

# PROSPECTUS

December 2017

## ALESSIA

*Organisme de placement collectif en valeurs mobilières (OPCVM)*  
*Société d'investissement à capital variable (SICAV)*

**VISA 2017/110167-5543-0-PC**

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

Luxembourg, le 2017-12-05

Commission de Surveillance du Secteur Financier



## **IMPORTANT INFORMATION**

### **General**

Shares in the Company are offered on the basis of the information and the representations contained in the current Prospectus accompanied by the relevant key investor information document, the latest annual report and semi-annual report, if published after the latest annual report, as well as the documents mentioned herein which may be inspected by the public at the offices of the Sub-Administrative Agent.

Investors must also refer to the relevant Special Sections attached to the Prospectus. Each Special Section sets out the specific objectives, policy and other features of the relevant Sub-Fund to which the Special Section relates as well as risk factors and other information specific to the relevant Sub-Fund.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of shares other than those contained in this Prospectus and the relevant key investor information document and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Depositary. Neither the delivery of this Prospectus or of the relevant key investor information document nor the offer, placement, subscription or issue of any of the shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus and in the relevant key investor information document is correct as of any time subsequent to the date hereof.

The members of the Board, whose name appear under the heading “Management of the Company”, accept joint responsibility for the information and statements contained in this Prospectus and in the relevant key investor information document issued for each Class within a Sub-Fund. They have taken all reasonable care to ensure that the information contained in this Prospectus and in the relevant key investor information document is, to the best of their knowledge and belief, true and accurate in all material respects and that there are no other material facts the omission of which makes misleading any statement herein, whether of fact or opinion at the date indicated on this Prospectus.

Investors may, subject to applicable law, invest in any Sub-Fund offered by the Company. Shareholders should choose the Sub-Fund that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek independent advice in that regard. A separate pool of assets will be maintained for each Sub-Fund and will be invested in accordance with the investment policy applicable to the relevant Sub-Fund in seeking to achieve its investment objective. The Net Asset Value and the performance of the Shares of the different Sub-Funds and Classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of a Sub-Fund will be achieved.

An investment in the Company involves investment risks including those set out herein under Section 7. In addition, investors should refer to the Section “Specific Risk Factors” of the Special Section of the relevant Sub-Fund in order to assess – and inform themselves on – the risks associated with an investment in such specific Sub-Fund.

The Company is allowed to invest in FDIs. While the prudent use of FDIs can be beneficial, FDIs also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. A more detailed description of the risks relating to the use of FDIs may be found under Section 7 below.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Prospectus, the Special Sections and the Articles.

## **Definitions**

Unless the context otherwise requires, or as otherwise provided in this Prospectus, capitalised words and expressions shall bear the respective meanings ascribed thereto under Section 1 of the General Section.

## **Selling Restrictions**

The distribution of this Prospectus and the offering or purchase of Shares is restricted in certain jurisdictions. This Prospectus and the relevant key investor information document do not constitute an offer of or invitation or solicitation to subscribe for or acquire any Shares in any jurisdiction in which such offer or solicitation is not permitted, authorised or would be unlawful. Persons receiving a copy of this Prospectus or of the relevant key investor information document in any jurisdiction may not treat this Prospectus or the relevant key investor information document as constituting an offer, invitation or solicitation to them to subscribe for Shares notwithstanding that, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement. It is the responsibility of any persons in possession of this Prospectus or of the relevant key investor information document and any persons wishing to apply for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

**Luxembourg** – The Company is registered pursuant to part I of the 2010 Act. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the assets held in the various Sub-Funds of the Company. Any representations to the contrary are unauthorised and unlawful.

**European Union** – The Company qualifies as a UCITS and may apply for recognition under the UCITS Directive, for marketing to the public in certain EEA Member States.

**Switzerland** – The Company has not been registered with the Swiss Financial Market Supervisory Authority (FINMA) as a foreign collective investment scheme pursuant to Article 120 of the Collective Investment Schemes Act of 23 June 2006 (**CISA**). Accordingly, the Shares may not be publicly offered in or from Switzerland, and neither this Prospectus, nor any other offering materials relating to the Company may be made available through a public offering in or from Switzerland. The Shares may only be offered and this Prospectus may only be distributed in or from Switzerland by way of private placement exclusively to qualified investors (as this term is defined in the CISA and its implementing ordinance).

**USA** – The Shares have not been and will not be registered under the United States Securities Act of 1933 for offer or sale as part of their distribution and the Company has not been and will not be registered under the United States Investment Company Act of 1940. The Articles provide that the Company may compulsorily redeem any Shares that are transferred, or attempted to be transferred, to or for the benefit of any US Person.

## **Prevailing language**

The distribution of this Prospectus and the relevant key investor information document in certain countries may require that these documents be translated into the official languages of those countries. Should any inconsistency arise between the translated versions of this Prospectus, the English version shall always prevail.

## **Data protection**

Certain personal data of Shareholders (including, but not limited to, the name, address and invested amount of each Shareholder) may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Company, the Sub-Administrative Agent and the financial intermediaries of such Shareholders. In particular, such data may be processed for the purposes of account and distribution fee administration, anti-money laundering and terrorism financing identification, tax identification under FATCA and CRS,

maintaining the register of Shareholders, processing subscription, redemption and conversion orders and payments of dividends to Shareholders and to provide client-related services. Such information shall not be passed on any unauthorised third persons.

The Company may sub-contract to another entity (the **Processor**) located in the European Union (such as the Sub-Administrative Agent) the processing of personal data. The Company undertakes not to transfer personal data to any third parties other than the Processor except if required by law or on the basis of a prior consent of the Shareholders.

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

By subscribing to the Shares, each investor consents to such processing of its personal data. This consent is formalised in writing in the subscription form used by the relevant intermediary.

## MANAGEMENT AND ADMINISTRATION

<b>Registered office</b>	15, Rue Notre Dame L-2240 Luxembourg
<b>Board of directors of the Company</b>	
<b>Chairman</b>	Carlo Alberto Montagna, Partner, The Directors' Office
<b>Directors</b>	Carlo Alberto Montagna, Chairman Giuseppe Distefano, Founder and CIO, Alessia Paul Guillaume, Altra Partners
<b>Conducting Persons</b>	Giuseppe Distefano, Luxembourg Simon Bergman, non-resident Alberto Cavadini, Luxembourg
<b>Depositary, Administrative Agent and Registrar</b>	Banque et Caisse d'Epargne de l'Etat, Luxembourg 1-2, Place de Metz L-1930 Luxembourg
<b>Sub-Administrative Agent</b>	European Fund Administration S.A. 2, rue d'Alsace L-1017 Luxembourg
<b>Investment Adviser</b>	Fair Advisory S.A. 7, via Lucchini CH-6906 Lugano
<b>Auditor</b>	Deloitte Audit S.à r.l. 560, rue de Neudorf L-2220 Luxembourg
<b>Legal adviser as to Luxembourg law</b>	Dechert (Luxembourg) LLP 1, Allée Scheffer L-2520 Luxembourg

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## **PART A – GENERAL SECTION**

The General Section applies to all Sub-Funds of the Company. Each Sub-Fund is subject to specific rules which are set forth in the Special Section.

## 1. DEFINITIONS

In this Prospectus, the following defined terms shall have the following meanings:

"1915 Act"	Means the act dated 10 August 1915 on commercial companies, as amended;
"1993 Act"	Means the act dated 5 April 1993 on the financial sector;
"2010 Act"	Means the act dated 17 December 2010 on undertakings for collective investment;
"Administrative Agent"	Means Banque et Caisse d'Epargne de l'Etat, Luxembourg, acting as paying agent, central administration agent and paying agency of the Company;
"Amortisation Period"	Means the period of time between the first Business Day where a relevant Shareholder subscribes Shares of Class T and the day where these Shares cease to be subject to the Contingent Redemption Fee;
"Articles"	Means the articles of incorporation of the Company as the same may be amended, supplemented or otherwise modified from time to time;
"Auditor"	Means Deloitte Audit S.à r.l.;
"Board"	Means the board of directors of the Company;
"Business Day"	Means a day on which banks are open for business in Luxembourg;
"Circular 04/146"	Means the CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;
"Circular 08/356"	Means the CSSF circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments as amended by CSSF circular 11/512 concerning the presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-4 and ESMA clarifications, further clarifications from the CSSF on risk management rules and the definition of the content and format of the risk management process to be communicated to the CSSF; all references to Circular 08/356 must be read in conjunction with Circular 14/592 and the ESMA Guidelines 2014/937;
"Circular 14/592"	Means CSSF circular 14/592 regarding ESMA Guidelines 2014/937;
"Class"	Means a class of Shares ( <i>catégorie d'actions</i> ) as such term is understood under the 1915 Act relating to a Sub-Fund for which specific features with respect to fee structures, distribution, marketing target or other specific features may be applicable; the details applicable to each Class will be described in the relevant Special Section;
"CoCos"	Means contingent convertibles instruments which are Tier 1 and Tier 2 subordinated debt instruments issued by financial institutions that contain a loss absorption mechanism to avoid public sector intervention to keep the issuer of these securities save from insolvency or bankruptcy. Such mechanism may consist into an automatic conversion of debt into equity or writing down of capital if a specific event (e.g., capital ratios falling below a specified level or regulatory investigation) occurs. For the avoidance of doubt, bonds which are

		converted into shares if the share price falls below a specific threshold are not CoCos;
"Company"		Means Alessia, a public limited liability company ( <i>société anonyme</i> ) incorporated as an investment company with variable capital ( <i>société d'investissement à capital variable</i> ) under the laws of Luxembourg and registered pursuant to part I of the 2010 Act;
"Conducting Persons"		Means the persons who are conducting the daily business of the Company;
"Contingent Redemption Fee"		Means the contingent redemption fee which may be charged to a Shareholder of a relevant Class further to the redemption of Shares as further set out in the relevant Special Section;
"CONSOB"		Means the <i>Commissione Nazionale per le Società e la Borsa</i> , the Italian financial services market authority.
"Conversion Fee"		Means the conversion fee which may be levied by the Company in relation to the conversion for any Class in any Sub-Fund, details of which are set out in the relevant Special Section;
"Cross-investing Fund"	Sub-	Has the meaning ascribed to this term in Section 5.8 below;
"CSSF"		Means the <i>Commission de surveillance du secteur financier</i> , the Luxembourg financial services market authority;
"Depositary"		Means Banque et Caisse d'Epargne de l'Etat, Luxembourg acting as depositary of the Company;
"Depositary, Administration, Register and Paying Agency Agreement"		Means the agreement between the Company and Banque et Caisse d'Epargne de l'Etat, Luxembourg and which covers depositary, administration (including accounting services, net asset value calculation, reporting, preparation of financial statements), register and paying agency;
"Directive 78/660/EEC"		Means Council Directive 78/660/EEC of 25 July 1978 based on Article 54 (3) (g) of the Treaty on the annual accounts of certain types of companies, as amended from time to time;
"Directive 83/349/EEC"		Means Council Directive 83/349/EEC of 13 June 1983 based on the Article 54 (3) (g) of the Treaty on consolidated accounts, as amended from time to time;
"Directive 2009/65/EC"		Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);
"Directors"		Means the directors of the Company, whose details are set out in this Prospectus and/or the annual and semi-annual reports;
"Distributor(s)"		Means any person from time to time appointed or authorised by the Company to distribute one or more Classes;
"EEA"		Means the European Economic Area;
"Eligible Collateral"		Means collateral provided to the Company and which complies with the requirements described under Section 6.6.1 of the General Section;

"Eligible Counterparty"		Means a First Class Institution which is a counterparty to an EPMT transaction as further described in Section 6.1.5 of the General Section;
"Eligible Investments"		Means eligible investments for investment by UCITS within the meaning of Article 41 (1) of the 2010 Act;
"Eligible Investor"		Means, in relation to each Class in each Sub-Fund, an investor that satisfies the relevant criteria to invest in the relevant Class as is stipulated in the relevant Special Section;
"Eligible System"	Lending	Has the meaning ascribed to it in Section 6.2.1(b) below of the General Section;
"EPMT"		Means "efficient portfolio management techniques" and comprises the techniques and instruments set out under Section 6.1.1 below of the General Section;
"ESMA 2014/937"	Guidelines	Means the ESMA Guidelines and Recommendations 2014/937 dated 1 August 2014 on ETFs and other UCITS issues as amended, replaced or supplemented from time to time;
"EU"		Means the European Union;
"EU Member State"		Means a member State of the EU;
"EUR"		Means Euro, the single currency of the EU Member States that have adopted the Euro as their lawful currency;
"FATCA"		means the U.S. Foreign Accounting Tax Compliance Act which was enacted as part of the HIRE;
"FATCA Withholding"		has the meaning set out in Section 22.2 of the General Section
"FATF"		Means the Financial Action Task Force;
"FATF Member State"		Means any of the member states of the FATF;
"FDI"		Means financial derivative instruments;
"First Class Institutions"		Means first class financial institutions having their registered office in an EU Member State or subject to prudential supervision rules considered by the CSSF equivalent to those prescribed by Community law and specialised in this type of transactions for the purposes of techniques and instruments relating to Transferable Securities and Money Market Instruments;
"Formation and Launching Expenses"		Means all expenses and costs incurred in connection with the setting-up of the Company and the launching of the initial Sub-Fund as disclosed under Section 20.8 of the General Section;
"General Section"		Means the General Section of this Prospectus that sets out the general terms and conditions applicable to all Sub-Funds, unless otherwise provided for in any of the Special Sections;
"Haircut"		Has the meaning ascribed to it in Section 6.6.2 of the General Section;
"Initial Offering Period" or "Initial Offering Date"		Means, in relation to each Class in each Sub-Fund, the first offering of Shares of the relevant Class made pursuant to the terms of the Prospectus and the relevant Special Section;

"Initial Subscription Price"	Means, in relation to each Class in each Sub-Fund, the amount stipulated in the relevant Special Section as the subscription price per Share for the relevant Class in connection with the Initial Offering Period or Initial Offering Date;
"Institutional Investor"	Means an investor meeting the requirements to qualify as an institutional investor for purposes of article 174 of the 2010 Act;
"Investment Adviser"	Means Fair Advisory S.A.;
"Investment Manager"	Means an investment manager to whom the Company delegates portfolio management, as further described in the relevant Special Section.
"Investment Company Act"	Means the U.S. Investment Company Act of 1940, as amended;
"Late Trading"	Means the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day;
"Luxembourg"	Means the Grand Duchy of Luxembourg;
"Management Fee"	Means the flat fee to be charged for each Sub-Fund as determined in the relevant Special Section to cover expenses and fees in relation to the management, the distribution and the investment advisory process as defined in Section 20.2 of the General Section;
"Market Timing"	Means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, i.e., an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;
"Marketing Agent"	Means any person from time to time appointed or authorised by the Company to assist a Conducting Person in the marketing of Shares;
"Mémorial"	Means the Luxembourg <i>Mémorial C, Recueil des Sociétés et Associations</i> ;
"Minimum Holding Amount"	Means, in relation to each Class in each Sub-Fund, the amount which is stipulated in the relevant Special Section as the minimum value or number of Shares which must be held at any time by a Shareholder;
"Minimum Initial Subscription Amount"	Means, in relation to each Class in each Sub-Fund, the amount which is stipulated in the relevant Special Section as the minimum aggregate subscription monies which a Shareholder or subscriber must pay when subscribing for a particular Class in a Sub-Fund in which the Shareholder or subscriber does not hold Shares of that particular Class prior to such subscription;
"Money Market Instruments"	Means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;
"Net Asset Value"	Means, (i) in relation to the Company, the value of the net assets of the Company, (ii) in relation to each Sub-Fund, the value of the net assets attributable to such Sub-Fund, and (iii) in relation to each Class in a Sub-Fund, the value of the net assets attributable to such Class, in each case, calculated in accordance with the

provisions of the Articles and the Prospectus;

"Net Asset Value per Share"	Means the Net Asset Value of the relevant Sub-Fund divided by the number of Shares in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption) or if a Sub-Fund has more than one Class in issue, the portion of the Net Asset Value of the relevant Sub-Fund attributable to a particular Class divided by the number of Shares of such Class in the relevant Sub-Fund which are in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption);
"OECD"	Means the Organisation for Economic Co-operation and Development;
"OECD Member State"	Means any of the member States of the OECD;
"Operating Expenses"	Means all fees, costs and expenses incurred in connection with the operation of the Company as determined under Section 20.1 of the General Section;
"OTC"	Means over-the-counter;
"OTC Derivative"	Means any FDI dealt in over-the-counter;
"Performance Fee"	Means the performance fee which will accrue in accordance with the relevant Special Section;
"Placement Fee"	Means the placement fee to be charged to a relevant Class as further described in Section 20.3;
"Prospectus"	Means the sales prospectus relating to the issue of Shares in the Company, as amended from time to time;
"Redemption Fee"	Means the redemption fee levied by the Company in relation to the redemption of Shares of any Class in any Sub-Fund, details of which are set out in the relevant Special Section;
"Reference Currency"	Means, in relation to each Sub-Fund or Class, the currency in which the Net Asset Value of such Sub-Fund is calculated, as stipulated in the relevant Special Section;
"Register"	Means the register of Shareholders of the Company, of a Sub-Fund or of a Class;
"Registrar"	Means Banque et Caisse d'Epargne de l'Etat, Luxembourg, in its capacity as register agent of the Company;
"Regulated Market"	Means a regulated market as defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as amended, or any other market established in the EEA which is regulated, operates regularly and is recognised and open to the public;
"Restricted Person"	Means any person, determined in the sole discretion of the Board as being not entitled to subscribe or hold Shares in the Company or any Sub-Fund or Class if, in the opinion of the Directors, (i) such person would not comply with the eligibility criteria of a given Class or Sub-Fund (ii) a holding by such person would cause or is likely to cause the Company some pecuniary, tax or regulatory disadvantage (iii) a holding by such person would cause or is likely to cause the Company to be in breach of the law or requirements of any country or governmental authority applicable to the Company;

