 10% of fund assets) with no pre-set restriction on the breakdown between these two categories.

Only those securities with residual lives of less than three months may be added to the portfolio. The credit quality of the issuers is assessed by the investment team whose credit analysis takes into account, among other criteria, the ratings issued by the credit rating agencies (Standard & Poors, Moody's, Fitch Ratings). A minimum rating of AA or equivalent is required for an investment to pass the selection filter and be eligible to the portfolio.

#### Shares or units of other mutual funds

The Master Fund's portfolio may include up to 10% units or shares of European UCITS or French UCIs which invest less than 10% of their assets in UCITS or other mutual funds.

The Master Fund may also invest in money-market funds in order to manage the Master Fund's cash flow, or equity, fixed income or diversified funds with a management strategy which complements that of the Master Fund and which contributes towards achieving performance target.

These UCIs are selected by the management team following meetings with the Master Fund managers. The main investment criteria applied, apart from ensuring the strategy is complementarity, is the sustainability of the target Master Fund's investment process.

The Master Fund may invest in mutual funds marketed or managed by Sycomore Asset Management or one of its subsidiaries, within the aforementioned limits.

#### Derivatives

The Master Fund operates in all regulated and organised markets in France or in other countries.

The Master Fund uses futures and option strategies.

Futures and options strategies are intended either to hedge the portfolio against downside risk in an underlying equity asset, or to increase portfolio exposure in order to capitalise on upside in an underlying equity asset.

The Master Fund nonetheless primarily draws on stock-picking within the portfolio to achieve investment management targets, with these strategies contributing on an ancillary basis. These strategies nevertheless enable a Master Fund manager anticipating a period of equity market weakness to reduce equity exposure (hedging strategy involving equity indices or certain stocks which the Master Fund manager considers overvalued) or conversely, to increase portfolio exposure when the Master Fund manager feels that securities already in the portfolio may not fully benefit from an expected equity market rally.

#### Securities with embedded derivatives

The Master Fund deals in financial instruments with embedded equity derivatives.

The instruments used are: Warrants, equity warrants, investment certificates, as well as bond-type securities with a conversion or subscription right including convertible bonds, bonds redeemable into new or existing shares and equity-warrant bonds.

These instruments are used in order to expose the portfolio to one or more companies that satisfy the selection criteria defined above. The aggregate total weight of these investments in the Master Fund portfolio shall not exceed 25% of its assets.

The portfolio's off-balance sheet commitments shall not exceed the total value of the Master Fund's assets at any time. Total exposure to equity risk relating to off-balance sheet commitments and equity positions cannot exceed the total value of the Master Fund's assets. The portfolio's total exposure to equities therefore cannot exceed 100%.

Over-the-counter contracts: The Master Fund may enter into over-the-counter contracts in the form of "Contracts for Differences" (henceforth referred to as CFDs). The underlying components of CFDs are stocks or global equity indices.

CFDs shall be used to replicate purchases or sales in securities or indices, or baskets of securities or baskets of indices.

The portfolio's off-balance sheet commitments shall not exceed the total value of the Master Fund's assets at any time. The portfolio's off-balance sheet commitments shall not exceed the total value of the Master Fund's assets. If equity exposure increases through the use of derivatives or securities with embedded derivatives, it shall not exceed 100% and will therefore not lead to overexposure.

#### Deposits

There are no plans to use deposits in connection with the management of the Master Fund.

#### Cash loans.

In the normal course of business, the fund may on occasion find itself in debt and in that case may borrow cash, up to the limit of 10% of its net assets.

#### Temporary acquisitions and sales of securities

There are no plans to use temporary acquisitions or disposals of securities in connection with the management of the fund.

#### Contracts constituting financial guarantees

The Master Fund does not receive any financial guarantees as part of the authorized transactions.

### **Risk Profile of the Master Fund:**

Specifically, given the investment policy of the Master Fund, investors are advised of the following risks:

- Risk of loss of principal as: 1) the Master Fund's performance may not meet investment objectives or investor targets (which depend on their portfolio composition); 2) the principal invested may not be entirely returned; 3) the performance may be adversely affected by inflation
- General equity risk, due to exposure of between 60% and 100% to equity markets through investments in equities, equity-exposed UCIs, convertible bonds and financial derivative instruments with equity underlying assets. There is a risk that an

investment market will decline or that the value of one or more shares will decline, due to a market shift. NAV may decrease if equity markets fall.

- Specific equity risk, on account of equity exposure between 75% and 100% of the assets. It is the risk that the value of one or more shares will decline due to unfavourable news regarding the company itself or its industry. In the event of unfavourable news on one of the companies held in the portfolio or its particular business sector, the Master Fund's NAV could decline.
- Specific risk relating to companies with low market capitalisation, due to the possibility that up to 100% of the Master Fund's assets are invested in the shares of companies with low capitalisations. In this regard, investors should bear in mind that the small and mid-cap market includes companies which, by reason of their specific nature, may involve risks for investors. This is the risk that some buy or sell orders may not be fully executed on account of the limited quantity of securities available in the market. These stocks may be subject to higher volatility than large capitalisation companies and weigh on the NAV.
- The risk incurred from discretionary management, as the management team may, freely allocate Master Fund assets between the various asset classes.

The discretionary management style is based on anticipating trends in various markets (equity, bond). There is a risk that the Master Fund will not be invested at all times on the best-performing markets and that this results in a drop in the net asset value of the Master Fund.

- Fixed-income and credit risk, due to the fund's ability to hold fixed-income products, debt securities and money-market instruments up to 25% of its assets;

Interest rate risk is:

- The risk that the rates decline when investments are made at a variable rate (lower rate of return);
- The risk that rates will raise in the case of fixed-rate investments, as the value of a fixed interest-rate product is inversely proportional to interest rate levels

The net asset value may decrease in the event of an adverse variation in interest rates.

Credit risk is the risk that the issuer of a debt security is no longer able to reimburse the debt, or that its rating is downgraded, which could then lead to a decrease in the NAV.