"Retail Investor"	Means any investor not qualifying as an Institutional Investor;
"Section"	Means any section of the Prospectus (including a section in the General Section or in one of the Special Sections)
"Securities Act"	Means the U.S. Securities Act of 1933, as amended;
"SLT"	Means securities lending transactions;
"Shareholder"	Means a person who is the registered holder of Shares in the Company;
"Shares"	Means shares in the Company, of such Classes and denominated in such currencies and relating to such Sub-Funds as may be issued by the Company from time to time;
"Special Section"	Means each and every supplement to this Prospectus describing the specific features of a Sub-Fund. Each such supplement is to be regarded as an integral part of the Prospectus;
"Sub-Administrative Agent"	Means European Fund Administration, S.A. (EFA) acting as agent of the Administrative Agent regarding administration and register services to be provided to the Company;
"Sub-Fund"	Means a separate portfolio of assets established for one or more Classes of the Company which is invested in accordance with a specific investment objective. The specifications of each Sub-Fund will be described in their relevant Special Section;
"Subscription Fee"	Means the subscription fee levied by the Company in relation to the subscription for any Class in any Sub-Fund, details of which are set out in the relevant Special Section;
"Support Officer"	Means any person from time to time appointed or authorised by the Company to assist a Conducting Person in conducting the daily business of the Company;
"Target Sub-Fund"	Has the meaning ascribed to this term in Section 5.8 below;
"Transferable Securities"	Means <ul style="list-style-type: none"> <li>- shares and other securities equivalent to shares;</li> <li>- bonds and other debt instruments;</li> <li>- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments;</li> </ul>
"TRS"	Means total return swaps and other FDIs (including OTC Derivatives) with similar characteristics;
"UCI"	Means an undertaking for collective investment within the meaning of the first and second indent of article 1(2) of the UCITS Directive, whether situated in a EU Member State or not, provided that: <ul style="list-style-type: none"> <li>- such UCI is authorised under laws which provide that it is subject to supervision that is considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently</li> </ul>

ensured;

- the level of guaranteed protection for unitholders in such UCI is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
- the business of such UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;

"UCITS"	Means an undertaking for collective investment in transferable securities under the UCITS Directive;
"UCITS Directive"	Means Directive 2009/65/EC, of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended;
"United States" or "U.S."	Means the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;
"USD"	Means the United States Dollar, the currency of the United States of America;
"U.S. Person"	Means, unless otherwise determined by the Directors, (i) a natural person who is a resident of the United States; (ii) a corporation, partnership or other entity, other than an entity organised principally for passive investment, organised under the laws of the United States and which has its principal place of business in the United States; (iii) an estate or trust, the income of which is subject to United States income tax regardless of the source; (iv) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business in the United States; (v) an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who qualify as U.S. persons or otherwise as qualified eligible persons represent in the aggregate ten per cent or more of the beneficial interests in the entity, and that such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons; or (vi) any other "U.S. Person" as such term may be defined in Regulation S under the Securities Act, or in regulations adopted under the U.S. Commodity Exchange Act, as amended;
"Valuation Day"	Means each Business Day as at which the Net Asset Value will be determined for each Class in each Sub-Fund, as it is stipulated in the relevant Special Section.



## 2. COMPANY

The Company is an open-ended investment company organised under the laws of Luxembourg as a *société d'investissement à capital variable* (**SICAV**), under the form of a public limited liability company (*société anonyme*) and authorised under part I of the 2010 Act. The Company is a self-managed SICAV in accordance with Article 27 of the 2010 Act.

The Company is registered with the Luxembourg trade and companies register under number B 137 597.

The Company was incorporated on 10 March 2008 for an unlimited period of time under the form of a specialised investment fund (**SIF**) subject to, and authorised under, the act of 13 February 2007 on specialised investment funds established as a Luxembourg partnership limited by shares (*société en commandite par actions*).

Through the extraordinary general meeting of the Shareholders held on 19 November 2009, the Company has been converted into a UCITS under the form of public limited liability company (*société anonyme*). The consolidated version of the Articles has been published in the *Mémorial* on 18 December 2009. The Articles have been amended for the last time on 20 December 2011.

The registration of the Company pursuant to the 2010 Act constitutes neither approval nor disapproval by any Luxembourg authority as to the adequacy or accuracy of this Prospectus or as to the assets held in the various Sub-Funds.

The Company is subject to the provisions of the 2010 Act and of the 1915 Act insofar as the 2010 Act does not derogate there from.

The minimum share capital of the Company is EUR 1,250,000. The Company's share capital is at all times equal to its Net Asset Value. The Company's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed and no special announcements or publicity is necessary in relation thereto.

## 3. SHARES

There is no limit to the number of Shares which may be issued.

Shares shall have the same voting rights and shall have no pre-emptive subscription rights. In the event of the liquidation of the Company, each Share is entitled to its proportionate share of the Company's assets after payment of the Company's debts and expenses, taking into account the Company's rules for the allocation of assets and liabilities.

Any individual or legal entity may acquire Shares in the Company against payment of the subscription price as defined in Section 9.2 of the General Section.

The Shares confer no preferential subscription rights at the time of the issue of new Shares.

Shares are either issued in registered form or bearer form with no par value and may be held in an account with a clearing institution or central account holder. Shareholders receive written confirmation of their registration but no certificate representing Shares will be issued. All Shares must be fully paid up. Fractional Shares may be issued up to four decimal places and shall carry rights in proportion to the fraction of a share they represent but shall carry no voting rights

Within the same Sub-Fund, all Shares have equal rights as regards voting rights in all general meetings of Shareholders and in all meetings of the Sub-Fund concerned.

The Special Sections indicate, for each Sub-Fund, which Classes are available and their characteristics.

For each Sub-Fund, the Directors may, in respect of Shares in one or several Class(es) if any, decide to close subscriptions temporarily or definitively, including those arising from the conversion of Shares of another Class or another Sub-Fund.

Shareholders may ask for the conversion of all or a part of their Shares from one Class to another in compliance with the provisions of Section 11 of the General Section.

#### **4. SUB-FUNDS AND CLASSES**

The Company has an umbrella structure consisting of one or several Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective and policy applicable to that Sub-Fund. The investment objective, policy, as well as the risk profile and other specific features of each Sub-Fund are set forth in the relevant Special Section.

The Company is one single legal entity. However, the rights of the Shareholders and creditors relating to a Sub-Fund or arising from the setting-up, operation and liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively dedicated to the satisfaction of the rights of the Shareholders relating to that Sub-Fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-Fund.

Within a Sub-Fund, the Board may decide to issue one or more Classes the assets of which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency or other specific features. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

The Company may, at any time, create additional Classes whose features may differ from the existing Classes and additional Sub-Funds whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated, if necessary, or supplemented by a new Special Section.

As of the date of this Prospectus, the Company offers for each Sub-Fund the following Classes of Shares unless otherwise stated in the relevant Special Section:

- I Class: Class issuing Shares accumulating income and profits and which can only be subscribed by Institutional Investors;
- Q Class: Class issuing Shares accumulating income and profits and which can be subscribed by all types of Shareholder through *Borsa Italiana*, directly by registering into the Register or by subscribing and holding the shares through a financial institution;
- R Class: Class issuing Shares accumulating income and profits and which can be subscribed by Retail Investors, through distributors and could be subject to a Subscription Fee as defined in the Subscription Agreement in accordance with the Prospectus; and
- T Class: Class issuing Shares accumulating income and profits and which can be subscribed by all Retail Investors through distributors subject to the Placement Fee as defined in the relevant Special Section.

The Classes authorised for each Sub-Fund and the additional applicable provisions (such as minimum subscription and holding amounts, fees and Listing) are indicated in the Special Section for that Sub-Fund.

For each Sub-Fund, the Board may, in respect of Shares in one or several Class(es) of Shares, decide to close subscriptions temporarily, including those arising from the conversion of Shares of another Class or another Sub-Fund.

For the time being, the Company is comprised of the following Sub-Funds:

- 4.1.1 Alessia– Absolute Return Macro; and
- 4.1.2 Alessia –Absolute Return Plus; and
- 4.1.3 Alessia – VOLCOR Beta Zero; and
- 4.1.4 Alessia – Atlantide Debt Opportunities; and
- 4.1.5 Alessia – Absolute Return FX.

Each Sub-Fund is described in more detail in the relevant Special Section.

Investors should note however that some Sub-Funds or Classes may not be available to all investors. The Company retains the right to offer only one or more Classes for purchase by investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason. The Company may further reserve one or more Sub-Funds or Classes to certain Eligible Investors only (e.g., Institutional Investors).

### **Listing**

**General** - The Board may decide to quote one or more Classes of a Sub-Fund on the Luxembourg Stock Exchange or any other stock exchange or regulated market. Detailed information about the listing will be given for each Sub-Fund.<sup>1</sup>

**Borsa Italiana (ETFplus)** - ETFplus is the Borsa Italiana's market dedicated to the real-time trading of exchange traded funds, exchange traded commodities and exchange traded notes. This electronic market enables investors to access the real-time trading of financial instruments. The ETFplus market now also contains a segment relating to the trading of open-ended funds (the "UCITS segment"), such as the Fund. It is regulated by CONSOB and governed by a set of non-discretionary rules to protect investors. Trading takes place through intermediaries whose presence assists with the liquidity aim of the market.

## **5. INVESTMENT RESTRICTIONS**

The Company and the Sub-Funds are subject to the restrictions and limits set forth below.

The management of the assets of the Sub-Funds will be undertaken within the following investment restrictions. A Sub-Fund may be subject to additional investment restrictions set out in the relevant Special Section. In the case of any conflict, the provisions of the relevant Special Section will prevail.

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<sup>1</sup>Please note that, under certain circumstances, a class may be indicated as "Yes" in respect of its listing, although, at the date of this Prospectus, a listing is not yet (fully) achieved or this class has been delisted after the date of this Prospectus. The same applies for the case where a class may be indicated as unlisted by a "No" as the Company reserves the right to not update the Prospectus each time one or more classes are listed. The "No" will then principally be changed into a "Yes" at the next update. An up-to-date list of the classes currently listed at an exchange is available at the Company's registered office.

## 5.1 Eligible Investments

### 5.1.1 The Company's investments may consist solely of:

- (a) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an EU Member State;
- (b) Transferable Securities and Money Market Instruments dealt on another Regulated Market in an EU Member State;
- (c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-EU Member State or dealt on another market in a non-EU Member State which is regulated, operates regularly and is recognised and open to public;
- (d) new issues of Transferable Securities and Money Market Instruments, provided that:
  - (i) the terms of issue include an undertaking that application will be made for admission to official listing on any stock exchange or other Regulated Market referred to in subparagraphs 5.1.1(a), (b) and (c);
  - (ii) such admission is secured within a year of issue;
- (e) units of UCITS and/or other UCIs within the meaning of the first and second indent of Article 1 (2) of the UCITS Directive, whether situated in an EU Member State or not, provided that no more than 10% of the net assets of the UCITS or other UCI whose acquisition is contemplated, can, according to their fund rules or constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- (f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (g) FDIs, including equivalent cash-settled instruments, dealt in on an OECD market referred to in subparagraphs 5.1.1(a), (b) and (c); and/or OTC Derivatives, provided that:
  - (i) the underlying consists of instruments covered by this paragraph 5.1.1, financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objectives as stated in the relevant Special Section;
  - (ii) the counterparties to OTC Derivative transactions are First Class Institutions; and
  - (iii) the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

- (h) Money Market Instruments other than those dealt in on a Regulated Market if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
  - (i) issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or
  - (ii) issued by an undertaking, any securities of which are listed on a stock exchange or dealt in on Regulated Markets referred to in subparagraphs 5.1.1(a), (b) or (c); or
  - (iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
  - (iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection rules equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR10 million and which (i) represents and publishes its annual accounts in accordance with Directive 78/660/EEC, (ii) is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or (iii) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

5.1.2 However, each Sub-Fund may:

- (a) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to under paragraph 5.1.1 above; and
- (b) hold liquid assets on an ancillary basis.

## 5.2 Risk diversification

5.2.1 In accordance with the principle of risk diversification, the Company is not permitted to invest more than 10% of the net assets of a Sub-Fund in Transferable Securities or Money Market Instruments of one and the same issuer. The total value of the Transferable Securities and Money Market Instruments in each issuer in which more than 5% of the net assets are invested, must not exceed 40% of the value of the net assets of the respective Sub-Fund. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.

5.2.2 The Company is not permitted to invest more than 20% of the net assets of a Sub-Fund in deposits made with the same body.

- 5.2.3 The risk exposure to a counterparty of a Sub-Fund in an OTC Derivative transaction may not exceed:
- (a) 10% of its net assets when the counterparty is a credit institution referred to in subparagraph 5.1.1(f); or
  - (b) 5% of its net assets, in other cases.
- 5.2.4 Notwithstanding the individual limits laid down in paragraphs 5.2.1, 5.2.2 and 5.2.3 above, a Sub-Fund may not combine:
- (a) investments in Transferable Securities or Money Market Instruments issued by;
  - (b) deposits made with; and/or
  - (c) exposures arising from OTC Derivative transactions undertaken with a single body;
- in excess of 20% of its net assets.
- 5.2.5 The 10% limit set forth in paragraph 5.2.1 above can be raised to a maximum of 25% in case of certain bonds issued by credit institutions which have their registered office in an EU Member State and are subject by law, in that particular country, to specific public supervision designed to ensure the protection of bondholders. In particular the funds which originate from the issue of these bonds are to be invested, in accordance with the law, in assets which sufficiently cover the financial obligations resulting from the issue throughout the entire life of the bonds and which are allocated preferentially to the payment of principal and interest in the event of the issuer's failure. Furthermore, if investments by a Sub-Fund in such bonds with one and the same issuer represent more than 5% of the net assets, the total value of these investments may not exceed 80% of the net assets of the corresponding Sub-Fund.
- 5.2.6 The 10% limit set forth in paragraph 5.2.1 above can be raised to a maximum of 35% for Transferable Securities and Money Market Instruments that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations of which one or more EU Member States are members.
- 5.2.7 Transferable Securities and Money Market Instruments which fall under the special ruling given in paragraphs 5.2.5 and 5.2.6 are not counted when calculating the 40% risk diversification ceiling mentioned in paragraph 5.2.1.
- 5.2.8 The limits provided for in paragraphs 5.2.1 to 5.2.6 above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments with this body shall under no circumstances exceed in total 35% of the net assets of a Sub-Fund.
- 5.2.9 Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this Section 5.2.
- 5.2.10 A Sub-Fund may invest, on a cumulative basis, up to 20% of its net assets in Transferable Securities and Money Market Instruments of the same group.

### 5.3 Exceptions which can be made

5.3.1 Without prejudice to the limits laid down in Section 5.6 the limits laid down in Section 5.2 are raised to a maximum of 20% for investment in shares and/or bonds issued by the same body if, according to the relevant Special Section, the investment objective and policy of that Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

- (a) its composition is sufficiently diversified;
- (b) the index represents an adequate benchmark for the market to which it refers;
- (c) it is published in an appropriate manner.

The above 20% limit may be raised to a maximum of 35%, but only in respect of a single body, where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant.

5.3.2 The Company is authorised, in accordance with the principle of risk diversification, to invest up to 100% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments from various offerings that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations in which one or more EU Member States are members. These securities must be divided into at least six different issues, with securities from one and the same issue not exceeding 30% of the total net assets of a Sub-Fund.

### 5.4 Investment in UCITS and/or other UCIs

5.4.1 A Sub-Fund may acquire the units of UCITS and/or other UCIs referred to in subparagraph 5.1.1(e) provided that no more than 20% of its net assets are invested in units of a single UCITS or other UCI. If a UCITS or other UCI has multiple compartments (within the meaning of article 181 of the 2010 Act) and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the above limit.

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

5.4.3 When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in Section 5.2.

5.4.4 When a Sub-Fund invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, (regarded as more than 10% of the voting rights or share capital), that management company or other company may not charge subscription, conversion or redemption fees on account of the Sub-Fund's investment in the units of such UCITS and/or other UCIs.

5.4.5 If a Sub-Fund invests a substantial proportion of its assets in other UCITS and/or other UCIs, the maximum level of the management fees that may be charged both to the

Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest, shall be disclosed in the relevant Special Section.

- 5.4.6 In the annual report of the Company it shall be indicated for each Sub-Fund the maximum proportion of management fees charged both to the Sub-Fund and to the UCITS and/or other UCIs in which the Sub-Fund invests.

## 5.5 Tolerances and multiple compartment issuers

If, because of reasons beyond the control of the Company or the exercising of subscription rights, the limits mentioned in this Section 5 are exceeded, the Company must have as a priority objective in its sale transactions to reduce these positions within the prescribed limits, taking into account the best interest of the Shareholders.

Provided that they continue to observe the principles of risk diversification, newly established Sub-Funds may deviate from the limits mentioned under Sections 5.2, 5.3 and 5.4 above for a period of six months following the date of their initial launch.