- Risk incurred by convertible bonds investments, given that the Master Fund may be exposed for up to 25% to convertible bonds. This is the risk that the Net Asset Value falls, affected adversely by one or more elements of a convertible bond valuation, namely: level of interest rates, changes in prices of the underlying shares and changes in the price of the derivative instrument embedded in the convertible bond.
- Foreign exchange risk as some eligible financial instruments may be listed in currencies other than the Euro. In this regard, investor attention is drawn to the fact that the Master Fund is subject to foreign exchange risk of up to a maximum amount of 10% of its assets for a French resident;

Foreign exchange risk is the risk that the value of an investment currency diminishes compared to the Master Fund's benchmark currency, i.e. the Euro, which could then lead to a decrease in NAV.

- The counterparty risk, the management team may enter into over-the-counter derivative contracts with financial institutions having their registered office in the European Union or in the United States and subject to the prudential supervision rules from authorities. This is the risk that a counterparty defaults and is no longer able to transfer the money due to the fund as a result of a transaction, i.e. collateral deposits or realised gains. This risk is capped at a maximum of 10% of the portfolio per counterparty. In the event of a counterparty default, the Net Asset Value may fall.

Guarantee or protection: Nil.

### **Investor profile of the Feeder Sub-Fund:**

The Feeder Sub-Fund is intended both for individual and for institutional investors who are willing to accept major fluctuations in equity markets and with an investment horizon of at least five years.

### **Additional Information Concerning the Master-Feeder Structure**

The prospectus of the Master Fund is available, upon request and free of charge, to all shareholders at the registered office of the management company of the Master Fund: Sycomore Asset Management – Services clients – 14, avenue Hoche, F-75008 Paris, France.

Further information and documents are also available at the registered office of the Company and/or on the website of the Management Company: [www.sycomore-am.com](http://www.sycomore-am.com).

The Feeder Sub-Fund and the Master Fund are managed by the same management company.

As per the 2010 Law, the Management Company has in place internal conduct of business rules as regards this master-feeder structure.

These internal conduct of business rules ensure compliance with the 2010 Law requirements meaning *inter alia* (i) the repurchase, subscription or redemption of shares as well as their suspension and (ii) the appropriate measures to coordinate the timing of their net asset value calculation and publication, (iii) the basis of investment and disinvestment by the Feeder Sub-Fund, (iv) standard dealing arrangements, (v) events affecting dealing arrangements and (vi) standard arrangements for the audit report.

Any fees, costs and/or charges to be incurred by the Feeder Sub-Fund (e.g. *inter alia* administrative agent's, or performance fees) will be borne and paid by the Management Company (apart from the fees perceived by the Management Company).

Transaction costs due to the investment or disinvestment into the Master Fund to be incurred by the Feeder Sub-Fund will be borne and paid by the Management Company.



There will be no tax implications for the shareholders of the Feeder Sub-fund by virtue of its being part of the master-feeder structure.

The performance of the Feeder Sub-Fund and the Master Fund are similar with the exception of the assets of the Feeder Sub-Fund which will not be invested in the Master Fund.

As the Master Fund and Feeder Sub-Fund have different accounting years, the approved statutory auditor of the Master Fund will, in accordance with the 2010 Law, make an *ad hoc* report on the closing of the financial year of the Feeder Sub-Fund.

For the purpose of compliance with article 42 (3) and in accordance with article 77 (2) of the 2010 Law, the Feeder Sub-Fund shall calculate its global exposure related to financial derivatives instruments by combining its own direct exposure under point b) of the first subparagraph of article 77 of the 2010 Law with the Master Fund actual exposure to financial derivative instruments in proportion to the Feeder Sub-Fund investment into the Master Fund.

## **2. GENERAL INFORMATION**

**Reference currency:** EUR

### **Shares:**

For the Feeder Sub-Fund, the Company issues shares:

1. in category “I”, open to all types of institutional investors, where appropriate in the framework of discretionary portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company,
2. in category “R”, open to all types investors,
3. in category “CS” shares, which are reserved exclusively for retail investors in the framework of portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company, denominated in Euro.

For the Feeder Sub-Fund, the Company will only issue registered or dematerialised bearer shares, in the capitalisation class, which do not receive a dividend (shares in class “C” or “C” shares) and in the distribution class, which is entitled to receive a dividend (shares in class “D” or “D” shares) .

Bearer shares may not be evidenced by the delivery of a certificate.

**Calculation of the Net Asset Value “NAV”:** Daily (“Valuation Day”). The NAV will be calculated on each Luxembourg and/or French business day following the Valuation Day, on the basis of the last known price on Valuation Day. If the Valuation Day is a public holiday in Luxembourg and/or France, the NAV will be dated on the following bank working day.

**Investment Manager:** Under the terms of an agreement concluded on 13 February 2012 for an indefinite term which may be ended by one or other party by prior notice of

a minimum three months, Sycomore Asset Management performs the tasks of Investment Manager.

**Management fee and aggregate charges of the Master Fund and Feeder Sub-Fund:**

The management fee perceived by the Management Company and the aggregate charges of the Master Fund and Feeder Sub-Fund are indicated in the table below.

CATEGORY	CURRENCY	CLASS	MANAGEMENT FEE	PERFORMANCE FEE	AGGREGATE CHARGES – Master + Feeder
I	(EUR)	C	0.00% max	NIL	1%
I	(EUR)	D	0.00% max	NIL	1%
R	(EUR)	C	1.00% max	NIL	2%
R	(EUR)	D	1.00% max	NIL	2%
CS	(EUR)	C	0.00% max	NIL	1%

**Subscriptions/ Redemptions/ Conversions:**

The subscription price corresponds to the NAV of the Feeder Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 7% of the NAV in favour of the financial intermediaries for shares in category “I” and 3% of the NAV in favour of the financial intermediaries for shares in categories “R” and “CS”.

The redemption price is equal to the NAV of the Feeder Sub-Fund determined in accordance with Chapter V of the Prospectus, without any redemption fee for shares in categories “I”, “CS” and “R”.

The terms of conversion of shares of one Sub-Fund into another are described in Chapter IV Point 3 of the Prospectus, without conversion fee.

Subscription/ redemption/ conversion lists shall close no later than 9.45 am on the Valuation Day.

The Master Fund will not charge subscription or redemption fees for the investment of the Feeder Sub-Fund into its units or divestment thereof.

In case that subscription or redemption orders are centralized in the Feeder Sub-Fund (Luxembourg) on a public legal holiday in France (centralization of the Master Fund in Paris is closed), these orders will be executed during the centralization of the following French business day.

The settlement of subscriptions, redemptions and conversions will be in the reference currency of the Feeder Sub-Fund, category or class of shares and within a deadline of one bank business day in Luxembourg following calculation of the NAV applied.

Shares in categories “I” and “CS” are not subject to a minimum initial subscription.

Shares in categories “R” are not subject to a minimum initial subscription.

**Initial subscription day:** 28 September 2016.

**Initial and subsequent subscription amount:** 100 EUR

**Listing on the Luxembourg Stock Exchange:**

The shares of the Feeder Sub-Fund are not listed on the Luxembourg Stock Exchange.

**Subscription tax:**

Category "I": 0.01% p.a. calculated on the basis of the net assets of the Feeder Sub-Fund at the end of each quarter.

Categories "R" and "CS": 0.05% p.a. calculated on the basis of the net assets of the Feeder Sub-Fund at the end of each quarter.

## SCHEDULE OF THE SYCOMORE FUND SICAV – SYCOMORE SELECTION CREDIT (LUXEMBOURG)

### FUND HEREINAFTER CALLED “SYCOMORE SELECTION CREDIT (LUXEMBOURG)”

#### 1. INVESTMENT POLICY

##### Investment Objective:

The **SYCOMORE SELECTION CREDIT (LUXEMBOURG)** (denominated in EUR) (the “**Feeder Sub-Fund**”) aims to out perform the Barclays Capital Euro Corporate ex-Financials Bond index over a minimum investment period of five years.

The Feeder Sub-Fund is a feeder fund of the master fund SYCOMORE SELECTION CREDIT, an investment fund in the form of a French “*fonds commun de placement*”, governed by French law and the Directive 2009/65/EC (the “**Master Fund**”).

The Feeder Sub-Fund will invest more than 95% of its total net exposure in the Master Fund and will look for a 100% exposure to the Master Fund, depending of the cash needed for ancillary purposes.

The rest of the assets will be invested in cash and/or in ancillary liquid assets in accordance with article 41, paragraph (2), second sub-paragraph of the 2010 Law.

The objective, the investment policy and the risk profile of the Feeder Sub-Fund and the Master Fund are similar. The performance of the Feeder Sub-Fund and the Master Fund are similar with the exception of the assets of the Feeder Sub-Fund which will not be invested in the Master Fund.

Investments in financial derivative instruments are prohibited for this Feeder Sub-Fund.

##### Investment Policy and strategy of the Master Fund:

##### **Investment Policy of the Master Fund**

The Master Fund aims to outperform the Barclays Capital Euro Corporate ex-Financials Bond index over a minimum investment period of five years, and within a sensitivity range of 0 to + 5.

##### **Benchmark used in the Master Fund’s level**

Barclays Capital Euro Corporate ex-Financials Bond index, with coupons reinvested. This index consists of Euro denominated corporate bonds rated investment grade by the agencies Fitch Ratings, Moodys and / or Standard & Poors, issued in the Eurobond markets and domestic markets in the euro area by issuers from the industry or utilities sectors. It includes only bonds with a residual maturity of at least one year and which have a minimum outstanding of EUR 300 million.

##### **Investment Strategy of the Master Fund**

The Master Fund’s investment strategy aims to continually expose the Portfolio between 60% and 100% (with a maximum of 20% to public issuers and equivalent) to Euro denominated bonds (including convertible bonds) and other debt or money

market securities issued by public or private issuers. In addition, the portfolio may be exposed up to 40% to fixed income derivatives listed on international regulated markets or traded over the counter (including Credit Default Swaps for hedging purposes only) to adjust the sensitivity of the portfolio without allowing any overexposure. Indirect exposure to stocks, gained through convertible bonds will be limited to 10% of assets.

The management team will select securities issued by companies of all capitalization size that are included in its global process of fundamental analysis, or securities issued by public entities (and equivalent), with any or no rating. The portfolio can therefore be up to 100% exposed to the credit risk of small or midcap companies (below one billion euros). There is also no restriction as per the sectoral split except for a 10% cap in securities issued by the financial sector. The investment methodology includes non-financial criteria which leads to a focus on issuers with ESG criteria (Environment, Social, Governance) that are relevant for the global analysis of issuer risk. In line with the exposure rate to the above mentioned asset classes, the portfolio may be exposed between 0% and 40% to a range of euro denominated money market securities. Those securities shall be issued by public issuers or equivalent or by private issuers headquartered in an OECD country and rated at a minimum of A-3 by the rating agencies Standard & Poor's or equivalent (Moody's and Fitch Ratings).

Moreover, the Master Fund's assets may be exposed up to 20% to bonds and other debt securities or money market instruments denominated in a currency other than the Euro (the currency risk is limited to 10% through foreign exchange hedges) and up to 25% to bonds and other debt securities or money market instruments denominated in Euro, but issued by public or private issuers based outside the euro zone (including emerging countries issuers).

Range of interest rate sensitivity	Geographical area of securities issuers
Min 0	Euro zone : Min 75% / Max 100%
Max 5	World (including emerging markets) : Min 0%/Max 25%

The Master Fund may be exposed to UCITS classified as "cash" or "short-term money market", or to UCITS implementing a strategy aiming for money market return, or to diversified UCITS implementing a strategy of absolute performance with neutral exposure to Bond or Equity markets, in a global limit of 10% and it may also use term deposits within a 10% limit, with credit institutions rated at least BBB by the above mentioned agencies.

The investor's attention is drawn to the fact that the Master Fund provides no direct exposure to securitisation vehicles. Indirect exposure to securitisation vehicles is possible through the UCITS classified as "cash" or "short-term money market", although such vehicles cannot be the principle strategy of the UCITS subscribed to on behalf of the mutual fund.