If an issuer of Eligible Investments is a legal entity with multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the limits set forth under Sections 5.2 and 5.4, and paragraph 5.3.1.

## 5.6 Investment prohibitions

The Company is prohibited from:

- 5.6.1 acquiring equities with voting rights that would enable the Company to exert a significant influence on the management of the issuer in question;

- 5.6.2 acquiring more than

- (a) 10% of the non-voting equities of one and the same issuer;
- (b) 10% of the debt securities issued by one and the same issuer;
- (c) 10% of the Money Market Instruments issued by one and the same issuer;  
or
- (d) 25% of the units of one and the same UCITS and/or other UCI.

The limits laid down in (b), (c) and (d) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

Transferable Securities and Money Market Instruments which, in accordance with article 48, paragraph 3 of the 2010 Act are issued or guaranteed by an EU Member State or its local authorities, by another Member State of the OECD or which are issued by public international organisations of which one or more EU Member States are members are exempted from the above limits.

- 5.6.3 selling Transferable Securities, Money Market Instruments and other Eligible Investments mentioned under sub-paragraphs 5.1.1(e), (g) and (h) short;

- 5.6.4 acquiring precious metals or related certificates;



- 5.6.5 investing directly in real estate and purchasing or selling commodities or commodities contracts;
- 5.6.6 borrowing on behalf of a particular Sub-Fund, unless:
  - (a) the borrowing is in the form of a back-to-back loan for the purchase of foreign currency;
  - (b) the loan is only temporary and does not exceed 10% of the net assets of the Sub-Fund in question;
- 5.6.7 granting credits or acting as guarantor for third parties. This limitation does not refer to the purchase of Transferable Securities, Money Market Instruments and other Eligible Investments mentioned under sub-paragraphs 5.1.1(e), (g) and (h) that are not fully paid up.

## 5.7 Risk management and limits with regard to FDIs

- 5.7.1 The Company must employ (i) a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio and (ii) a process for accurate and independent assessment of the value of OTC Derivatives.
- 5.7.2 Each Sub-Fund shall ensure that its global exposure relating to FDIs does not exceed the total net value of its portfolio.
- 5.7.3 The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.
- 5.7.4 A Sub-Fund may invest, as a part of its investment policy, in FDIs provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Section 5.2. Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in the Prospectus and the relevant Special Section.
- 5.7.5 When a Transferable Security or Money Market Instrument embeds an FDI, the latter must be taken into account when complying with the requirements of this Section.

## 5.8 Cross-investments between Sub-Funds

A Sub-Fund (the **Cross-investing Sub-Fund**) may invest in one or more other Sub-Funds. Any acquisitions of shares of another Sub-Fund (the **Target Sub-Fund**) by the Cross-investing Sub-Fund is subject to the following conditions:

- 5.8.1 the Target Sub-Fund may not invest in the Cross-investing Sub-Fund;
- 5.8.2 the Target Sub-Fund may not invest more than 10% of its net assets in UCITS (including other Sub-Funds) or other UCIs referred to in Section 5.1.1(e) of the General Section;
- 5.8.3 the voting rights attached to the shares of the Target Sub-Fund are suspended during the investment by the Cross-investing Sub-Fund;
- 5.8.4 the value of the share of the Target Sub-Fund held by the Cross-investing Sub-Fund are not taken into account for the purpose of assessing the compliance with the EUR 1,250,000 minimum capital requirement; and

5.8.5 duplication of management, subscription or redemption fees is prohibited.

## **6. TECHNIQUES AND INSTRUMENTS, DERIVATIVE INSTRUMENTS AND COLLATERAL**

### **6.1 General rules**

6.1.1 The Company is authorised to employ efficient portfolio management techniques and instruments relating to Transferable Securities and Money Market Instruments, such as:

- (a) securities lending transactions (*opérations de prêt de titres*)
- (b) repurchase transactions (*opérations à réméré*);
- (c) reverse repurchase transactions (*opérations de prise en pension*);
- (d) repurchase agreement transactions (*ventes de titres à réméré*); and
- (e) total return swaps or investments in other FDIs with similar characteristics (**TRS**);

(together: the **EPMT**).

6.1.2 The Company will apply EPMT in accordance with the provisions of Circular 08/356, Circular 14/592 and ESMA Guidelines 2014/937 and only if the following conditions are met the relevant EPMT:

- (a) are economically appropriate and realised in a cost-effective way;
- (b) aim at a reduction of risk or cost;
- (c) aim at generating additional capital or income in accordance with the requirements set out under Section 5 of the General Section;
- (d) the risks are adequately captured by the risk management process of the Company.

6.1.3 Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in this Prospectus.

6.1.4 If applicable, direct and indirect operational costs and fees arising from EPMTs will be deducted from the revenue delivered to the Company. To comply with the requirement of Section 6.1.2(a) above, they should under normal circumstances not be higher than 20% of the market value of the relevant EPMT. Direct and indirect costs and fees should not include hidden revenue. Those costs and fees incurred as well as the identity of the counterparty(ies) to the corresponding EPMT will be disclosed in the annual report of the Company.

6.1.5 Where a Sub-Fund decides to use EPMT or to enter into any arrangements in this respect, the Company will ensure that its counterparties are always First Class Institutions which are not related parties to the Custodian (an **Eligible Counterparty**). It is not expected that conflicts of interest will arise.

### **6.2 Securities lending transactions (SLT)**

The Company may enter into SLT subject to the following rules:

- 6.2.1 Under an SLT, the Company lends the securities to an Eligible Counterparty either:
- (a) directly; or
  - (b) through a standardised lending system organised by a recognised clearing institution or through a lending system organised by a First Class Institution (an **Eligible Lending System**).

6.2.2 The Company must receive Eligible Collateral previously or simultaneously to the transfer of the securities lent, either by the Eligible Counterparty or an intermediary acting on its own account. In case the intermediary is an Eligible Lending System, securities lent may be transferred before the receipt of collateral by the borrower if the lending system assures the proper completion of the transaction.

6.2.1 The Company must ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

6.2.2 The Company shall ensure that the volume of SLT is kept at an appropriate level that enables it, at all times, to meet redemption requests of the relevant Sub-Fund. SLT may not jeopardise the management of the Company's assets in accordance with its investment policy.

6.2.3 The global valuation of the securities lent during the reference period will be disclosed in the financial reports of the Company.

6.3 Sale with right of repurchase transactions, reverse repurchase and repurchase agreement transactions

6.3.1 General rules

- (a) The Company will provide separate information on securities concerned in its financial reports, disclosing the total amount of outstanding transactions as at the date of reference of these reports.

6.3.2 The Company shall ensure to maintain the value of transactions at a level such that it is able, at all times, to meet redemption requests.

6.3.3 Specific rules applicable to the purchase of securities with a repurchase option and reverse repurchase agreement transactions

The purchase of securities with a repurchase option and reverse repurchase agreement transactions by the Company are subject to the following additional rules:

- (a) Securities that are the subject of purchase with a repurchase option transaction or that may be purchased in reverse repurchase agreements are limited to:
  - (i) short-term bank certificates or Money Market Instruments;
  - (ii) bonds issued or guaranteed by an OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
  - (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

- (iv) bonds issued by non-governmental issuers offering an adequate liquidity;
  - (v) shares quoted or negotiated on a regulated market of an EU Member State or on a stock exchange of an OECD Member State, on the condition that these shares are included in a main index.
- (b) When entering in to reverse repurchase agreements 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 on an accrued basis or on a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the relevant Sub-Fund.
- (c) The Company must ensure that when entering into a repurchase agreement it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
- (d) During the duration of a purchase with a repurchase option agreement, the Company may not sell the securities which are the subject of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired, unless the Company has other means of coverage. During the duration of the reverse repurchase agreement, the Company may not sell or pledge/give as security the securities purchased through this contract, except if the Company has other means of coverage.
- (e) The securities purchased with a repurchase option must be in accordance with the relevant Sub-Fund's investment policy and must, together with the other securities that the respective Sub-Fund holds in its portfolio, globally comply with the applicable investment restrictions.

## 6.4 Use of TRS

- 6.4.1 Where a Sub-Fund enters into TRS with an Eligible Counterparty, the assets held by the Sub-Fund should comply with the investment limits set out under Section 5 above. The underlying exposures of the TRS shall be taken into account to calculate those investment limits.
- 6.4.2 The relevant Special Section of a Sub-Fund using TRS must include the following:
  - (a) information on the underlying strategy and composition of the investment portfolio or index;
  - (b) information on the Eligible Counterparty(ies) of the transactions;
  - (c) a description of the risk of counterparty default and the effect on investor returns;
  - (d) the extent to which the Eligible Counterparty assumes any discretion over the composition or management of the Sub-Fund's investment portfolio or over the underlying of the TRS, and whether the approval of the Eligible Counterparty is required in relation to any investment portfolio transaction of the Sub-Fund; and

- (e) subject to the provisions in Section 6.4.3, identification of the Eligible Counterparty as an investment manager.
- 6.4.3 Where the Eligible Counterparty has discretion over the composition or management of the Sub-Fund's investment portfolio or of the underlying of the TRS, the agreement between the Company acting for the account of the Sub-Fund and the Eligible Counterparty should be considered as an investment management delegation arrangement and should comply with the applicable legal requirements on delegation.
- 6.4.4 The Company will publish in its annual report:
  - (a) the underlying exposure obtained through TRS;
  - (b) the identity of the Eligible Counterparty(ies) to these TRS; and
  - (c) the type and amount of Eligible Collateral received by the Sub-Fund to reduce its counterparty exposure.
- 6.5 Limitation of net exposure
  - 6.5.1 For each SLT or TRS (where applicable), the collateral received by the Company must be, during the lifetime of the transaction, at least be equivalent to 90% of the global valuation (interests, dividends and other eventual rights included) of the securities concerned.
  - 6.5.2 The net exposure to a single Eligible Counterparty (exposure less Eligible Collateral received from that Eligible Counterparty) arising from one or more EPMT will be taken into account for the purpose of the 20% restriction set out in Section 5.2.2 above.
- 6.6 Collateral management
  - 6.6.1 Collateral received by a Sub-Fund in relation to EPMT must normally take the form of:
    - (a) liquid assets, i.e., cash, short-term certificates and Money Market Instruments (**Liquid Assets**). A letter of credit or a collateral at first-demand given by a First Class Institution not affiliated to the counterparty are considered as equivalent to liquid assets;
    - (b) bonds issued or guaranteed by an OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope (**Sovereign Bonds**);
    - (c) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent (**Money Market UCIs**);
    - (d) shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below(**Non-Complex UCITS**);
    - (e) bonds issued or guaranteed by first class issuers offering an adequate liquidity (**First Class Bonds**); or
    - (f) shares admitted to or dealt in on a Regulated Market of an EU Member State or on a stock exchange of an OECD Member State, on the condition that these shares are included in a main index (**Main Index Shares**);

and must at all times comply with the requirements of paragraph 43 of the ESMA Guidelines 2014/937(**Eligible Collateral**).

6.6.2 Eligible Collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of EPMTs and FDIs a basket of collateral with a maximum exposure to a given issuer of 20% of the Sub-Fund's net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations in which one or more EU Member States are members. Such Sub-Fund should receive these securities and instruments from at least six different issues, but those from any single issue should not account for more than 30% of the Sub-Fund's net asset value. The intention to use this derogation as well as the identities of the relevant issuers of these securities and instruments shall be disclosed in the relevant Special Section.

6.6.3 The Company must value on a daily basis the Eligible Collateral received. The Company will apply haircuts which depend on issuer, rating, maturity and guarantees to control and manage the Eligible Collateral (the **Haircut**). The Haircut is part of the counterparty risk process. It will take into account the level of risk related to the holding of the underlying asset(s) of the Eligible Collateral by the relevant Sub-Fund. Consequently, the agreement concluded between the Company and the Eligible Counterparty must include provisions to the effect that the Eligible Counterparty must provide additional Eligible Collateral at very short term in case the value of the Eligible Collateral already granted appears to be insufficient in comparison with the amount to be covered following the application of the Haircut. The Company will apply the following maximum Haircuts in respect of the value of each of Eligible Collateral received:

- (a) of 5 % with respect to Liquid Assets, whereby no Haircut will be applied with respect to cash;
- (b) of 5% with respect to Sovereign Bonds;
- (c) of 10% with respect to Money Market UCIs;
- (d) of 10% with respect to Non-Complex UCITS;
- (e) of 20% with respect to First Class Bonds;
- (f) of 20% with respect to Main Index Shares;

Furthermore, the aforementioned agreement between the Company and the Eligible Counterparty must, if appropriate, provide for safety margins that take into consideration exchange risks or market risks inherent to the assets accepted as collateral.

6.6.4 The Eligible Collateral given under any form other than cash or shares/units of a UCI/UCITS must be issued by an entity not affiliated to the Eligible Counterparty.

6.6.5 Where there is a title transfer, the Eligible Collateral received should be held by the Custodian. 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 Eligible Collateral.

- 6.6.6 The Company must make sure that:
- (a) it is able to claim its rights on the Eligible Collateral in case of occurrence of an event requiring the execution thereof;
  - (b) the Eligible Collateral is available at all times, either directly or through the intermediary of a First Class Institution or a wholly-owned subsidiary of this institution; in such a manner that the Company is able to appropriate or realise the assets given as collateral, without delay, if the counterparty does not comply with its obligation to return the securities;
  - (c) that its contractual rights relating to the relevant transactions permit, in case of a liquidation, of a reorganisation or in any other situation of equal ranking, to discharge its obligation to return the assets received as a collateral, if and to the extent that the restitution cannot be undertaken on the terms initially agreed; and
  - (d) during the duration of the agreement the collateral is not sold or given as a security or pledged, except when the Company has other means of coverage.

6.7 Reinvestment of cash provided as a collateral

- 6.7.1 If the Eligible Collateral is given in the form of cash, such cash may be reinvested by the Company in:
- (a) shares or units in money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
  - (b) short-term bank deposits;
  - (c) Money Market Instruments;
  - (d) short-term bonds issued or guaranteed by an EU Member State, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
  - (e) bonds issued or guaranteed by first class issuers offering an adequate liquidity; and
  - (f) reverse repurchase agreement transactions according to the provisions described under paragraph 6.3.
- 6.7.2 Financial assets other than bank deposits and units or shares of UCIs acquired by means of reinvestment of cash received as Eligible Collateral, must be issued by an entity not affiliated to the relevant Eligible Counterparty.
- 6.7.3 Financial assets other than bank deposits must not be safekept by the Eligible Counterparty, except if they are segregated in an appropriate manner from the latter's own assets. Bank deposits must in principle not be safekept by the Eligible Counterparty, unless they are legally protected from consequences of default of the latter.
- 6.7.4 Financial assets may not be pledged/given as collateral, except if the Company has sufficient liquid assets enabling it to return the collateral by cash payment.

- 6.7.5 Short-term bank deposits, Money Market Instruments and bonds referred to in a 6.7.1(b) to 6.7.1(d) above must be Eligible Investments.
- 6.7.6 The exposure arising from the reinvestment of collateral received by the Company must be taken into account for the purpose of the diversification rules applicable to Company, as outlined under Section 5 above.
- 6.7.7 If the short-term bank deposits referred to in 6.7.1(b) are likely to expose the Company to a credit risk vis-à-vis the safekeeper, the Company must not invest more than 20% of its assets in such deposits made with the same body.
- 6.7.8 The reinvestment must, in particular if it creates a leverage effect, be taken into account for the calculation of the Company' global exposure. Any reinvestment of collateral provided in the form of cash in financial assets providing a return in excess of the risk free rate, is subject to this requirement.
- 6.7.9 Reinvestments must be specifically mentioned with their respective value in an appendix to the financial reports of the Company.
- 6.7.10 Reinvestment of cash exposes the Company to the risks in relation to the instruments described in 6.7.1 above which do not substantially differ from those risks which the Company may be exposed when investing into these instruments using directly the funds collected from Investors. In this respect, please refer to section 7 for a general description for a general description of the risks related to the investment in the Company.

## **7. RISK FACTORS**

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

The risks may include or relate to equity markets, bond markets, foreign exchange rates, interest rates, credit risk, the use of derivatives, counterparty risk, market volatility and political risks. The risk factors set out in this Prospectus, the relevant key investor information document and the relevant Special Section are not exhaustive. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

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

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



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

#### 7.1 Nominee arrangements

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

#### 7.2 Investments in Transferable Securities

Investments in fixed income securities such as corporate bonds may involve credit risk including default risk and credit spread risk. Furthermore a relevant Sub-Fund may be exposed to the integrity of the issuer's management, its commitment to repay the loan, its qualification, its operating record, its emphasis in strategic direction, financial philosophy, operational management and control systems as well as to its capacity and ability to generate cash flow to repay its debt obligations. A Sub-Fund may invest in debt instruments which are issued without any guarantee, letter of credit, debt insurance or collateral including junior debt.

Investments in stock-listed equities embed equity risk including failures of the issuer and substantial declines in value at any stage. Investments in listed equities made by a Sub-Fund depend for a large part of their performance on the evolution of the stock markets. Sales of equity may sometimes only be achievable at a significant discount to quoted market prices, if at all. Equity holders in general rank below debt holders and so are exposed to higher risks.

A Sub-Fund may invest in Transferable Securities issued in emerging markets and/or issued by issuers located, active or strongly exposed to emerging markets. Certain risks are more prevalent in emerging markets than in other markets, such as high inflation, macroeconomic volatility, capital restrictions and controls and political risks.

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

#### 7.3 Use of FDIs

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

#### 7.3.1 Market risk

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

#### 7.3.2 Control and monitoring

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

#### 7.3.3 Liquidity risk

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

#### 7.3.4 Counterparty risk

A Sub-Fund may enter into transactions in OTC markets, which will expose the Sub-Funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Sub-Fund may enter into swap arrangements or other derivative techniques as specified in the relevant Special Section, each of which exposes the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. However, this risk is limited in view of the investment restrictions laid down in under Section 4 of the General Section.

#### 7.3.5 Different maturity

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

#### 7.3.6 Other risks

Other risks in using FDIs include the risk of differing valuations of FDIs arising out of different permitted valuation methods and the inability of FDIs to correlate perfectly with underlying securities, rates and indices. Many FDIs, in particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be

provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund. However, this risk is limited as the valuation method used to value OTC Derivatives must be verifiable by an independent auditor.

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

### 7.3.7 Particular risks in relation to interest rate, currency, total return swaps, credit default swaps and interest rate swaptions.

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

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

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

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

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

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

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

#### 7.4 Use of structured finance securities

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

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

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

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

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

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

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

## 7.5 Use of contingent convertibles instruments

Some of the Sub-Funds may invest in CoCos. Many of the larger financial institutions have lately embraced the use of CoCos as a cost effective way of meeting the level of going-concern capital required by Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (the Credit Requirement Regulation or **CRR**) in addition to the Common Equity Tier 1 capital (as defined in the CRR). The CRR allows a financial institution to issue Additional Tier 1 and 2 (**AT1 and AT2**) securities in the form of CoCos. To qualify as AT1s or AT2s the CoCos need to be able to be written down or converted into equity when a certain trigger CET1 is reached or when the relevant regulatory authority deems the issuer being non-viable under the Bank Recovery and Resolution Directive.

Investors should fully understand and consider the risks of CoCos.

CoCos entail a valuation risk. To correctly value the instruments the Company needs to evaluate the probability of activating the trigger, the extent and probability of any losses upon trigger conversion (not only from write-downs of their principal value but also from unfavourably timed conversion to equity) and the likelihood of cancellation of coupons. These risks may be highly challenging to model. Though certain risk factors are transparent, e.g., trigger level, coupon frequency, leverage, credit spread of the issuer, and rating of instrument, if any, other factors are discretionary or difficult to estimate, e.g. individual regulatory requirements relating to the capital buffer, the issuers' future capital position, issuers' behaviour in relation to coupon payments on AT1 CoCos, and any risks of contagion. Importantly, as one descends down the capital structure to sub-investment grade where the majority of CoCos sit, the level of precision in estimating value when compared to more highly rated instruments deteriorates.

Investors should also take into account that the trigger levels differ and determine exposure to conversion risk depending on the CET1 distance to the trigger level. Furthermore, coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. Contrary to classic capital hierarchy, CoCo investors may suffer a loss of capital when equity holders do not. AT1 CoCos are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority. The structure of CoCo instruments is innovative yet untested.

CoCos may entail a liquidity risk, meaning that under certain conditions it may be difficult to sell them. If the relevant market for a specific CoCo is illiquid, it may not be possible to liquidate a position at all or at an acceptable price. This risk generally increases the more likely it gets that the pre-specified trigger event of a given CoCo occurs.

Finally, when CoCos are written down, the NAV of the relevant Sub-Fund may significantly decrease.

## 7.6 Specific restrictions in connection with the Shares

Investors should note that there may be restrictions in connection with the subscription, holding and trading in the Shares. Such restrictions may have the effect of preventing the investor from freely subscribing, holding or transferring the Shares. In addition to the features described below, such restrictions may also be caused by specific requirements such as a Minimum Initial Subscription Amount or due to the fact that certain Sub-Funds may be closed to additional subscriptions after the Initial Offering Period or Initial Offering Date.

## 7.7 Taxation

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

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

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

## 7.8 Change of law

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

## 7.9 Political factors

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

## 7.10 Fees in underlying undertakings for collective investment

A Sub-Fund may, subject to the conditions set out in Section 5.4 of the General Section, invest in other undertakings for collective investment which may be operated and/or managed by the Company, the Investment Adviser, the Investment Manager(s) or a related party. As an investor in such other undertakings for collective investment, in addition to the fees, costs and expenses payable by a Shareholder in the Sub-Funds, each Shareholder will also indirectly bear a portion of the fees, costs and expenses of the underlying undertakings for collective investment, including management, investment management and, administration and other expenses.

7.11 Transaction costs

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

7.12 T Class – possible discrepancy between remaining amortized amount and Contingent Redemption Fee

Upon the redemption of Shares in the T Class requested by a Shareholder before the term of the amortisation period, the Contingent Redemption Fee (calculated at the applicable NAV) to be paid by this Shareholder might be below or above the remaining amortized amount in the T Class (determined at the NAV when the subscription of that Shareholder was made) if the NAV at the subscription of the relevant Shares was above or below the NAV at the redemption of the relevant Shares.

8. **CONFLICTS OF INTEREST AND RESOLUTION OF CONFLICT**

The Directors, the Distributor(s), the Investment Adviser, the Investment Manager(s), the Depositary, the Administrative Agent and the Sub-Administrative Agent may, in the course of their business, have potential conflicts of interests with the Company. Each of the Directors, the Distributor(s), the Investment Adviser, the Investment Manager(s), the Depositary, the Administrative Agent and the Sub-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 shall 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.

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

- 8.1.1 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;
- 8.1.2 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
- 8.1.3 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 Adviser, the Investment Manager(s) 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.

## **9. SUBSCRIPTIONS**

### **9.1 General**

During the Initial Offering Period or on the Initial Offering Date, the Company is offering the Shares under the terms and conditions as set forth in the relevant Special Section. The Company may offer Shares in one or several Sub-Funds or in one or more Classes in each Sub-Fund.

After the Initial Offering Period or Initial Offering Date, the Company may offer Shares in each existing Class in each existing Sub-Fund on any day that is a Valuation Day, as stipulated in the relevant Special Section. The Board may decide that for a particular Class or Sub-Fund no further Shares will be issued after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section). The Company may, in its discretion, create new Sub-Funds with different investment objectives and policies or new Classes within each Sub-Fund or within each Class at any time, details of which shall be set forth in the relevant Special Section.

### **9.2 Subscription price**

Shareholders or prospective investors may subscribe for a Class in a Sub-Fund at a subscription price per Share equal to:

- 9.2.1 the Initial Subscription Price where the subscription relates to the Initial Offering Period or Initial Offering Date; or
- 9.2.2 the Net Asset Value per Share as of the Valuation Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the Initial Offering Period or Initial Offering Date) of Shares of an existing Class in an existing Sub-Fund.

If an investor wants to subscribe Shares, a Subscription Fee may be added to the subscription price to be paid by the investor. The applicable Subscription Fee will be stipulated in the relevant Special Section. This fee will be payable to the Distributor(s), sub-distributors or intermediaries.

### **9.3 Subscription procedure**

Subscriptions may be made only by investors who are not Restricted Persons by:

- 9.3.1 submitting a written subscription request to the Distributor(s), a sub-distributor or the Sub-Administrative Agent to be received by the Sub-Administrative Agent, the Distributor(s) or a sub-distributor at the time specified in the relevant Special Section; and
- 9.3.2 delivering to the account of the Depositary cleared funds for the full amount of the subscription price (plus any Subscription Fee) of the Shares being subscribed for pursuant to the subscription request, within such number of Business Days as specified in the relevant Special Section.

If the Depositary does not receive the funds in time the purchase order may be cancelled and the funds returned to the investor without interest. The investor will be liable for the costs of late or non-payment in which the case the Directors will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs. In circumstances where it is not practical or feasible to recoup a loss from an applicant for Shares, any losses incurred by the Company due to late or non-payment of the subscription proceeds in respect of subscription applications received may be borne by the Company.



Subscribers for Shares must make payment in the Reference Currency of the relevant Sub-Fund or Class. Subscription monies received in another currency than the Reference Currency will be exchanged by the Depositary on behalf of the investor at normal banking rates. Any such currency transaction will be effected with the Depositary at the investor's risk and cost. Such currency exchange transactions may delay any transaction in Shares.

Subscribers for Shares are to indicate the allocation of the subscription monies among one or more of the Sub-Funds and/or Classes offered by the Company.

In the event that the subscription order is incomplete (i.e., all requested papers are not received by the Sub-Administrative Agent, the Distributor(s) or a sub-distributor, by the relevant deadline set out above) the subscription order will be rejected and a new subscription order will have to be submitted.

The minimum amount (if any) (expressed in a currency or a number of Shares of the same Class or of the same Sub-Fund) for which a subscriber or Shareholder must subscribe in each Class or Sub-Fund is the amount stipulated in the relevant Special Section as the Minimum Initial Subscription Amount.

In the event that the Company decides to reject any application to subscribe for, or the purchase of Shares, the monies transferred by a relevant applicant will be returned to the prospective investor without undue delay (unless otherwise provided for by law or regulations).

The number of Shares issued to a subscriber or Shareholder in connection with the foregoing procedures will be equal to the subscription monies provided by the subscriber or Shareholder, after deduction of the Subscription Fee (if any), divided by:

- 9.3.3 the Initial Subscription Price, in relation to subscriptions made in connection with an Initial Offering Period or Initial Offering Date, or
- 9.3.4 the Net Asset Value per Share of the relevant Class in the relevant Sub-Fund as of the relevant Valuation Day, where the subscription relates to a subsequent offering (other than the Initial Offering Period or Initial Offering Date).

With regard to the Initial Offering Period or Initial Offering Date, Shares will be issued on the first Business Day following the end of the Initial Offering Period or Initial Offering Date.

The Company shall recognise rights to fractions of Shares up to four decimal places, rounded up or down to the nearest decimal point. Any purchases of Shares will be subject to the ownership restrictions set forth below. Fractional Shares shall have no right to vote (except to the extent their number is so that they represent a whole Share, in which case, they confer a voting right) but shall have the right to participate pro rata in distributions and allocation of liquidation proceeds.

#### 9.4 Subscription in kind

At the discretion of the Board, Shares may be issued against contributions of transferable securities or other eligible assets to the Sub-Funds provided that these assets are Eligible Investments and the contributions comply with the investment policies and restrictions laid out in this Prospectus and have a value equal to the issue price of the Shares concerned. The assets contributed to the Sub-Fund, as described above, will be valued separately in a special report of the Auditor. These contributions in kind of assets are not subject to brokerage costs. The Board will only have recourse to this possibility (i) at the request of the relevant investor and (ii) if the transfer does not negatively affect current Shareholders. All costs related to a contribution in kind will be paid for by the Sub-Fund concerned provided that they are lower than the brokerage costs which the Sub-Fund would have paid if the assets concerned had been acquired on the market. If the costs relating to the contribution in kind are higher than the brokerage costs which the Sub-

Fund concerned would have paid if the assets concerned had been acquired on the market, the exceeding portion thereof will be supported by the subscriber.

#### 9.5 Anti-money laundering and terrorist financing requirements

The Directors will apply national and international regulations for the prevention of money laundering.

Measures aimed towards the prevention of money laundering require a detailed verification of an investor's identity in accordance with the applicable laws and regulations in Luxembourg in relation to money laundering obligations, as amended from time to time. The Company (and the Sub-Administrative Agent acting on behalf of the Company) reserves the right to request such information as is necessary to verify the identity of an investor in conformity with the before mentioned laws and regulations. In the event of delay or failure by the investor to produce any information required for verification purposes, the Company (and each of the intermediaries and Sub-Administrative Agent acting on behalf of the Company) may refuse to accept the application and all subscription monies.

#### 9.6 Institutional Investors

The sale of Shares of certain Sub-Funds or Classes may be restricted to institutional investors within the meaning of Article 174 of the 2010 Act (**Institutional Investors**) and the Company will not issue or give effect to any transfer of Shares of such Sub-Funds or Classes to any investor who may not be considered as an Institutional Investor. The Company may, at its discretion, delay the acceptance of any subscription for Shares of a Sub-Fund or Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of Shares of a Sub-Fund or Class restricted to Institutional Investors is not an Institutional Investor, the Company will, at its discretion, either redeem the relevant Shares in accordance with the provisions under Section 10 of the General Section or convert such Shares into Shares of a Sub-Fund or Class which is not restricted to Institutional Investors (provided there exists such a Sub-Fund or Class with similar characteristics) and which is essentially identical to the restricted Sub-Fund or Class in terms of its investment object (but, for avoidance of doubt, not necessarily in terms of the fees and expenses payable by such Sub-Fund or Class), unless such holding is the result of an error of the Company or its agents, and notify the relevant Shareholder of such conversion.

Considering the qualification of a subscriber or a transferee as Institutional Investor, the Company will have due regard to the guidelines or recommendations (if any) of the competent supervisory authorities.

Institutional Investors subscribing in their own name, but on behalf of a third party, may be required to certify that such subscription is made either on behalf of an Institutional Investor or on behalf of a retail Investor provided in the latter case that the Institutional Investor is acting within the framework of a discretionary management mandate and that the Retail Investor has no right to lay a claim against the Company for direct ownership of the Shares.

#### 9.7 Ownership restrictions

A person who is a Restricted Person may not invest in the Company. In addition, each applicant for Shares must certify that it is either (a) not a U.S. Person or (b) a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act. The Company may, in its sole discretion, decline to accept an application to subscribe for Shares from any prospective subscriber, including any Restricted Person or any person failing to make the certification set forth in (a) or (b) above. Shares may not be transferred to or owned by any Restricted Person. The Shares are subject to restrictions on transferability to a U.S. Person and may not be transferred or re-sold except pursuant to an exemption from registration under the Securities Act or an effective

registration statement under the Securities Act. In the absence of an exemption or registration, any resale or transfer of any of the Shares in the United States or to U.S. Persons may constitute a violation of US law (See "Important Information – Selling Restrictions"). It is the responsibility of the Board to verify that Shares are not transferred in breach of the above. The Company reserves the right to redeem any Shares which are or become owned, directly or indirectly, by a Restricted Person or (a) in the case of Regulation S Shares, are or become owned, directly or indirectly, by a U.S. Person or (b) in the case of 144A Shares, are or become owned, directly or indirectly, by a U.S. Person who is not a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act in accordance with the Articles. Any prospective investor shall only be issued Shares for Institutional Investor if such person provides a representation that it qualifies as an Institutional Investor pursuant to Luxembourg law.

## **10. REDEMPTIONS**

### **10.1 Redemptions**

Shares in a Sub-Fund may be redeemed at the request of the Shareholders on any day that is a Valuation Day. Redemption request must be sent in writing to the Distributor(s), a sub-distributor or the Sub-Administrative Agent or such other place as the Company may advise. Redemption request must be received by the Sub-Administrative Agent at the time specified in the relevant Special Section. Redemption requests received after this deadline shall be processed on the basis of the Net Asset Value per Share as of the next following Valuation Day.

The Board, the Sub-Administrative Agent, the Distributor(s) and the sub-distributors will ensure that the relevant cut-off time for requests for redemption as indicated in the Special Section of each Sub-Fund are strictly complied with and will therefore take all adequate measures to prevent practices known as "Late Trading".

Requests for redemption must be for either a number of Shares or an amount denominated in the relevant currency of the relevant Class.

A Shareholder who redeems his Shares will receive an amount per Share redeemed equal to the Net Asset Value per Share as of the applicable Valuation Day for the relevant Class in the relevant Sub-Fund (less, as the case may be, a Redemption Fee or a Contingent Redemption Fee as stipulated in the relevant Special Section and any tax or duty imposed on the redemption of the Shares).

Payment of the redemption proceeds shall be made generally within such number of Business Days as specified in the relevant Special Section. Where a Shareholder redeems Shares that he has not paid for within the required subscription settlement period, in circumstances where the redemption proceeds would exceed the subscription amount that he owes, the Company will be entitled to retain such excess for the benefit of the Company.

If as a result of a redemption, the value of a Shareholder's holding would become less than the relevant Minimum Holding Amount, the Shareholder may be deemed (if the Board so decides) to have requested the redemption of all his Shares.

Redemption of Shares may be suspended for certain periods of time as described under Section 24 of the General Section.

The Company reserves the right to reduce proportionally all requests for redemptions in a Sub-Fund to be executed on one Valuation Day whenever the total proceeds to be paid for the Shares so tendered for redemption exceed 10% (ten per cent) of the total net assets of that specific Sub-Fund. The portion of the non-proceeded redemptions will then be proceeded by priority on subsequent Valuation Days (but subject always to the foregoing 10% (ten per cent) limit.

Redemption requests must be addressed to the Sub-Administrative Agent. Redemption requests will not be accepted by telephone. Redemption requests are irrevocable (unless otherwise provided in respect of a specific Sub-Fund in the relevant Special Section and except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of Shares is suspended) and proceeds of the redemption will be remitted to the account indicated by the Shareholder in its redemption request. The Company reserves the right not to redeem any Shares if it has not been provided with evidence satisfactory to the Company that the redemption request was made by a Shareholder of the Company. Failure to provide appropriate documentation to the Sub-Administrative Agent may result in the withholding of redemption proceeds.

If a Shareholder wants to redeem Shares, a Redemption Fee or a Contingent Redemption Fee may be levied on the amount to be paid to the Shareholder. The applicable Redemption Fee or Contingent Redemption Fee and its beneficiary will be determined in the relevant Special Section. If a Shareholder redeems Shares subscribed as of various Valuation Days and which are subject to Contingent Redemption Fees, different Contingent Redemption Fees will be applied to the redemption proceeds.