**•Asset classes and forward financial futures in the portfolio:** The following assets are likely to be included in the Master Fund's portfolio:

French and international bonds and debt securities

The mutual Master Fund's portfolio may include up to 100% bonds and other Euro denominated debt securities issued by private issuers and up to 20 % by public issuers

or equivalent, of all ratings or without any rating. There is also no restriction as per the sectoral split except for a 10% cap in securities issued by the financial sector.

Outside the Euro zone, the following instruments may also be eligible for the Master Fund's assets:

- bonds and other debt securities or money market instruments denominated in a currency other than the Euro, in the limit of 20% of the assets; the currency risk is limited to 10% through foreign exchanges hedges;
- bonds and other debt securities or money market instruments denominated in Euro, but issued by public or private issuers based outside the euro zone (including emerging markets issuers), within the limit of 25% of the assets.

Through the selection process, the management team will maintain the global portfolio's sensitivity between 0 and + 5.

### Equities

Nil.

The Master Fund may hold up to 10% of its assets in the form of shares or units in the following UCITS or investment funds:

- European funds, including French UCITS-compliant funds investing less than 10% of assets in UCITS or investment funds;
- Non UCITS compliant French funds which respect the four criteria of the Article R 214-13 of the French monetary and financial code.

Those mutual funds may be classified as "cash" or "short-term money market", or they may be mutual funds implementing a strategy aiming for money market return, or diversified mutual funds implementing a strategy of absolute performance with neutral exposure to Bond or Equity markets.

The Master Fund may invest in mutual funds marketed or managed by Sycomore Asset Management or one of its subsidiaries, within the aforementioned limits.

### Derivatives

The Master Fund participates in regulated or established French or foreign markets, or in over the counter operations. The Master Fund may use interest rates and currency futures and options as well as forward foreign exchange contracts and Credit Default Swaps (CDS) These instruments may expose or hedge the portfolio vis-à-vis the interest rate risk, the credit risk and the currency risk(which is limited to 10% of the assets), without allowing any overexposure. CDS, which may be linked to a single issuer or to bond index, may however only be used for hedging purposes. These instruments should not account for more than 40% of the Master Fund's assets.

The commitment of the Master Fund on the futures markets by using financial derivative instruments is limited to its asset size, this liability being assessed through the commitment method.

### Securities with embedded derivatives

The Master Fund deals in financial instruments with embedded equity derivatives.

Those instruments are bond-type securities with a conversion or subscription right including convertible bonds, bonds redeemable into new or existing shares and equity-warrant bonds. They can represent up to 100% of the Master Fund's assets, the indirect exposure to equities, calculated in reference to the delta of the convertible bond, is limited to 10% of the Master Fund's assets.

### Debt securities and money-market instruments

The mutual Master Fund's portfolio may include up to 40% of Euro denominated transferable debt securities from public or private issuers, without any allocation constraints between these two categories. Those may be French Treasury Bonds (BTF) or equivalent instruments issued by Member States of the OECD, Transferable Certificates of Deposit ("TCD") or commercial papers from private issuers headquartered in an OECD country and rated at a minimum of BBB or equivalent by the rating agencies Standard & Poor's, Moody's and Fitch Ratings. Transferable debt securities shall have a residual maturity of less than three months.

### Deposits

The Master Fund may use term deposits up to an authorised limit of 10%, with credit institutions rated at least BBB by the aforementioned rating agencies.

### Cash loans

In the normal course of business, the Master Fund may on occasion find itself in debt and in that case may borrow cash, up to the limit of 10% of its net assets.

### Temporary acquisitions and sales of securities

There are no plans to use temporary acquisitions and disposals of securities in connection with the management of the Master Fund.

### Financial guarantees

The Master Fund doesn't receive any financial guarantees as part of the permitted transactions.

### **Risk Profile of the Master Fund:**

Specifically, given the investment policy of the Master Fund, investors are advised of the following risks:

- Risk of loss of principal as:
  - 1) The Master Fund's performance may not meet investment objectives or investor targets (which depend on their portfolio composition);
  - 2) The principal invested may not be entirely returned;
  - 3) The performance may be adversely affected by inflation
- Interest-rate risk and credit risk, as the Master Fund may be exposed up to 100% to fixed-income products, debt securities and money-market instruments, directly or via other UCITS.

Interest rate risk:

- the risk that rates will fall in the case of floating-rate investments (lower yield);
- the risk that rates will rise in the case of fixed-rate investments, as the value of a fixed interest-rate product is inversely proportional to interest rate levels.

The net asset value may decrease in the event of an adverse variation in interest rates.

Credit risk is the risk that the issuer of a debt security is no longer able to reimburse the debt, or that its rating is downgraded, which could then lead to a decrease in the NAV.

This Master Fund should be regarded partly as speculative and aimed specifically at investors who are aware of the risks inherent in investing in securities with a low or non-existent rating. Thus exposure to High Yield Investments, which may reach 100% of the portfolio may trigger a fall in the NAV.

- Risk incurred by convertible bonds investments, given that the Master Fund may be exposed for up to 100 % to convertible bonds. This is the risk that the Net Asset Value falls, affected adversely by one or more elements of a convertible bond valuation, namely: level of interest rates, changes in prices of the underlying shares and changes in the price of the derivative instrument embedded in the convertible bond.
- The risk incurred from discretionary management, as the Master Fund managers may, within the limits indicated, freely allocate fund assets among the various asset classes, thus incurring the risk that the Master Fund may not be invested in the best-performing markets.
- The Liquidity risk, due to the limited size and depth of the markets in which the Master Fund may deal its purchasing and sale orders. In this regard, investors should bear in mind that the small and mid-cap market includes companies which, by reason of their specific nature, may involve risks for investors. This is the risk that some purchase or sale orders may not be fully executed on account of the limited quantity of securities available on the market. The securities issued by these issuers may be subject to higher volatility than those issued by large capitalisation companies and weigh negatively on the NAV.
- The Equity Risk, given that the Master Fund may be indirectly exposed for up to 10 % of its assets to Equity markets through convertible bonds investments. This is the risk that equity markets go down, or that the value of one or more underlying shares to one or more convertible bonds decreases and adversely affects the Net Asset Value.
- Currency risk, as the Master Fund may be invested up to 10% in financial instruments listed in a currency other than Euro. It is the risk that the value of an investment currency diminishes compared to the Master Fund's benchmark currency, i.e. Euro.
- Emerging market risk, as the Master Fund may be invested up to 10% in fixed income securities, debt securities and money market instruments issued by emerging countries issuers. This is the risk that the value of such investments may be affected by the economic uncertainties and policies of these countries, given the fragility of their economic, financial and political structures. In the event of a fall, in one or several of these markets, the NAV may fall.