## 10.2 Contingent Redemption Fee

The Contingent Redemption Fee may be applied to one or more Classes of a relevant Sub-Fund as determined in its Special Section. Contingent Redemption Fee depends on the Amortisation Period. Contingent Redemption Fee reflects the on-going amortisation of pre-paid expenses following the payment of the Placement Fee. Contingent Redemption Fee decreases in relation to the amortisation period. The Contingent Redemption Fee is a measure to mitigate negative effects on the Net Asset Value caused by the redemption of Shares for which the Placement Fee has not yet been fully amortised.

Contingent Redemption Fees will be based on the actual term the Shareholder holds the Shares. The applicable percentages will be indicated in the relevant Special Section.

Thus the applicable Contingent Redemption Fee is multiplied by the Net Asset Value per Share on the date of redemption and levied on the gross amount payable per Share for the benefit of the Sub-Fund. It is charged to protect the relevant Class from the dilution effects relating to the payment and amortisation of the Placement Fee when an Investor requests the redemption of its Shares before the Amortisation Period would be terminated and the Placement Fee amortised which may negatively affect the Net Asset Value and the return for the remaining Shareholders. The Contingent Redemption Fee is designed to avoid this negative impact, however, as described in Section 20.3, a positive or negative amount may remain after application of the Contingent Redemption Fee.

The following is an example of the calculation of a Contingent Redemption Fee:

An Investor holding 50 Shares and requesting the redemption of all of his Shares— having held 25 Shares for less than one year and 25 Shares for more than three but less than four years. The Net Asset Value per Share is EUR 200. The Contingent Redemption Fee is 4% for the first year, 3% for the second year, 2% for the third year and 1% for the fourth year.

The Investor will be charged a Contingent Redemption Fee determined as follows:  $25 \text{ (number of Shares)} * 4\% \text{ (Contingent Redemption Fee for Shares held less than 1 year)} * \text{EUR } 200 \text{ (Net Asset Value at the redemption day)} + 25 \text{ (number of Shares)} * 1\% \text{ (Contingent Redemption Fee for Shares held for more than three years but less than four years)} * \text{EUR } 200 \text{ (Net Asset Value at the redemption day)} = \text{EUR } 250$  on a gross redemption amount of EUR 10,000.

## 10.3 Compulsory redemptions by the Company

The Company may redeem Shares of any Shareholder if the Directors determine that:

- 10.3.1 any of the representations given by the Shareholder to the Company were not true and accurate or have ceased to be true and accurate; or
- 10.3.2 the Shareholder is not or ceases to be an Eligible Investor; or
- 10.3.3 the continuing ownership of Shares by the Shareholder would cause an undue risk of adverse tax consequences to the Company or any of its Shareholders; or
- 10.3.4 the continuing ownership of Shares by such Shareholder may be prejudicial to the Company or any of its Shareholders; or
- 10.3.5 further to the satisfaction of a redemption request received by a Shareholder, the number or aggregate amount of Shares of the relevant Class held by this Shareholder is less than the Minimum Holding Amount.

#### 10.4 In kind redemptions of Shares

The Board may, at the request of a Shareholder, agree to make, in whole or in part, a distribution in-kind of securities of the Sub-Fund to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. The Board will agree to do so if they determine that such a transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Sub-Fund. Such redemption will be effected at the Net Asset Value per Share of the relevant Class of the Sub-Fund which the Shareholder is redeeming, and thus will constitute a pro rata portion of the Sub-Fund's assets attributable in that Class in terms of value. The assets to be transferred to such Shareholder shall be determined by the Board and the Depositary, with regard to the practicality of transferring the assets and to the interests of the Sub-Fund and continuing participants therein and to the Shareholder. Such a Shareholder may incur brokerage and/or local tax charges on any transfer or sale of securities so received in satisfaction of redemption. The net proceeds from this sale by the redeeming Shareholder of such securities may be more or less than the corresponding redemption price of Shares in the relevant Sub-Fund due to market conditions and/or differences in the prices used for the purposes of such sale or transfer and the calculation of the Net Asset Value of Shares of the Sub-Fund. The selection, valuation and transfer of assets shall be subject to the review and approval of the Auditor.

Any costs incurred in connection with a redemption in-kind will be borne by the relevant Shareholder.

### 11. CONVERSIONS

Unless otherwise stated in the relevant Special Section, Shareholders are allowed to convert all, or part, of the Shares of a given Class into Shares of the same or different Class of that or another Sub-Fund. However, the right to convert Shares is subject to compliance with any condition (including any Minimum Initial Subscription Amounts and eligibility requirements) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the applicable Minimum Initial Subscription Amount, the Board may decide not to accept the request for conversion of the Shares. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant Minimum Holding Amount, the Shareholder may be deemed (if the Board so decides) to have requested the conversion of all of his Shares. Shareholders are not allowed to convert all, or part, of their Shares into Shares of a Sub-Fund which is closed for further subscriptions after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section).

#### 11.1 Eligibility to convert shares

If the criteria to become a Shareholder of such other Class and/or such other Sub-Fund are fulfilled, the Shareholder shall make an application to convert Shares by sending a written request

for conversion to Distributor(s), a sub-distributor or the Sub-Administrative Agent. Shares may be converted at the request of the Shareholders on any day that is a Valuation Day. The conversion request must be received by the Sub-Administrative Agent at the time specified in the relevant Special Section. Conversion requests received after this deadline shall be processed on the basis of the Net Asset Value per Share as of the next following Valuation Day. The conversion request must state either the amount in the relevant currency of the first Sub-Fund or the number of Shares of the relevant Classes in the relevant Sub-Fund, which the Shareholder wishes to convert.

Conversions may be subject to further criteria in the Special Sections.

## 11.2 Conversion mechanism

Conversion of Shares shall be effected on the Valuation Day, by the simultaneous:

- 11.2.1 redemption of the number of Shares of the relevant Class in the relevant Sub-Fund specified in the conversion request at the Net Asset Value per Share of the relevant Class in the relevant Sub-Fund less any Conversion Fee; and
- 11.2.2 issue of Shares on that Valuation Day in the new Sub-Fund or Class, into which the original Shares are to be converted, at the Net Asset Value per Share for Shares of the relevant Class in the (new) Sub-Fund.

Subject to any currency conversion (if applicable) the proceeds resulting from the redemption of the original Shares shall be applied immediately as the subscription monies for the Shares in the new Class or Sub-Fund into which the original Shares are converted.

Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued shall be calculated by converting the proceeds resulting from the redemption of the Shares into the currency in which the Shares to be issued are denominated. The exchange rate for such currency conversion shall be calculated by the Administrative Agent in accordance with the rules laid down under Section 23 of the General Section.

## 11.3 Conversion Fee

A Conversion Fee in favour of the original Sub-Fund or Class is levied to cover conversion costs. The applicable fee, if any, will be determined in the relevant Special Section. The same rate of Conversion Fee will be applied to all conversion requests received as of the same Valuation Day.

## 12. TRANSFER OF SHARES

All transfers of Shares shall be effected by a transfer in writing in any usual or common form or any other form approved by the Board and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the transferee. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered on the Share register in respect thereof. The Directors may decline to register any transfer of Shares if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the Minimum Initial Subscription Amount or Minimum Holding Amount. The Directors may decline to register any transfer of Shares unless the original instruments of transfer, and such other documents that the Directors may require are deposited at the registered office of the Company or at such other place as the Directors may reasonably require, together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and to verify the identity of the transferee. Such evidence may include a declaration as to whether the proposed transferee (i) is a US Person or acting for or on behalf of a US Person, (ii) is a Restricted Person or acting for or on behalf of a Restricted Person or (iii) does qualify as Institutional Investor.

The Directors may decline to register a transfer of Shares:

- 12.1.1 if in the opinion of the Directors, the transfer will be unlawful or will result or be likely to result in any adverse regulatory, tax or fiscal consequences to the Company or its Shareholders; or
- 12.1.2 if the transferee is a US Person or is acting for or on behalf of a US Person; or
- 12.1.3 if the transferee is a Restricted Person or is acting for or on behalf of a Restricted Person; or
- 12.1.4 in relation to Classes reserved for subscription by Institutional Investors, if the transferee is not an Institutional Investor; or
- 12.1.5 if in the opinion of the Directors, the transfer of the Shares would lead to the Shares being registered in a depositary or clearing system in which the Shares could be further transferred otherwise than in accordance with the terms of this Prospectus or the Articles.

### **13. MARKET TIMING AND LATE TRADING**

Prospective investors and Shareholders should note that the Company may reject or cancel any subscription or conversion orders for any reason and in particular in order to comply with the CSSF circular 04/146 relating to the protection of UCIs and their investors against Late Trading and Market Timing practices.

For example, excessive trading of shares in response to short-term fluctuations in the market, a trading technique sometimes referred to as Market Timing, has a disruptive effect on portfolio management and increases the Sub-Funds' expenses. Accordingly, the Company may, in the sole discretion of the Board, compulsorily redeem Shares or reject any subscription orders and conversions orders from any investor that the Company reasonably believes has engaged in Market Timing activity. For these purposes, the Board may consider an investor's trading history in the Sub-Funds and accounts under common control or ownership.

The Company and the Board will not be held liable for any loss resulting from rejected orders or mandatory redemption.

Furthermore, the Company will ensure that the relevant cut-off time for requests for subscriptions, redemptions or conversions are strictly complied with and will therefore take all adequate measures to prevent practices known as Late Trading.

### **14. MANAGEMENT OF THE COMPANY**

The Company shall be managed by the Board. The Board is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law to the general meeting of Shareholders fall within the competence of the Board.

Any Director may be removed with or without cause or be replaced at any time by resolution adopted by the general meeting of Shareholders. In the event of a vacancy in the office of a Director, the remaining Directors may temporarily fill such vacancy; the Shareholders will take a final decision regarding such nomination at their next general meeting of Shareholders.

The Company may indemnify any Director or officer, and his heirs, executors and administrators against expenses reasonably incurred by him or her in connection with any action, suit proceeding to which he or she may be made a party by reason of his or her being or having been a director or officer of the Company or, at its request, of any other company of which the Company is a shareholder or creditor and from which he or she is not entitled to be indemnified, except in

relation to matters as which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he or she may be entitled.

The Board has established a remuneration policy in accordance with the 2010 Act (the **Remuneration Policy**) which establishes remuneration policies and practices that are (i) consistent with and promote sound and effective risk management that neither encourage risk taking inconsistent with the risk profiles or the rules applicable to the Sub-Funds nor impair compliance with the duty to act in the best interests of the Company and (ii) in line with the business strategy, objectives, values and interests of the Company and of its Shareholders, and includes measures to avoid conflicts of interest.

The Remuneration Policy covers fixed and variable remuneration components with malus and clawback provisions. 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 assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the Shareholders in order to ensure that the assessment process is based on the longer-term performance of the UCITS and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

The Company does not provide discretionary pension benefits.

Considering the Company's size the Board has decided not to create a remuneration committee.

The Board is currently composed as follows:

- Carlo Alberto Montagna, Chairman,
- Giuseppe Distefano, Director, and
- Paul Guillaume, Director.

## 15. CONDUCTING PERSONS

The Board has appointed the following persons as conducting persons of the Company within the meaning of part I of the 2010 Act (the **Conducting Persons**):

**Giuseppe Distefano** is graduated in Business Economics at Luigi Bocconi University (Milan) and holds a Master in Finance. He started his career in the Financial Division of Morgan Guaranty Trust before joining Banca Nazionale del Lavoro as a trader. While at Banca Nazionale del Lavoro Giuseppe Distefano set up the risk management system for the treasury department. In 1989 he joined IMI Group where he held several key functions in Luxembourg and Milano: among others he set-up in the Luxembourg subsidiary the treasury and derivatives unit, he headed the capital markets and asset management units while he was in charge of the treasury and foreign exchange trading divisions as well as the syndicate and credit trading. He was a member of various boards within the IMI Group including IMI Bank (Luxembourg), IMIS SICAV and IDEA Management Company. In 2003 he joined Banca Profilo (Milan) as the head of fixed income department. He has been an IPMA Board Member from 1999 to 2002 and board member of the International Capital Market Association. In 2008 he founded Fair Advisory and Alessia.



**Simon Bergman** graduated in law from the Vrije Universiteit (Amsterdam) and holds a Master of Comparative Law from the University of San Diego. He started his career at IMI Bank (Lux) S.A. where he worked in various legal and back-office functions. He transferred to Banca IMI SpA where his roles included compliance officer and project manager at the London branch and set up and management of the Middle Office in Milan. He left to join Gruppo Banca Leonardo SpA where he set up and managed the middle office and later the back-office. In July 2013, he started as an independent consultant on operations issues.

**Alberto Cavadini** is graduated from Luigi Bocconi University (Milan) and holds an accounting expert diploma from Caio Plinio Secondo Institute in Como. He started his career at Banco di Desio e della Brianza SpA and its Luxembourg subsidiary, Investment Bank Luxembourg SA, before joining Brianfid-Lux SA where he was, amongst others, in charge of operations and compliance. Since October 2012, he is an independent director with ManagementPlus (Luxembourg) SA and since April 2015, he is also an independent director and the compliance officer of Market Expertise Business Solutions (Mebs).

The Conducting Persons are responsible for ensuring that the service providers to which investment advisory, administrative or marketing functions have been delegated by the Board perform their duties in compliance with the 2010 Act, the Articles, the Prospectus and the relevant agreements entered into with the Company. The Conducting Persons also supervise the correct implementation and application of the risk management process of the Company and ensure compliance of the Sub-Funds with their investment restrictions and policies.

## 16. INVESTMENT ADVICE

Fair Advisory S.A. is acting as investment adviser of each Sub-Fund (the **Investment Adviser**). In such capacity, Fair Advisory S.A. provides day-to-day advice regarding transactions of each Sub-Fund.

The relationship between the Company and the Investment Adviser is subject to the terms of the investment advisory agreement.

The Investment Adviser was incorporated on 10 October 2007 under the form of a public limited liability company (*società anonima*) under Swiss laws (Canton Ticino). The Investment Adviser is established at 7, Via Lucchini, CH-6906 Lugano.

The Investment Adviser may, in turn and under its own responsibility, appoint one or more sub-investment advisers in respect of each Sub-Fund to provide day-to-day advice regarding the Sub-Fund's transactions to the Investment Adviser.

The function of the Investment Adviser shall be solely advisory and they shall not execute or implement the investment policy of the Sub-Fund(s).

## 17. DEPOSITARY AND ADMINISTRATIVE AGENT

### 17.1 Depositary

The Company has appointed Banque et Caisse d'Épargne de l'Etat, Luxembourg, as its Depositary within the meaning of the 2010 Act pursuant to the Depositary Agreement.

Banque et Caisse d'Épargne de l'Etat, Luxembourg, is an autonomous public establishment (*établissement public autonome*) under the laws of Luxembourg. It has been on the official list of Luxembourg credit institutions since 1856. It is authorised by the CSSF in Luxembourg in accordance with Directive 2006/48/EC as implemented in Luxembourg by the 1993 Act.

The relationship between the Company and the Depositary is subject to the terms of the Depositary Agreement. Under the terms of the Depositary Agreement, the Depositary is

responsible for the safekeeping of all assets of the Company, including cash, securities and other financial instruments: the Depositary must have knowledge at any time of how the assets of the Company have been invested and where and how these assets are available.

The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations and the Depositary Agreement.

The key duties of the Depositary are to perform on behalf of the Company the depositary duties referred to in the Law essentially consisting of:

- 17.1.1 monitoring and verifying the Company's cash flows;
- 17.1.2 safekeeping of the Company's assets, including inter alia holding in custody financial instruments that may be held in custody and verification of ownership of other assets
- 17.1.3 ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the articles of association of the Company and applicable Luxembourg law, rules and regulations;
- 17.1.4 ensuring that the value of the Shares is calculated in accordance with the articles of association of the Company and applicable Luxembourg law, rules and regulations;
- 17.1.5 ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits
- 17.1.6 ensuring that the Company's income is applied in accordance with the articles of association of the Company, and applicable Luxembourg law, rules and regulations; and
- 17.1.7 carrying out instructions from the Company unless they conflict with the articles of association of the Company or applicable Luxembourg law, rules and regulations.

Up-to-date information on (the missions of) the Depositary, delegations and sub-delegations and related conflicts of interest may be requested from the Depositary by shareholders.

The Depositary is liable to the Company or to the shareholders for the loss by the Depositary or a third party to whom the custody of financial instruments that can be held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of identical type or the corresponding amount to the Company without undue delay. The Depositary is not liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary is also liable to the Company and the Shareholders for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations.

The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party.

The Depositary may delegate its safekeeping functions subject to the terms of the depositary agreement.

From time to time conflicts may arise between the Depositary and the delegates or sub-delegates. For example, this may occur when an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for another custodial service that it provides to the Company. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

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

The Company has not currently identified any conflicts of interest arising from the delegation of the safekeeping functions of the Depositary.

The Depositary Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three months prior written notice. The Depositary Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations.

## 17.2 Administrator

The Company has appointed Banque et Caisse d'Epargne de l'Etat, Luxembourg, as its Administrative Agent. The Administrative Agent delegates under its responsibility and at its costs the administration, register and paying agency to European Fund Administration S.A. (the **Sub-Administrative Agent**). The Sub-Administrative Agent will in particular:

- 17.2.1 keep the accounts of the Company and make its accounting records available to Shareholders;
- 17.2.2 process the subscription, issue, redemption, conversion, cancellation and transfer of Shares;
- 17.2.3 maintain the register of Shareholders;
- 17.2.4 draw up the financial reports and all other documents relating to investments;
- 17.2.5 send correspondence, financial reports and all other documents intended for Shareholders; and
- 17.2.6 process the calculation of the Net Asset Value.

For the purpose of determining the value of the Assets, the Sub-Administrative Agent may, when calculating the Net Asset Value and without prejudice to Section 23 of the General Section, completely and exclusively rely (without any testing) upon the valuations provided by various pricing sources available on the market such as pricing agencies or any other pricing source reasonably considered to be the most reliable for any specific asset (e.g., administrators of underlying UCIs, brokers etc.) or by any other pricing source indicated by the Company or any price(s)/value(s) instructed by the Company.

It is expressly agreed that, regarding valuation/pricing of the assets of the Company with respect to which no market price or fair value is made available, the Company shall select, appoint, and make the necessary contractual arrangements directly with specialised and reputable valuation/pricing providers, specialist consultants or appraisers to ensure that such assets are valued in the best interest of all Shareholders, in full compliance with the requirements of the 2010 Act.

To this end, it is expressly agreed between the Company and the Sub-Administrative Agent, that the Company shall provide, with the assistance of specialised and reputable service providers, or cause third party specialised and reputable service providers to provide, the Sub-Administrative Agent with the pricing/valuation of assets of the Company with respect to which no market price or fair value is made available and the Auditor with appropriate supporting evidence regarding

the correctness and accuracy of such pricing/valuation, in accordance with the rules laid down in the Articles or the Prospectus. For the avoidance of doubt, it is hereby expressly agreed that (i) the Sub-Administrative Agent shall have no obligation to verify or approve the valuation methodology or criteria applied by the Company or its delegate(s) in relation to the valuation of such assets and that (ii) that the Company shall provide upon first request of the Auditor (regardless if the Auditor addressed such a request to the Sub-Administrative Agent or not), or cause the relevant third party service providers to provide with any supporting documentation or evidence relating to the pricings/valuations of such assets.

The Company guarantees the Sub-Administrative Agent that all assets of the Company are economically valuable, and that their prices can be audited. For unlisted, illiquid or structured assets for which prices are not available, the Company is responsible for delivering reasonably qualified opinions from reputable first class consultants or auditors on (i) the professionalism, reliability and experience of any third party service provider selected from time to time (ii) the valuation processes and methodology used by the Company.

The Sub-Administrative Agent will not be liable for the Company's investment decisions nor the consequences of the Company's investment decisions on its performances.

As the Sub-Administrative Agent is the Company's service provider, it will not be liable for the Prospectus provisions. Consequently, it will not be liable for any failure of information contained in this entire Prospectus.

## **18. PAYING AGENT**

Banque et Caisse d'Epargne de l'Etat, Luxembourg, or any other bank mentioned in the periodic reports, shall also provide paying agent services.

## **19. DISTRIBUTORS AND NOMINEES**

The Company may enter into distribution agreement(s) to appoint Distributor(s) to distribute Shares of different Sub-Funds from time to time. The Distributor(s) may appoint one or more sub-distributors.

The Company expects that in relation to Shares to be offered to investors the relevant Distributor(s) will offer to enter into arrangements with the relevant investors to provide nominee services to those investors in relation to the Shares or arrange for third party nominee service providers to provide such nominee services to the underlying investors.

All Distributors and nominee service providers must be (i) professionals of the financial sector of a FATF member State which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg law or (ii) professionals established in a non-FATF member State provided they are a subsidiary of a professional of the financial sector of a FATF member State and they are obliged to follow anti money laundering and terrorism financing rules equivalent to those required by Luxembourg law because of internal group policies. Whilst and to the extent that such arrangements subsist, such underlying investors will not appear in the Register of the Company and will have no direct right of recourse against the Company.

Any Distributor or nominee service providers holding their Shares through Euroclear or Clearstream or any other relevant clearing system as an accountholder also will not be recognised as the registered Shareholder in the Register. The relevant nominee of Euroclear or Clearstream or the other relevant clearing system will be recognised as the registered Shareholder in the Register in such event, and in turn would hold the Shares for the benefit of the relevant accountholders in accordance with the relevant arrangements. 144A Shares will be issued in physical, certificated form only and will not be eligible for clearance or settlement through Euroclear or Clearstream or any other relevant clearing system.

The terms and conditions of the distribution agreement(s) with arrangements to provide nominee services will have to allow that an underlying investor who (i) has invested in the Company through a nominee and (ii) is not a Restricted Person, may at any time, require the transfer in his name of the Shares subscribed through the nominee. After this transfer, the investor will receive evidence of his shareholding at the confirmation of the transfer from the nominee.

Investors may subscribe directly to the Company without having to go through Distributor(s) or a nominee.

The Company may enter into fee arrangement with Distributor(s) or any sub-distributor(s) where the latter will be remunerated out of the Management Fee. Such fees will be accrued daily and paid regularly.

In addition, Distributors, with regard to the distribution of certain Classes as further determined in the relevant Special Section, may be entitled to a Placement Fee (as described in Section 20.3) charged to the relevant Class. This Placement Fee is paid upon subscription to the relevant Distributors.

Distributors have the right, at their discretion, to reallocate the collected fees, in whole or in part, to their sub-distributors.

## **20. EXPENSES AND FEES**

### **20.1 Remuneration payable to the Depositary and the Administrative Agent**

The Depositary and the Administrative Agent are entitled to receive, out of the assets of each Class within each Sub-Fund, a fee corresponding to a maximum of 0.20% p.a. of the Net Asset Value. Notwithstanding such fees, the Depositary and the Administrative Agent are entitled to charge to the Company, the relevant Sub-Funds or the relevant Classes, as applicable, fees for transactional services, NAV calculation services, corporate services, registrar and transfer agency services, tax services, reporting services, KIID related services and all other similar operational services provided on an occasional or recurrent basis. The exact level of these operational fees will be disclosed periodically in the Company's annual and semi-annual reports.

In addition, the Depositary and the Administrative Agent are entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements and for charges of any correspondents (as the case may be).

The Sub-Administrative Agent will be remunerated by the Administrative Agent.

### **20.2 Management Fee and Performance Fee**

The Management Fee and, as the case may be, the Performance Fee are set out for each Sub-Fund in the relevant Special Section.

The Management Fee, as the case may be, together with the Performance Fee will be used to cover the following expenses and fees on an aggregated basis and in the following order:

- 20.2.1 Expenses for the Conducting Persons, including the remuneration to be paid to Support Officer(s), and for the Marketing Agent(s) and marketing activities;
- 20.2.2 Remuneration to be paid to the Distributor(s);
- 20.2.3 Disbursement for charity; and
- 20.2.4 Remuneration to be paid to the Investment Adviser.

20.3 Shares of certain Classes may be subject to Placement Fee as further described in the relevant Special Section. The Placement Fee is calculated by multiplying the relevant percentage by the Net Asset Value per Share on the subscription date or the immediately following Valuation Day (depending on the day the order is processed). This amount is levied on the relevant Class. The Placement Fee for each subscribed Share of the relevant Class is paid out as compensation for the Distributor and booked as a pre-paid expense which is reflected as an asset in the Net Asset Value per Share of that Class. In case prior day data is used for the calculation of the Net Asset Value, the results will be monitored against same day data to avoid potential material differences. The overall position of pre-paid expenses is then amortized on a daily basis at a constant amortization rate (indicated in the relevant Special Section) which is applied to the Net Asset Value per Share of the relevant Class multiplied by the number of outstanding Shares of that Class.

Pre-paid expenses are defined relative to the Net Asset Value per Share of the relevant Class. Pre-paid expenses therefore fluctuate with the movements of Net Asset Value and depend on the number of Shares subscribed and redeemed in the relevant Class.

20.4 After the Amortization Period, when pre-paid expenses assigned to the relevant Shares are fully amortized, the relevant Shares will be exchanged for a corresponding number of Shares as specified on the basis of a conversion rate determined as of the day of conversion in the relevant Special Section to avoid any further amortization. Shareholders holding Shares subject to Placement Fee wishing to redeem their Shares before this conversion takes place will be required to pay a Contingent Redemption Fee in accordance with Section 10 of the General Section. In case a Shareholders converts Shares to a Class which is also subject to a Placement Fee, the Contingent Redemption Fee will be calculated with reference to the original subscription date. There will be a payment between the two Sub-Funds to reflect this.

20.5 Shareholders should note that the amortization of pre-paid expenses might be higher or lower than the linear amortization amount calculated off their initial subscription amount depending on the evolution of the Class' NAV. Consequently, the pre-paid expense account of the Shareholder might show positive or negative differences to the linear amortization over the period of four years. Should the NAV on which the amortization is calculated be lower than the NAV at which the Shareholder subscribed, the amortized amount will be lower.

20.6 Accumulated differences will be equalised quarterly. Possible shortfalls or gains will be covered by crediting or debiting the T Class of the relevant Sub-Fund quarterly. The same will happen for differences arising from the Contingent Redemption Fee. The frequency of the adjustments will be shorter than quarterly if the calculated adjustment is higher than 0.05% of the NAV of the relevant T Class.

20.7 Operating Expenses

The Company pays out of the assets of the relevant Sub-Fund all expenses payable by the Company which will include but not be limited to formation expenses, fees (including the Performance Fee and, where applicable, the Placement Fee), fees and expenses payable to its Auditors and accountants, Depositary and its correspondents, Administrative Agent, Sub-Administrative Agent, any pricing agencies, costs in relation to lease premises, any permanent representatives in places of registration, as well as any other agent employed by the Company, the remuneration of the Conducting Persons, Directors and officers and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings, fees and expenses for legal and auditing services consultants, any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in the Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements and the costs of any reports to Shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, the costs for the publication of the issue and redemption prices, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and

telex. The Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

Furthermore, charges and expenses borne by the Company shall include all reasonable charges and expenses paid on its behalf, including but not limited to, telephone, fax, telex, telegram and postage expenses incurred by the Depositary on purchases and sales of portfolio securities in one or several Sub-Funds.

The Company may indemnify any director, manager, authorised officer, employee or agent, their heirs, executors and administrators, to the extent permitted by law, for all costs and expenses borne or paid by them in connection with any claim, action, law suit or proceedings brought against them in their capacity as director, manager, authorised officer, employee or agent of the Company, except in cases where they are ultimately sentenced for gross negligence. In the case of an out of court settlement, such indemnification will only be granted if the Company's legal adviser is of the opinion that the director, manager, authorised officer, employee or agent in question did not fail in his duty and only if such an arrangement is approved beforehand by the Board. The right to such indemnification does not exclude other rights to which the director, manager, authorised officer, employee or agent are entitled. The rights to indemnification provided herein are separate and do not affect the other rights to which a director, managing director, authorised officer, employee or agent may now or later be entitled and shall be maintained for any person who has ceased their activity as director, manager, authorised officer, employee or agent.

Expenses for the preparation and presentation of a defence in any claim, action, lawsuit or proceedings brought against a Director, Conducting Person, manager, authorised officer, employee or agent will be advanced by the Company, prior to any final decision on the case, on receipt of a commitment by or on behalf of the Director, Conducting Person, manager, authorised officer, employee or agent to repay this amount if it ultimately becomes apparent that they are not entitled to indemnification. Notwithstanding the above, the Company may take out the necessary insurance policies on behalf of Directors, Conducting Persons, managers, authorised officers, employees or agents of the Company.

Each Sub-Fund shall pay for the costs and expenses directly attributable to it. Costs and expenses that cannot be attributed to a given Sub-Fund shall be allocated to the Sub-Funds on an equitable basis, in proportion to their respective net assets.

#### 20.8 Formation and Launching Expenses

Expenses incurred in connection with the incorporation of the Company and the creation of the initial Sub-Funds, including those incurred in the preparation and publication of the first Prospectus and simplified prospectuses, as well as the taxes, duties and any other publication expenses, are estimated at up to EUR 100,000 and will be written off over a period of five (5) years.

All fees, costs and expenses referred to in the preceding paragraph are referred to as Formation and Launching Expenses. Expenses incurred in connection with the creation of any additional Sub-Fund may be borne by the relevant Sub-Fund and will be written off over a period of five (5) years. Hence, the additional Sub-Funds will not bear a pro rata proportion of the Formation and Launching Expenses.

### 21. DIVIDENDS

Each year the general meeting of Shareholders will decide, based on a proposal from the Board, for each Sub-Fund, on the use of the balance of the year's net income of the investments. A dividend may be distributed, either in cash or Shares. Further, dividends may include a capital distribution, provided that after distribution the net assets of the Company total more than EUR 1,250,000 (being provided that Shares of a Target Sub-Fund held by a Cross-investing Sub-

Fund shall not be taken into account for the purpose of the calculation of the EUR 1,250,000 minimum capital requirement).

Over and above the distributions mentioned in the preceding paragraph, the Board may decide to the payment of interim dividends in the form and under the conditions as provided by law.

The Board may issue distribution Shares and accumulation Shares within the Classes of each Sub-Fund, as indicated in the Special Sections. Accumulation Shares capitalise their entire earnings whereas distribution Shares pay dividends.

For Classes entitled to distribution, dividends, if any, will be declared and distributed on an annual basis. Moreover, interim dividends may be declared and distributed from time to time at a frequency determined by the Board within the conditions set forth by law.

Payments will be made in the Reference Currency of the relevant Sub-Fund or Class. With regard to Shares held through Euroclear or Clearstream (or their successors), dividends shall be paid by bank transfer to the relevant bank. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-Fund.

Dividends may be declared separately in respect of each Sub-Fund by a resolution of the Shareholders of the Sub-Fund concerned at the annual general meeting of Shareholders.

## **22. TAX ASPECTS**

### **22.1 Luxembourg**

The Company's assets are subject to tax (*taxe d'abonnement*) in Luxembourg of 0.05% p.a. on net assets (and 0.01% p.a. on total net assets in case of Sub-Funds or Classes reserved to Institutional Investors), payable quarterly. In case some Sub-Funds are invested in other Luxembourg UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Act, no annual subscription tax (*taxe d'abonnement*) is due from the Company on the portion of assets invested therein.

The Company's income is not taxable in Luxembourg. Income received from the Company may be subject to withholding taxes in the country of origin of the issuer of the security, in respect of which such income is paid. No duty or tax is payable in Luxembourg in connection with the issue of Shares of the Company.

Under current legislation, Shareholders are not subject to any capital gains, income, withholding, or other taxes in Luxembourg with respect to their investment in the Shares, except for those Shareholders resident of, or established in Luxembourg, or having a permanent establishment or permanent representative in Luxembourg.

### **22.2 The Foreign Account Tax Compliance Act (FATCA)**

FATCA was enacted on 18 March 2010 as part of the Hiring Incentive to Restore Employment Act (the **HIRE**). It includes provisions under which a Foreign Financial Institution (**FFI**) may be required to report directly to the Internal Revenue Service (**IRS**) certain information about shares and Interests held by U.S. tax payers or other foreign entities subject to FATCA and to collect additional identification information for this purpose. FFI that do not enter into an agreement with the IRS and comply with the regulations relating to FATCA could be subject to 30% withholding tax in relation to certain US source income and gains. The regulations relating to FATCA become effective in phases between 1 July 2014 and 2017.

On 28 March 2014, Luxembourg signed a Model 1 Intergovernmental Agreement (the **IGA**) with the US and a memorandum of understanding in respect thereof, which was ratified in Luxembourg by the act of 24 July 2015 (the **Luxembourg FATCA Act**). The Company is



obliged to comply with the provisions of FATCA under the terms of the Luxembourg FATCA Act. The Company is required to collect information aiming to identify its direct and indirect Investors that are “Specified US Persons” for FATCA purposes (“*reportable accounts*”). Any such information on reportable accounts provided to the Company will be shared with the Luxembourg tax authorities that will exchange that information on an automatic basis with the IRS.

The Company however generally intends to comply with the provisions of the Luxembourg FATCA Act to be deemed compliant with FATCA and should thus not be subject to the 30% withholding tax (**FATCA Withholding**) with respect to its share of any such payments attributable to actual and deemed US investments of the Company.

To ensure compliance with the regulations relating to FATCA and the provisions of the Luxembourg FATCA Act, the Company may:

- 22.2.1 require any Investor to furnish all information and documentary evidence to ascertain the Investor’s FATCA status;
- 22.2.2 report information concerning a Shareholder to the Luxembourg tax authorities if such account is deemed a reportable account (the Investors waive insofar, if applicable, any conflicting rules on banking secrecy data-protection) and report payments to certain entities; and
- 22.2.3 provide information to third parties to allow these to make an applicable FATCA Withholding;

all in accordance with the regulations relating to FATCA and the Luxembourg FATCA Act.

The aforesaid shall apply in relation to other withholding taxes accordingly. In addition, the Company may also require any Investor to pay amounts to the Company in order to comply with its FATCA Withholding and other withholding tax obligations. Finally, amendments may be made to this Prospectus to address the implementation of tax regulations including regulations relating to FATCA and the Luxembourg FATCA Act, and compliance with such tax regulations may increase the Company’s operating expenses.