Guarantee or protection: Nil.

#### **Investor profile of the Feeder Sub-Fund:**

The Feeder Sub-Fund is intended both for individual and for institutional investors who are willing to accept major fluctuations in bonds and debt securities markets and with an investment horizon of at least five years.

#### **Additional Information Concerning the Master-Feeder Structure**

The prospectus of the Master Fund is available, upon request and free of charge, to all shareholders at the registered office of the management company of the Master Fund:



Sycomore Asset Management – Services clients – 14, avenue Hoche, F-75008 Paris, France.

Further information and documents are also available at the registered office of the Company and/or on the website of the Management Company: [www.sycomore-am.com](http://www.sycomore-am.com).

The Feeder Sub-Fund and the Master Fund are managed by the same management company.

As per the 2010 Law, the Management Company has in place internal conduct of business rules as regards this master-feeder structure.

These internal conduct of business rules ensure compliance with the 2010 Law requirements meaning *inter alia* (i) the repurchase, subscription or redemption of shares as well as their suspension and (ii) the appropriate measures to coordinate the timing of their net asset value calculation and publication, (iii) the basis of investment and disinvestment by the Feeder Sub-Fund, (iv) standard dealing arrangements, (v) events affecting dealing arrangements and (vi) standard arrangements for the audit report.

Any fees, costs and/or charges to be incurred by the Feeder Sub-Fund (e.g. *inter alia* administrative agent's, or performance fees) will be borne and paid by the Management Company (apart from the fees perceived by the Management Company).

Transaction costs due to the investment or disinvestment into the Master Fund to be incurred by the Feeder Sub-Fund will be borne and paid by the Management Company.

There will be no tax implications for the shareholders of the Feeder Sub-fund by virtue of its being part of the master-feeder structure.

The performance of the Feeder Sub-Fund and the Master Fund are similar with the exception of the assets of the Feeder Sub-Fund which will not be invested in the Master Fund.

For the purpose of compliance with article 42 (3) and in accordance with article 77 (2) of the 2010 Law, the Feeder Sub-Fund shall calculate its global exposure related to financial derivatives instruments by combining its own direct exposure under point b) of the first subparagraph of article 77 of the 2010 Law with the Master Fund actual exposure to financial derivative instruments in proportion to the Feeder Sub-Fund investment into the Master Fund.

## **2. GENERAL INFORMATION**

**Reference currency:** EUR

### **Shares:**

For the Feeder Sub-Fund, the Company issues shares:

1. in category "I", open to all types of institutional investors, where appropriate in the framework of discretionary portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-

monetary benefits paid or provided by the Management Company or the distributors of the Company,

2. in category “R”, open to all types investors,

3. in category “CS” shares, which are reserved exclusively for retail investors in the framework of portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company, denominated in Euro.

For the Feeder Sub-Fund, the Company will only issue registered or dematerialised bearer shares, in the capitalisation class, which do not receive a dividend (shares in class “C” or “C” shares) and in the distribution class, which is entitled to receive a dividend (shares in class “D” or “D” shares) .

Bearer shares may not be evidenced by the delivery of a certificate.

Shares categories “I”, “CS” and “R” of this Sub-Fund will invest in Class “ID” of the Master Fund.

**Calculation of the Net Asset Value “NAV”:** Daily (“Valuation Day”). The NAV will be calculated on each Luxembourg and/or French business day following the Valuation Day, on the basis of the last known price on Valuation Day. If the Valuation Day is a public holiday in Luxembourg and/or France, the NAV will be dated on the following bank working day.

**Investment Manager:** Under the terms of an agreement concluded on 13 February 2012 for an indefinite term which may be ended by one or other party by prior notice of a minimum three months, Sycomore Asset Management performs the tasks of Investment Manager.

**Management fee and aggregate charges of the Master Fund and Feeder Sub-Fund:**

The management fee perceived by the Management Company and the aggregate charges of the Master Fund and Feeder Sub-Fund are indicated in the table below.

CATEGORY	CURRENCY	CLASS	MANAGEMENT FEE	PERFORMANCE FEE	AGGREGATE CHARGES – Master + Feeder
I	(EUR)	C	0.00% max	NIL	0.60%
I	(EUR)	D	0.00% max	NIL	0.60%
R	(EUR)	C	0.60% max	NIL	1.20%
R	(EUR)	D	0.60% max	NIL	1.20%
CS	(EUR)	C	0.00% max	NIL	0.60%

Performance fee of the Master Fund : 10% including tax above Barclays Capital Euro Corporate ex-Financials Bond Index (dividends reinvested).

**Subscriptions/ Redemptions/ Conversions:**

The subscription price corresponds to the NAV of the Feeder Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 7% of the NAV in favour of the financial intermediaries for shares in category "I" and 3% of the NAV in favour of the financial intermediaries for shares in categories "R" and "CS".

The redemption price is equal to the NAV of the Feeder Sub-Fund determined in accordance with Chapter V of the Prospectus, without any redemption fee for shares in categories "I", "CS" and "R".

The terms of conversion of shares of one Sub-Fund into another are described in Chapter IV Point 3 of the Prospectus, without conversion fee.

Subscription/ redemption/ conversion lists shall close no later than 9.45 am on the day preceding the Valuation Day.

The Master Fund will not charge subscription or redemption fees for the investment of the Feeder Sub-Fund into its units or divestment thereof.

In case that subscription or redemption orders are centralized in the Feeder Sub-Fund (Luxembourg) on a public legal holiday in France (centralization of the Master Fund in Paris is closed), these orders will be executed during the centralization of the following French business day.

The settlement of subscriptions, redemptions and conversions will be in the reference currency of the Feeder Sub-Fund, category or class of shares and within a deadline of one bank business day in Luxembourg following calculation of the NAV applied.

Shares in categories "I" and "CS" are not subject to a minimum initial subscription.

Shares in categories "R" are not subject to a minimum initial subscription.

**Initial subscription day:** 7 June 2017.

**Initial and subsequent subscription amount:** 100 EUR

**Listing on the Luxembourg Stock Exchange:**

The shares of the Feeder Sub-Fund are not listed on the Luxembourg Stock Exchange.

**Subscription tax:**

Category "I": 0.01% p.a. calculated on the basis of the net assets of the Feeder Sub-Fund at the end of each quarter.

Categories "R" and "CS": 0.05% p.a. calculated on the basis of the net assets of the Feeder Sub-Fund at the end of each quarter.

## SCHEDULE OF THE SYCOMORE FUND SICAV – SYCOMORE PARTNERS (LUXEMBOURG)

### FUND HEREINAFTER CALLED “SYCOMORE PARTNERS (LUXEMBOURG)”

#### 1. INVESTMENT POLICY

##### Investment Objective:

The **SYCOMORE PARTNERS (LUXEMBOURG)** (denominated in EUR) (the “**Feeder Sub-Fund**”) aims to achieve a significant return over a minimum recommended investment horizon of five years through a careful selection of European and International equities and an opportunistic and discretionary variation in the portfolio’s exposure to equity markets.

The Feeder Sub-Fund is a feeder fund of the master fund SYCOMORE PARTNERS, an investment fund in the form of a French “*fonds commun de placement*”, governed by French law and the Directive 2009/65/EC (the “**Master Fund**”).

The Feeder Sub-Fund will invest more than 95% of its total net exposure in the Master Fund and will look for a 100% exposure to the Master Fund, depending of the cash needed for ancillary purposes.

The rest of the assets will be invested in cash and/or in ancillary liquid assets in accordance with article 41, paragraph (2), second sub-paragraph of the 2010 Law.

The objective, the investment policy and the risk profile of the Feeder Sub-Fund and the Master Fund are similar. The performance of the Feeder Sub-Fund and the Master Fund are similar with the exception of the assets of the Feeder Sub-Fund which will not be invested in the Master Fund.

Investments in financial derivative instruments are prohibited for this Feeder Sub-Fund.

##### Investment Policy and strategy of the Master Fund:

##### **Investment Policy of the Master Fund**

The Master Fund aims to achieve a significant return over a minimum recommended investment horizon of five years through a careful selection of European and International equities and an opportunistic and discretionary variation in the portfolio’s exposure to equity markets.

##### **Benchmark used in the Master Fund’s level**

No financial benchmark is meant to be used to assess the Master Fund’s performance, as available indicators are not representative of the way in which the Master Fund is managed. The performance of capitalised Eonia plus 3.00% may however be used to assess the performance of the Master Fund.

Capitalised EONIA is the reference overnight interest rate for the interbank market within the Eurozone. It is calculated as a weighted average of all overnight unsecured lending transactions in the interbank market within the Eurozone.

## Investment Strategy of the Master Fund

The Master Fund's investment strategy is based on the option given to the management team to vary, on an opportunistic and discretionary basis, the portfolio's exposure to the European and International equity markets (excluding emerging markets) from 0% to 110% of net assets, while complying with the requirements of French plans d'épargne en actions (PEA), i.e. the French personal equity savings plan.

The Master Fund's portfolio is allocated between various asset classes on a discretionary basis by the management team as a function of its expectations and outlook for the equity markets. In any case, PEA-eligible financial instruments must at all times account for at least 75% of the Fund's net assets.

The management team may:

- Invest up to 100% of the net assets in shares of listed companies that it considers to be undervalued by the market;
- Invest up to 25% of the net assets in money market instruments;
- Make opportunistic use of future financial instruments up to a limit of one time the net assets, in order to hedge the entire portfolio against an expected decline in the equity markets or to raise the portfolio's exposure to these markets.

### Equities

Investments are selected on the basis of a strict analysis of corporate fundamentals. The selection process aims to identify those companies meeting quality standards (on the basis of their management teams, business model sustainability, and financial structure consistency) and to detect value (based on the differential between the intrinsic value as calculated by the management team and market value), with no market cap restrictions. With this in mind, the portfolio may, at the management team's discretion, be invested or exposed partly or fully in small and mid-cap stocks, i.e., whose market capitalisations are less than one billion euros.

These securities are selected without sector or capital size constraints, while respecting the following geographical restrictions:

- European equities, including Switzerland and the United Kingdom, may represent up to 100% of the fund net assets;
- Equities issued in other global markets may represent up to 20% of the net assets, emerging markets equities are however not eligible to the Master Fund's assets.

**Asset classes and financial futures in the portfolio:** other than the equities referred to above, the following assets may be included within the Fund portfolio:

### Money-market instruments

The Master Fund may hold up to 25% of its net assets in money-market instruments in the form of public or private debt securities rated at least AA by ratings agencies. These include French treasury bonds (BTF) or negotiable deposit certificates (CDN), without any allocation restrictions between these two categories.

The Master Fund may hold up to 10% of its net assets in the form of shares or units in the following UCITS or AIF:

- European (including French) UCITS which invest less than 10% of their net assets in UCITS or AIF;

- French AIF compliant with the four criterias set out in the Article R. 214-13 of the French Monetary and Financial Code

These UCIs are selected by the management team following meetings with the fund managers. The main investment criteria applied, apart from ensuring the strategy is complementary, is the sustainability of the target fund's investment process.

In this context, UCI eligible to the French personal equity savings plan (PEA) complements the equities position in the assessment of compliance with the requirements of the plan.

Such investments may be made as part of the Master Fund's cash management or to protect the portfolio against an anticipated decline in the equity markets (money-market UCIs or PEA-eligible funds but having a money-market-like targeted performance), with the aim of achieving the performance target.