Even though the Company generally intends to comply with any obligations imposed on it under the regulations relating to FATCA to avoid the imposition of FATCA Withholding, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to FATCA Withholding as a result of a non-compliance with these regulations, the value of Shares may be materially affected. If an amount in respect of FATCA were to be deducted or withheld from distributions, repayment of capital or other payments on or with respect to the Shares, neither the Company nor any other party would have any obligation to pay additional amounts or otherwise indemnify Shareholders for any such withholding or deduction by the Company or any other party. As a result, if FATCA Withholding is imposed on these payments, Shareholders may receive lower amounts than expected.

Investors should consult their own tax advisers to obtain a more detailed explanation of the regulations relating to FATCA and to learn how these regulations might affect them in their particular circumstance.

## 22.3 Common Reporting Standard of the OECD

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard (**CRS**) to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial

institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017. Luxembourg has committed to implement the CRS. As a result, Company will be required to comply with the CRS due diligence and reporting requirements, as adopted by Luxembourg. Investors may be required to provide additional information to the Company or one of its agents to enable the latter to satisfy its obligations under the CRS. Failure to provide requested information may subject an Investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Company.

#### 22.4 Other jurisdictions

Interest, dividend and other income realised by the Company on the sale of securities of non-Luxembourg issuers, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Company will pay since the amount of the assets to be invested in various countries and the ability of the Company to reduce such taxes is not known.

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

#### 22.5 Future changes in applicable law

The foregoing description of Luxembourg tax consequences of an investment in, and the operations of, the Company is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company to income taxes or subject Shareholders to increased income taxes.

THE INFORMATION SET OUT ABOVE IS A SUMMARY OF THOSE TAX ISSUES WHICH COULD ARISE IN LUXEMBOURG AND DOES NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OF THE TAX ISSUES WHICH COULD AFFECT A PROSPECTIVE SUBSCRIBER.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SUBSCRIBERS. PROSPECTIVE SUBSCRIBERS SHOULD CONSULT THEIR OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY OTHER JURISDICTION WHICH MAY BE APPLICABLE TO THEM.

### 23. CALCULATION OF THE NET ASSET VALUE

The Company, each Sub-Fund and each Class in a Sub-Fund have a Net Asset Value determined in accordance with the Articles. The reference currency of the Company is the Euro. The Net Asset Value of each Class of Shares of each Sub-Fund shall be calculated in the Reference Currency of the relevant Class, as it is stipulated in the relevant Special Section, and shall be determined by the Sub-Administrative Agent as of each Valuation Day as stipulated in the relevant Special Section, by calculating the aggregate of:

- 23.1.1 the value of all assets of the Company which are allocated to the relevant Sub-Fund in accordance with the provisions of the Articles; less

- 23.1.2 all the liabilities of the Company which are allocated to the relevant Sub-Fund in accordance with the provisions of the Articles, and all fees attributable to the relevant Sub-Fund, which fees have accrued but are unpaid on the relevant Valuation Day.

The Net Asset Value per Share shall be calculated in the Reference Currency of the relevant Sub-Fund or Class and shall be calculated by the Sub-Administrative Agent as at the Valuation Day of the relevant Sub-Fund by dividing the Net Asset Value of the relevant Sub-Fund by the number of Shares which are in issue on such Valuation Day in the relevant Sub-Fund (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day).

If the Sub-Fund has more than one Class in issue, the Sub-Administrative Agent shall calculate the Net Asset Value for each Class by dividing the portion of the Net Asset Value of the relevant Sub-Fund attributable to a particular Class by the number of Shares of such Class in the relevant Sub-Fund which are in issue on such Valuation Day (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day).

The Net Asset Value per Share will in principle be calculated with two decimal places and may be rounded up or down to the nearest whole unit of the currency in which the Net Asset Value of the relevant Shares are calculated.

## 23.2 Allocation of assets and liabilities

The allocation of assets and liabilities of the Company between Sub-Funds (and within each Sub-Fund between the different Classes) shall be effected so that:

- 23.2.1 The subscription price received by the Company on the issue of Shares, and reductions in the value of the Company as a consequence of the redemption of Shares, shall be attributed to the Sub-Fund (and within that Sub-Fund, the Class) to which the relevant Shares belong.
- 23.2.2 Assets acquired by the Company upon the investment of the subscription proceeds and income and capital appreciation in relation to such investments which relate to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) shall be attributed to such Sub-Fund (or Class in the Sub-Fund).
- 23.2.3 Assets disposed of by the Company as a consequence of the redemption of Shares and liabilities, expenses and capital depreciation relating to investments made by the Company and other operations of the Company, which relate to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) shall be attributed to such Sub-Fund (or Class in the Sub-Fund).
- 23.2.4 Where the use of foreign exchange transactions, instruments or financial techniques relates to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) the consequences of their use shall be attributed to such Sub-Fund (or Class in the Sub-Fund).
- 23.2.5 Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques relate to more than one Sub-Fund (or within a Sub-Fund, to more than one Class), they shall be attributed to such Sub-Funds (or Classes, as the case may be) in proportion to the extent to which they are attributable to each such Sub-Fund (or each such Class).
- 23.2.6 Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques cannot be attributed to a particular Sub-Fund they shall be divided equally between all Sub-Funds or, in so far as is justified by the amounts, shall be attributed in proportion to the relative Net Asset Value of the Sub-Funds (or Classes in the Sub-Fund) if the

Company, in its sole discretion, determines that this is the most appropriate method of attribution.

- 23.2.7 Upon payment of dividends to the Shareholders of a Sub-Fund (and within a Sub-Fund, to a specific Class) the net assets of this Sub-Fund (or Class in the Sub-Fund) are reduced by the amount of such dividend.

### 23.3 Valuation of assets

The assets of the Company will be valued as follows:

- 23.3.1 The value of any cash in hand or on deposit, notes and bills payable on demand and accounts receivable (including reimbursements of fees and expenses payable by any UCI in which the Company may invest), prepaid expenses and cash dividends declared and interest accrued but not yet collected, shall be deemed the nominal value of these assets unless it is improbable that it can be paid and collected in full; in which case, the value will be arrived at after deducting such amounts as the Board may consider appropriate to reflect the true value of these assets.
- 23.3.2 Securities and Money Market Instruments listed on an official stock exchange or dealt on any other Regulated Market will be valued at their last available price in Luxembourg on the Valuation Day and, if the security or Money Market Instrument is traded on several markets, on the basis of the last known price on the main market of this security. If the last known price is not representative, valuation will be based on the fair value at which it is expected it can be sold, as determined with prudence and in good faith by the Board.
- 23.3.3 Unlisted securities and securities or Money Market Instruments not traded on a stock exchange or any other Regulated Market as well as listed securities and securities or Money Market Instruments listed on a Regulated Market for which no price is available, or securities or Money Market Instruments whose quoted price is, in the opinion of the Board, not representative of actual market value, will be valued at their last known price in Luxembourg or, in the absence of such price, on the basis of their probable realisation value, as determined with prudence and in good faith by the Board.
- 23.3.4 Securities or Money Market Instruments denominated in a currency other than the relevant Sub-Fund's valuation currency will be converted at the average exchange rate of the currency concerned applicable on the Valuation Day.
- 23.3.5 The valuation of investments reaching maturity within a maximum period of 90 days may include straight-line daily amortisation of the difference between the principal 91 days before maturity and the value at maturity.
- 23.3.6 The liquidation value of futures, spot, forward or options contracts that are not traded on stock exchanges or other Regulated Markets will be equal to their net liquidation value determined in accordance with the policies established by the Board on a basis consistently applied to each type of contract. The liquidation value of futures, spot, forward or options contracts traded on stock exchanges or other Regulated Markets will be based on the latest available price for these contracts on the stock exchanges and Regulated Markets on which these options, spot, forward or futures contracts are traded by the Company; provided that if an options or futures contract cannot be liquidated on the date on which the net assets are valued, the basis for determining the liquidation value of said contract shall be determined by the Board in a fair and reasonable manner.

- 23.3.7 Swaps are valued at their fair value based on the last known closing price of the underlying security.
- 23.3.8 UCIs are valued on the basis of their last available net asset value in Luxembourg. As indicated below, this net asset value may be adjusted by applying a recognised index so as to reflect market changes since the last valuation.
- 23.3.9 Liquid assets and money market instruments are valued at their nominal value plus accrued interest, or on the basis of amortised costs.
- 23.3.10 Any other securities and assets are valued in accordance with the procedures put in place by the Board and with the help of specialist valuers, as the case may be, who will be instructed by the Board to carry out the said valuations.

In the context of Sub-Funds which invest in other UCIs, valuation of their assets may be complex in some circumstances and the administrative agents of such UCIs may be late or delay communicating the relevant net asset values. Consequently, the Sub-Administrative Agent, under the responsibility of the Board, may estimate the assets of the relevant Sub-Funds as of the Valuation Day considering, among other things, the last valuation of these assets, market changes and any other information received from the relevant UCIs. In this case, the Net Asset Value estimated for the Sub-Funds concerned may be different from the value that would have been calculated on the said Valuation Day using the official net asset values calculated by the administrative agents of the UCIs in which the Sub-Fund invested. Nevertheless, the Net Asset Value calculated using this method shall be considered as final and applicable despite any future divergence.

For the purpose of determining the value of the Company's assets, the Sub-Administrative Agent, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value, completely and exclusively rely, unless there is manifest error or negligence on its part, upon the valuations provided either (i) by the Board, (ii) by various pricing sources available on the market such as pricing agencies (i.e., Bloomberg, Reuters, etc.) or administrators of underlying UCIs, (iii) by prime brokers and brokers, or (iv) by (a) specialist(s) duly authorised to that effect by the Board. In particular, for the valuation of any assets for which market quotations or fair market values are not publicly available (including but not limited to non-listed structured or credit-related instruments and other illiquid assets), the Sub-Administrative Agent will exclusively rely on valuations provided either by the Board or by third party pricing sources appointed by the Board under its responsibility or other official pricing sources like UCIs' administrators and others like Telekurs, Bloomberg, Reuters and will not check the correctness and accuracy of the valuations so provided. If the Board gives instructions to the Sub-Administrative Agent to use a specific pricing source, the Board undertakes to make its own prior due diligence on such agents as far as its competence, reputation, professionalism are concerned so as to ensure that the prices which will be given to the Sub-Administrative Agent are reliable and the Sub-Administrative Agent will not, and shall not be required to, carry out any additional due diligence or testing on any such pricing source. So far as these assets are concerned, the sole responsibility of the Sub-Administrative Agent is to compute the Net Asset Value on the basis of the prices provided by the Board or the other appointed third party pricing source(s), without any responsibility whatsoever (in the absence of manifest error) on the correctness or accuracy of the valuations provided by the relevant sources. For the avoidance of doubt, the Sub-Administrative Agent will not affect any testing on valuations on prices nor collect or analyse any supporting documents which will assess or evidence the accuracy of the prices of any asset held in the portfolio for which a price or valuation is provided in accordance with this Section 23 of the General Section.

If one or more sources of quotation are not able to provide relevant valuations to the Sub-Administrative Agent, the latter is authorised to not calculate the Net Asset Value and, consequently, not to determine subscription, redemption and conversion prices. The Sub-Administrative Agent shall immediately inform the Board if such a situation arises. If necessary,

the Board may decide to suspend the calculation of the Net Asset Value in accordance with the procedures described in Section 24 of the General Section.

## **24. SUSPENSION OF DETERMINATION OF THE NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION OF SHARES**

The Company may at any time and from time to time suspend the determination of the Net Asset Value of Shares of any Sub-Fund or Class and for, the issue of the Shares of such Sub-Fund or Class to subscribers and for the redemption of the Shares of such Sub-Fund or Class from its Shareholders and for conversions of Shares of any Class in a Sub-Fund:

- 24.1.1 during any period in which any of the principal stock exchanges or other markets on which a substantial portion of the assets of the Sub-Fund or the relevant Class from time to time are quoted or traded is closed otherwise than for ordinary holidays, or during which transactions therein are restricted, limited or suspended, provided that such restriction, limitation or suspension affects the valuation of the assets of the Sub-Fund or the relevant Class;
- 24.1.2 where the existence of any state of affairs which, in the opinion of the Board, constitutes an emergency or renders impracticable a disposal or valuation of the assets attributable to a Sub-Fund;
- 24.1.3 during any breakdown of the means of communication or computation normally employed in determining the price or value of any of the assets attributable to a Sub-Fund;
- 24.1.4 during any period in which the Company is unable to repatriate monies for the purpose of making payments on the redemption of Shares or during which any transfer of monies involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board, be effected at normal rates of exchange;
- 24.1.5 when for any other reason the prices of any constituents of the underlying asset or, as the case may be, the hedging asset and, for the avoidance of doubt, where the applicable techniques used to create exposure to the underlying asset, cannot promptly or accurately be ascertained;
- 24.1.6 in case of the Company's liquidation or in the case a notice of termination has been issued in connection with the liquidation of a Sub-Fund or a Class;
- 24.1.7 where, in the opinion of the Board, circumstances which are beyond the control of the Board make it impracticable or unfair vis-à-vis the Shareholders to continue trading the Shares

Any such suspension may be notified by the Company in such manner as it may deem appropriate to the persons likely to be affected thereby. The Company shall notify Shareholders requesting redemption of their Shares of such suspension.

## **25. GENERAL INFORMATION**

### **25.1 Auditor**

Deloitte Audit S.à.r.l. has been appointed as Auditor.

### **25.2 Fiscal year**

The accounts of the Company are closed at 31 December each year.

### 25.3 Reports and notices to Shareholders

Audited annual reports of the end of each fiscal year will be established as at 31 December of each year. In addition, unaudited semi-annual reports will be established as per the last day of the month of June. Those financial reports will provide for information on each of the Sub-Fund's assets as well as the consolidated accounts of the Company and be made available to the Shareholders free of charge at the registered office of the Company and of the Depositary.

The financial statements of each Sub-Fund will be established in the Reference Currency of the Sub-Fund but the consolidated accounts will be in Euro.

Audited annual reports shall be published within four (4) months following the end of the accounting year and unaudited semi-annual reports shall be published within two (2) months following the end of period to which they refer.

Information on the Net Asset Value, the subscription price (if any) and the redemption price may be obtained at the registered office of the Company.

### 25.4 Shareholders' meetings

The annual general meeting of the Shareholders in the Company shall be held at the registered office of the Company or on the place specified in the convening notice on the second Tuesday of April of each year at 12.00 a.m. (Luxembourg time). If such day is not a Business Day, the annual general meeting of the Shareholders will be held on the next following Business Day.

Notice of any general meeting of shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-Fund) will be mailed to each registered Shareholder at least eight days prior to the meeting and will be published to the extent required by Luxembourg law in the *Mémorial* and in any Luxembourg and other newspaper(s) that the Board may determine.

Such notices shall contain the agenda, the date and place of the meeting, the conditions of admission to the meeting and they shall refer to the applicable quorum and majority requirements. The meetings of Shareholders of Shares of a particular Sub-Fund may decide on matters which are relevant only for the Sub-Fund concerned.

### 25.5 Documents available to Shareholders

The following documents shall also be available for inspection by Shareholders during normal business hours on any Business Day at the registered office of the Company:

- 25.5.1 the Articles;
- 25.5.2 the Depositary, Administration, Register and Paying Agency Agreement;
- 25.5.3 any investment advisory agreements and investment management agreements; and
- 25.5.4 the most recent annual and semi-annual financial statements of the Company.

The above documents and agreements may be amended from time to time by all the parties involved.

A copy of the Prospectus, the most recent financial statements, the Articles and details of the Remuneration Policy may be obtained free of charge upon request at the registered office of the Company.

Key investor information documents and details of the remuneration policy are made available to investors under [www.alessia.lu/en/avvertenze-regolamentari.php](http://www.alessia.lu/en/avvertenze-regolamentari.php).

The list of the Depositary's delegates and sub-delegates is available on its website <https://www.bcee.lu/Downloads/Publications/Documents-concernant-les-fonds-de-la-BCEE>.

#### 25.6 Changes of address

Shareholders must notify the Sub-Administrative Agent in writing, at the address indicated above, of any changes or other account information.

### 26. LIQUIDATION, MERGER OF SUB-FUNDS AND CLASSES

#### 26.1 Dissolution of the Company

The duration of the Company is not limited by the Articles. The Company may be wound up by decision of an extraordinary General Meeting. If the total net assets of the Company falls below two-thirds of the minimum capital prescribed by law (i.e., EUR 1,250,000), the Board must submit the question of the Company's dissolution to a General Meeting for which no quorum is prescribed and which shall pass resolutions by simple majority of the Shares represented at the General Meeting.

If the total net assets of the Company fall below one-fourth of the minimum capital prescribed by law, the Board must submit the question of the Company's dissolution to a General Meeting for which no quorum is prescribed. A resolution dissolving the Company may be passed by Shareholders holding one-fourth of the Shares represented at the General Meeting.

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

If the Company is dissolved, the liquidation shall be carried out by one or several liquidators appointed in accordance with the provisions of the 2010 Act. The decision to dissolve the Company will be published in the *Mémorial* and two newspapers with adequate circulation, one of which must be a Luxembourg newspaper. The liquidator(s) will realise each Sub-Fund's assets in the best interests of the Shareholders and apportion the proceeds of the liquidation, after deduction of liquidation costs, amongst the Shareholders of the relevant Sub-Fund according to their respective prorata. Any amounts unclaimed by the Shareholders at the closing of the liquidation of the Company will be deposited with the *Caisse de Consignation* in Luxembourg for a duration of thirty (30) years. If amounts deposited remain unclaimed beyond the prescribed time limit, they shall be forfeited.