The Master Fund may invest in mutual funds marketed or managed by Sycomore Asset Management or one of its subsidiaries, within the aforementioned limits.

#### Derivatives

The Master Fund operates in all regulated and organised markets in France or in other OECD member states.

The Master Fund uses futures and option strategies.

Futures and options strategies are intended either to hedge the portfolio against the downside risk in an underlying equity asset, or to increase portfolio exposure in order to capitalise on the upside in an underlying equity asset.

The Master Fund primarily draws on stock-picking within the portfolio to achieve investment management targets, with these strategies contributing on an ancillary basis. These strategies nevertheless enable a fund manager anticipating a period of equity market weakness to preserve accrued returns (hedging strategy involving equity indices or certain stocks which the fund manager considers overvalued) or conversely, to increase portfolio exposure when the fund manager feels that securities already in the portfolio may not fully benefit from an expected equity market rally.

The Master Fund may also enter into over-the-counter contracts in the form of

- Contracts for Differences (henceforth referred to as "CFDs"). The underlying components of CFDs are shares or equity indices. CFDs shall be used to replicate purchases or sales in securities or indices, or baskets of securities or baskets of indices;
- Total Return Swaps (TRS). These contracts consist of an exchange of the value of a basket of shares in the Master Fund's assets against the value of a financial index. They are used for the management of the Master Fund's exposure to equity markets and to optimise its cash management.

#### Securities with embedded derivatives

The Master Fund deals in financial instruments with embedded equity derivatives.

The instruments used are: covered warrants, equity warrants, certificates, EMTN (without option components), as well as all bond-like vehicles with an embedded subscription or conversion right, and mandatory convertible bonds.

These instruments are used in order to expose the portfolio to one or more companies that satisfy the selection criteria defined above.

Under no circumstances may the use of such derivatives or securities with embedded derivatives lead to an overexposure of the portfolio.

#### Use of deposits.

There are no plans to use deposits in connection with the management of the Master Fund.

#### Cash loans.

In the normal course of business, the Master Fund may on occasion find itself in debt and in that case may borrow cash, up to the limit of 10% of its net assets.

#### Temporary acquisitions and sales of securities

The Master Fund may make use of temporary sales of some or all of its securities for the purpose of meeting its investment objectives.

Income from temporary sales of securities shall be shared equally between the Master Fund and the asset management company.

#### Contracts constituting financial guarantees

The Master Fund does not receive any financial guarantees as part of the authorized transactions.

### **Risk Profile of the Master Fund:**

Risks incurred by the Master Fund:

- Risk of loss of principal as: 1) The Master Fund's performance may not meet investment objectives or investor targets (which depend on their portfolio composition); 2) The principal invested may not be entirely returned; 3) The performance may be adversely affected by inflation;
- General equity risk, due to exposure equivalent to as much as 110% of Master Fund assets to variations in the equity markets;

General equity risk is the risk of a decrease in the value of a share, as a consequence of a market trend. The net asset value may decrease if equity markets fall.

- Specific equity risk, due to exposure equivalent to as much as 100% of Master Fund net assets to shares of companies held in the portfolio;

Specific equity risk is the risk that the value of a share will decline due to unfavourable news regarding the company itself or a company in the same business sector. In the event of unfavourable news on one of the companies or on its business sector, the Master Fund's NAV could decline.

- Risk incurred by small and midcap investments. Given the low market capitalisation of some companies in which the Master Fund may invest, investors should bear in mind that the small and mid-cap market includes companies which, by reason of their specific nature, may involve risks for investors;

Investments in small and midcaps incur the risk that some buy or sell orders transmitted to the market may not be fully executed on account of the limited quantity of securities available in the market. These stocks may be subject to higher volatility than large caps and weigh on NAV.

- Interest rate and credit risk, as the Master Fund may hold up to a maximum of 25% of its net assets in debt securities and money-market instruments;

Interest rate risk:

- The risk that the rates decline when investments are made at a variable rate (lower rate of return);
- The risk that rates will rise in the case of fixed-rate investments, as the value of a fixed interest-rate product is inversely proportional to interest rate levels.

The net asset value may decrease in the event of an adverse variation in interest rates.

Credit risk is the risk that the issuer of a debt security is no longer able to service its debt, i.e. reimburse the debt, or that its rating is downgraded, which could then lead to a decrease in NAV.

Investors should bear in mind that if these products or instruments are used to reduce the Portfolio's risk exposure to Equities, specific risks related to rate and credit products can also involve a capital loss for investors.

- The risk incurred from discretionary management and unrestricted allocation of assets, as the fund managers may, freely allocate fund assets between the various asset classes.

The discretionary management style is based on anticipating trends on various markets (equity, interest-rate, bond). There is a risk that the Master Fund will not be invested at all times on the best-performing markets.

- The foreign exchange risk: some eligible stocks held in the portfolio may be listed in currencies other than the euro. In this regard, investor attention is drawn to the fact that the Fund is subject to foreign exchange risk of up to a maximum amount of 25% of its net assets for a French resident;

Foreign exchange risk is the risk that the value of an investment currency diminishes compared to the Fund's benchmark currency, i.e. the euro.

Guarantee or protection: Nil.



### **Investor profile of the Feeder Sub-Fund:**

The Feeder Sub-Fund is intended both for individual and for institutional investors who are willing to accept wide fluctuations inherent in equity market and with an investment horizon of at least five years.

### **Additional Information Concerning the Master-Feeder Structure**

The prospectus of the Master Fund is available, upon request and free of charge, to all shareholders at the registered office of the management company of the Master Fund: Sycomore Asset Management – Services clients – 14, avenue Hoche, F-75008 Paris, France.

Further information and documents are also available at the registered office of the Company and/or on the website of the Management Company: [www.sycomore-am.com](http://www.sycomore-am.com).

The Feeder Sub-Fund and the Master Fund are managed by the same management company.

As per the 2010 Law, the Management Company has in place internal conduct of business rules as regards this master-feeder structure.

These internal conduct of business rules ensure compliance with the 2010 Law requirements meaning *inter alia* (i) the repurchase, subscription or redemption of shares as well as their suspension and (ii) the appropriate measures to coordinate the timing of their net asset value calculation and publication, (iii) the basis of investment and disinvestment by the Feeder Sub-Fund, (iv) standard dealing arrangements, (v) events affecting dealing arrangements and (vi) standard arrangements for the audit report.

Any fees, costs and/or charges to be incurred by the Feeder Sub-Fund (e.g. *inter alia* administrative agent's, or performance fees) will be borne and paid by the Management Company (apart from the fees perceived by the Management Company).

Transaction costs due to the investment or disinvestment into the Master Fund to be incurred by the Feeder Sub-Fund will be borne and paid by the Management Company.

There will be no tax implications for the shareholders of the Feeder Sub-fund by virtue of its being part of the master-feeder structure.

The performance of the Feeder Sub-Fund and the Master Fund are similar with the exception of the assets of the Feeder Sub-Fund which will not be invested in the Master Fund.

For the purpose of compliance with article 42 (3) and in accordance with article 77 (2) of the 2010 Law, the Feeder Sub-Fund shall calculate its global exposure related to financial derivatives instruments by combining its own direct exposure under point b) of the first subparagraph of article 77 of the 2010 Law with the Master Fund actual exposure to financial derivative instruments in proportion to the Feeder Sub-Fund investment into the Master Fund.

## 2. GENERAL INFORMATION

**Reference currency:** EUR

### **Shares:**

For the Feeder Sub-Fund, the Company issues shares:

1. in category “I”, which are reserved exclusively for all institutional investors, where appropriate in the framework of discretionary portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company,;
2. in category “R”, open to all types investors,
3. in category “CS” shares, which are reserved exclusively for retail investors in the framework of portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the Management Company or the distributors of the Company, denominated in Euro.

For the Feeder Sub-Fund, the Company will only issue registered or dematerialised bearer shares, in the capitalisation class, which do not receive a dividend (shares in class “C” or “C” shares) and in the distribution class, which is entitled to receive a dividend (shares in class “D” or “D” shares) .

Bearer shares may not be evidenced by the delivery of a certificate.

Shares categories “I”, “CS” and “R” of this Sub-Fund will invest in Class “IBD” of the Master Fund.

**Calculation of the Net Asset Value “NAV”:** Daily (“Valuation Day”). The NAV will be calculated on each Luxembourg and/or French business day following the Valuation Day, on the basis of the last known price on Valuation Day. If the Valuation Day is a public holiday in Luxembourg and/or France, the NAV will be dated on the following bank working day.

**Investment Manager:** Under the terms of an agreement concluded on 13 February 2012 for an indefinite term which may be ended by one or other party by prior notice of a minimum three months, Sycomore Asset Management performs the tasks of Investment Manager.

### **Management fee and aggregate charges of the Master Fund and Feeder Sub-Fund:**

The management fee perceived by the Management Company and the aggregate charges of the Master Fund and Feeder Sub-Fund are indicated in the table below.

<b>CATEGORY</b>	<b>CURRENCY</b>	<b>CLASS</b>	<b>MANAGEMENT FEE</b>	<b>PERFORMANCE FEE</b>	<b>AGGREGATE CHARGES – Master + Feeder</b>
I	(EUR)	C	0.00% max	NIL	0.00% based on the assets of the Sub-Fund + 1.00% based on the assets

					of the Master Fund invested in equities
I	(EUR)	D	0.00% max	NIL	0.00% based on the assets of the Sub-Fund + 1.00% based on the assets of the Master Fund invested in equities
R	(EUR)	C	1.50% max	NIL	1.50% based on the assets of the Sub-Fund + 1.00% based on the assets of the Master Fund invested in equities
R	(EUR)	D	1.50% max	NIL	1.50% based on the assets of the Sub-Fund + 1.00% based on the assets of the Master Fund invested in equities
CS	(EUR)	C	0.00% max	NIL	0.00% based on the assets of the Sub-Fund + 1.00% based on the assets of the Master Fund invested in equities

Performance fee of the Master Fund: 20% including tax beyond an annual net return in excess of EONIA+3%, with a High Water Mark.

**Subscriptions/ Redemptions/ Conversions:**

The subscription price corresponds to the NAV of the Feeder Sub-Fund determined in accordance with Chapter V of the Prospectus. This subscription price may be increased by a maximum subscription fee of 5% of the NAV in favour of the financial intermediaries for shares in category “I” and 3% of the NAV in favour of the financial intermediaries for shares in categories “R” and “CS”.

The redemption price is equal to the NAV of the Feeder Sub-Fund determined in accordance with Chapter V of the Prospectus, without any redemption fee for shares in categories “I”, “CS” and “R”.

The terms of conversion of shares of one Sub-Fund into another are described in Chapter IV Point 3 of the Prospectus, without conversion fee.

Subscription/ redemption/ conversion lists shall close no later than 9.45 am on the Valuation Day.

The Master Fund will not charge subscription or redemption fees for the investment of the Feeder Sub-Fund into its units or divestment thereof.

In case that subscription or redemption orders are centralized in the Feeder Sub-Fund (Luxembourg) on a public legal holiday in France (centralization of the Master Fund in Paris is closed), these orders will be executed during the centralization of the following French business day.

The settlement of subscriptions, redemptions and conversions will be in the reference currency of the Feeder Sub-Fund, category or class of shares and within a deadline of one bank business day in Luxembourg following calculation of the NAV applied.

Shares in categories "I" and "CS" are not subject to a minimum initial subscription.

Shares in categories "R" are not subject to a minimum initial subscription.

**Initial subscription day:** 14 December 2017.

**Initial and subsequent subscription amount:** 100 EUR

**Listing on the Luxembourg Stock Exchange:**

The shares of the Feeder Sub-Fund are not listed on the Luxembourg Stock Exchange.

**Subscription tax:**

Category "I": 0.01% p.a. calculated on the basis of the net assets of the Feeder Sub-Fund at the end of each quarter.

Categories "R" and "CS": 0.05% p.a. calculated on the basis of the net assets of the Feeder Sub-Fund at the end of each quarter.