As soon as the decision to wind up the Company is made, the issue, redemption or conversion of Shares in all Sub-Funds will be prohibited and shall be deemed void.

#### 26.2 Merger or liquidation of Sub-Funds or Classes

If, for any reason, the net assets of a Sub-Fund or of any Class fall below the equivalent of EUR 5,000,000, or if a change in the economic or political environment of the relevant Sub-Fund or Class may have material adverse consequences on the Sub-Fund's investments, or if an economic rationalisation so requires, the Board may decide on a compulsory redemption of all Shares outstanding in such Sub-Fund or Class on the basis of the Net Asset Value per Share (after taking account of current realisation prices of the investments as well as realisation expenses), calculated as of the day the decision becomes effective. The Company will serve a notice to the holders of the relevant Shares prior to the effective date for the compulsory redemption, which will indicate the reasons of and the procedure for the redemption operations. Registered Shareholders will be notified in writing. Unless the Board decides otherwise in the interests of, or in order to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charge. However, the liquidation costs will be taken into account in the



redemption and conversion price. Liquidation proceeds which could not be distributed to the Shareholders upon the conclusion of the liquidation of a Sub-Fund or Class will be deposited with the *Caisse de Consignation* in Luxembourg on behalf of such beneficiaries.

Notwithstanding the powers granted to the Board as described in the previous paragraph, a general meeting of Shareholders of a Sub-Fund or Class may, upon proposal of the Board, decide to repurchase all the Shares in such Sub-Fund or Class and to reimburse the Shareholders on the basis of the Net Asset Value of their Shares (taking account of current realisation prices of the investments as well as realisation expenses) calculated as of the Valuation Day on which such decision shall become effective. No quorum shall be required at this general meeting and resolutions shall be passed by a simple majority of the shareholders present or represented, provided that the decision does not result in the liquidation of the Company.

Liquidation proceeds which could not be distributed to the Shareholders upon the conclusion of the liquidation of a Sub-Fund or Class will be deposited with the *Caisse de Consignation* in Luxembourg on behalf of such beneficiaries.

All the Shares redeemed will be cancelled.

Under the same circumstances as provided in the first paragraph of this Section 26.2, the Board may decide to merge or consolidate the Company or one or more Sub-Funds or one or more Classes with, or transfer substantially all or part of the Company's or any Sub-Fund's or any Class' assets to, or acquire substantially all the assets of, another Luxembourg UCITS or another Sub-Fund or another Class (within the Company or another Luxembourg UCITS) with compatible investment objectives and policies in accordance with Luxembourg law and the Articles. In addition, such merger or contribution may be decided upon by the Board if it believes it to be required in the interests of the Shareholders of any of the Sub-Funds or Class concerned.

Shareholders will receive shares of the surviving Luxembourg UCITS or Sub-Fund except in those situations when the Company or Sub-Fund or Class is the surviving entity. Any new share received in such transaction will have the same value as any Shares relinquished in the transaction.

Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the new Sub-Fund or the other Luxembourg UCITS. Such publication will be made not less than one month before the date on which the merger or contribution becomes effective in order to enable Shareholders to request redemption of their Shares, free of redemption charge, before the contribution becomes effective.

Notwithstanding the powers granted to the Board in the above paragraph, a contribution of the assets and liabilities of a Sub-Fund or Class to another Sub-Fund or Class of the Company may be decided by the general meeting of Shareholders of the contributing Sub-Fund or Class. No quorum shall be required and a decision on such contribution shall be taken by a resolution passed by the majority of the shareholders present or represented, provided that this contribution does not result in the liquidation of the Company.

A contribution of the assets and liabilities attributable to a Sub-Fund or Class to another UCITS or to another class of such UCITS may be decided by a general meeting of Shareholders of the contributing Sub-Fund or Class. No quorum shall be required and a decision on such contribution shall be made by a resolution passed by a simple majority of the Shares represented.

Where contribution is to be made to a mutual investment fund (*fonds commun de placement*) or a foreign-based UCITS, such resolution shall be binding only on Shareholders who have approved the proposed contribution. The Board may also, under the same circumstances as provided above, decide to merge one Sub-Fund by a contribution into a foreign UCI. In such case, approval of the relevant Shareholders should be sought or the merger be made upon the condition that only the assets of the consenting Shareholders be contributed to the foreign UCI.

For the interest of the Shareholders of the relevant Sub-Fund or in the event that a change in the economic or political situation relating to a Sub-Fund so justifies, the Board may proceed to the reorganisation of such Sub-Fund by means of a division into two or more Sub-Funds. Such decision will be published in the same manner as described above. Information concerning the new Sub-Fund(s) will be provided to the relevant Shareholders. Such publication will be made one month prior to the effectiveness of the reorganisation in order to permit Shareholders to request redemption of their Shares free of charge during such one month prior period.

## **PART B – SPECIAL SECTIONS**

## **SPECIAL SECTION I - ALESSIA – ABSOLUTE RETURN MACRO**

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Alessia – Absolute Return Macro (the **Sub-Fund**).

The Sub-Fund has been opened for subscription for the first time on 10 March 2008 under the name of Alessia – Macro Diversified Fund as of 19 November 2009, the Sub-Fund's name has been converted into Alessia – Absolute Return Macro.

### **1. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund seeks positive return with relative low volatility and limited correlation to market cycles affecting traditional equity and fixed income markets. This objective is pursued by investing in equity markets, fixed income, corporate bonds, and foreign exchange and related FDIs. In order to achieve its objectives, the Sub-Fund bases its investment decisions on detailed analysis and research. The aim of the research is to look for unbalances in interest rates, equity values, foreign exchange rates and credit prices that could be adjusted in the future.

Cash is mainly invested in a diversified basket of equities and/or a basket of bonds and money market instruments. FDIs are used both for hedging reasons and to enhance portfolio return creating long and/or short exposures to various asset classes (equity, fixed income, currency, credit) and markets. The Sub-Fund will mainly use exchange traded FDIs.

The Sub-Fund will not invest on an aggregate basis more than 10% of its NAV in shares/units of other UCIs including UCITS and shares of other Sub-Funds of the Company.

In order to enhance portfolio performance short term trading activities will be added to the normal asset allocation process. The objectives of the trading activities are various: to manage short-term or unexpected market turbulences, to fine tune the risk profile in order to achieve the expected volatility in the Fund performance, to respect certain internal stop loss rules that could trigger a temporary hedging of some or most of the exposure and to generate extra return when opportunities arise.

### **2. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure. No VaR will be calculated for the Sub-Fund.

### **3. INVESTOR PROFILE**

The Sub-Fund is appropriate for investors looking for capital protection from excessive market volatility and at the same time looking for a stable long term appreciation of their capital. However, there is no guarantee investors will get back any of their original investment.

### **4. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR. However, the Net Asset Value may be calculated and subscriptions and redemptions may be made in another currency if the relevant Class is denominated in another currency as EUR as more fully described in the Special Section.

## 5. CLASSES AVAILABLE, LISTING

Class	Minimum Initial Subscription Amount (in EUR or Shares)	Minimum Holding Amount (in EUR or Shares)	Management Fee	Listing
Class R (accumulation)	EUR 5,000	EUR 5,000	1.75% of the Net Asset Value per Share	No
Class Q (accumulation)	1 Share	1 Share	1.25% of the Net Asset Value per Share	Yes
Class T (accumulation)	EUR 5,000	EUR 5,000	1.75% of the Net Asset Value per Share	No
Class I (accumulation)	EUR 250,000	EUR 250,000	1.25% of the Net Asset Value per Share	No

The issuance of Shares of Class T is subject to the Placement Fee of 4% which will be amortised at 1% p.a. over a 4-years period. Shares of Class T will automatically be converted after the term of four (4) years (representing the end of the Amortisation Period) into Shares of Class R.

No Subscription Fee or Conversion Fee will be due pursuant to this conversion.

## 6. NET ASSET VALUE CALCULATION AND VALUATION DAY

The Net Asset Value per Share of the Sub-Fund is calculated, under the overall responsibility of the Board, as of each Business Day (each a **Valuation Day**).

## 7. SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the relevant Distributor, if any.

Subscriptions for Shares are accepted as of each Valuation Day. Applications for subscriptions must be received by the Sub-Administrative Agent not later than 2.00 p.m. (CET) on the relevant Valuation Day. Applications received after that time will be processed on the next following Valuation Day.

Payments for subscriptions must be received in the relevant currency within three (3) Business Days after the relevant Valuation Day.

Subscription Fees of up to 4% may be applied to Shares of R Class. The other Classes (I, Q and T) are not subject to Subscription Fees.

## 8. REDEMPTION

Shares in the Sub-Fund may be redeemed as of each Valuation Day. Redemption requests must be sent in writing to the Sub-Administrative Agent, or the relevant Distributor or a sub-distributor, if any. Redemption requests must be received by the Sub-Administrative Agent not

later than 2.00 p.m. (CET) on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary in the relevant currency within three (3) Business Days following the relevant Valuation Day.

The redemption price will be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day.

A Contingent Redemption Fee may be applied on the redemption of Shares of Class T based on the term of the holding of these Shares by a relevant Investor, as follows:

Holding period of Shares of Class T (starting at the day where the Shares have been issued)	Contingent Redemption Fee (percentage of Net Asset Value on Redemption Date)
Up to 1 year	4%
After 1 year but up to 2 years	3%
After 2 year but up to 3 years	2%
After 3 year but up to 4 years	1%
After 4 years	0%

Please refer to section 7.12 of the General Section for an explanation of possible discrepancies between the remaining amortized amount and the Contingent Redemption Fee.

No Redemption Fee will be applied to the other Classes (R, Q and I).

## **9. CONVERSION**

Shares in the Sub-Fund may be converted as of each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund or Class in accordance with Section 11 of the General Section, provided that Shareholders of Shares of Class R, Q or I may not convert their Shares into Class T of the same or of other Sub-Funds, nor may Shareholders of Class T Shares convert their Shares to Shares of Class R, Q or I of the same or other Sub-Funds, except in the case of automatic conversion pursuant to Section 5 of this Special Section. In case of a conversion between two Class T Shares, a fee will be paid between the relevant Sub-Funds.

Conversion requests must be received by the Sub-Administrative Agent no later than 2.00 p.m. (CET) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

No Conversion Fees will be levied by the Sub-Fund.

## **10. MANAGEMENT FEE AND PERFORMANCE FEE**

The Management Fee together with the Performance Fee will be used to cover the costs of the Conducting Persons (including the remuneration of the Conducting Persons and their Support Officer(s), if any), the Distributor(s), the Marketing Officer(s) and the Investment Adviser on a monthly basis in arrears and in the order as indicated under Section 20.2 of the General Section.

The Management Fee is indicated under Section 5 of this Special Section.

The Performance Fee will be equivalent to 20% of the absolute value of the performance of the relevant Class based on the difference between the Net Asset Value per Share at the end of each quarter of the calendar year (before the calculation of the Performance Fee) and the Net Asset Value per Share at the end of the last quarter of the calendar year, multiplied by the number of Shares issued by that Class on the relevant Valuation Day. If the difference is equal to zero or negative, no Performance Fee will be levied. The Performance Fee will be retained in reserve as of each Valuation Day and will accrue at the end of each quarter of the calendar year.

The first quarter will be from the date of commencement of business of the relevant Class until the end of the first calendar quarter following the launch of that Class.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Performance Fee will be adjusted to take into account subscription and redemption requests:

- 10.1.1 in case of subscriptions, the reserve for the Performance Fee shall be reduced by 20% of the absolute performance determined on the Valuation Day on which the relevant subscriptions are processed multiplied by the number of Shares subscribed;
- 10.1.2 in case of redemptions, any accrued but unpaid Performance Fee in respect of such Shares will be kept. The amount accrued to the Investment Adviser will be equal to 20% of the absolute performance determined on the Valuation Day on which the relevant redemptions are processed multiplied by the number of Shares redeemed, and shall be paid in arrears at the end of the relevant quarter of the calendar year.

The payment of a Performance Fee is subject to a high water mark.

The high water mark is:

- 10.1.3 for Shares of Classes I, Q and R the highest Net Asset Value per Share at the end of a quarter of the calendar year on which a Performance Fee has been paid; and
- 10.1.4 for Shares of Class T the greater of the highest Net Asset Value per Share at the end of a quarter of the calendar year on which a Performance Fee has been paid or the Initial Subscription Price.

The Initial Subscription Price for Shares of Class T is EUR 100 per Share.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

## **11. PAST PERFORMANCE**

Please refer to the relevant key investor information document of the Sub-Fund for additional information on the Sub-Funds past performance.

## **SPECIAL SECTION II - ALESSIA – ABSOLUTE RETURN PLUS**

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Alessia –Absolute Return Plus (the **Sub-Fund**).

The Sub-Fund has been opened for subscription for the first time on 5 April 2011 under the name of Alessia – Long/Short Equity. As of 29 May 2015, the Sub-Fund's name has been converted into Alessia – Absolute Return Plus.

### **1. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund seeks positive absolute return in the form of capital growth with relative low volatility and limited correlation to market cycles affecting traditional equity and fixed income markets. It will seek to achieve this objective by investing in a portfolio of permitted FDIs (including futures, options, swaps, forward currency contracts and other derivatives), fixed interest securities, transferable securities, deposits, money market instruments as well as, on an ancillary basis, foreign exchange and cash.

In order to achieve its objectives, the Sub-Fund bases its investment decisions on detailed analysis and research. The aim of the research is to look for unbalances in interest rates, equity values, foreign exchange rates and credit prices that could be adjusted in the future.

Cash is mainly invested in a diversified basket of equities and/or a basket of bonds and money market instruments. FDIs are used both for hedging reasons and to enhance portfolio return creating long and/or short exposures to various asset classes (equity, fixed income, currency, credit) and markets. The Sub-Fund will mainly use exchange traded FDIs.

The Sub-Fund will not invest on an aggregate basis more than 10% of its NAV in shares/units of other UCIs including UCITS and shares of other Sub-Funds of the Company.

In order to enhance portfolio performance short term trading activities will be added to the normal asset allocation process. The objectives of the trading activities are various: to manage short-term or unexpected market turbulences, to fine tune the risk profile in order to achieve the expected volatility in the Fund performance, to respect certain internal stop loss rules that could trigger a temporary hedging of some or most of the exposure and to generate extra return when opportunities arise.

### **2. RISK MANAGEMENT**

The Sub-Fund will use an absolute Value at Risk (VaR) to monitor its global exposure.

The maximum expected adjusted global VaR is targeted to be 8% on a monthly basis. The global VaR is calculated using a 99% probability on a period of one (1) month. The VaR is adjusted to include, also, a measure for issuer risk (so called idiosyncratic risk) arising from equity positions.

Leverage will in principle only be achieved through the use of FDIs including OTC Derivatives. It is expected that FDIs will be used to construct synthetic long and short positions.

The sum of the notional of the opened FDIs is expected to range between 0% and 100% of the Sub-Fund's NAV. In exceptional circumstances, the leverage of the Sub-Fund may be higher due to changes in the market volatility.

The Sub-Fund will use different risk management tools to control performance volatility and to avoid unexpected losses that could damage the overall performance of the Sub-Fund. Other than calculation on exposure to the market risks taken by the Sub-Fund, interest rate, currency, equity



and credit risk, the Sub-Fund will make use of stress analysis and will fix a dynamic system of stop losses to protect the Sub-Fund from excessive monthly losses.

### 3. INVESTOR PROFILE

The Sub-Fund is appropriate for investors for a long term appreciation of their capital. However, there is no guarantee investors will get back any of their original investment.

### 4. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund is EUR. However, the Net Asset Value may be calculated and subscriptions and redemptions may be made in another currency if the relevant Class is denominated in another currency as EUR as more fully described in the Special Section.

### 5. CLASSES AVAILABLE, LISTING

Class	Minimum Initial Subscription Amount (in EUR or Shares)	Minimum Holding Amount (in EUR or Shares)	Management Fee	Listing
Class R (accumulation)	EUR 5,000	EUR 5,000	1.75% of the Net Asset Value per Share	No
Class T (accumulation)	EUR 5,000	EUR 5,000	1.75% of the Net Asset Value per Share	No
Class Q (accumulation)	1 Share	1 Share	1.25% of the Net Asset Value per Share	Yes
Class I (accumulation)	EUR 250,000	EUR 250,000	1.25% of the Net Asset Value per Share	No

The issuance of Shares of Class T is subject to the Placement Fee of 4% which will be amortised at 1% p.a. over a 4-years period. Shares of Class T will automatically be converted after a term of four (4) years (representing the end of the Amortisation Period) into Shares of Class R. No Subscription Fee or Conversion Fee will be due pursuant to this conversion.

### 6. NET ASSET VALUE CALCULATION AND VALUATION DAY

The Net Asset Value per Share of the Sub-Fund is calculated, under the overall responsibility of the Board, as of each Business Day (each a **Valuation Day**).

### 7. SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the relevant Distributor, if any.

Subscriptions for Shares are accepted as of each Valuation Day. Applications for subscriptions must be received by the Sub-Administrative Agent not later than 2.00 p.m. (CET) on the relevant Valuation Day. Applications received after that time will be processed on the next following Valuation Day.

Payments for subscriptions must be received in the relevant currency within three (3) Business Days after the relevant Valuation Day.

A Subscription Fee of up to 4% may be applied to Shares of Class R, the other Classes (I, Q and T) are not subject to Subscription Fee.

## **8. REDEMPTION**

Shares in the Sub-Fund may be redeemed as of each Valuation Day. Redemption requests must be sent in writing to the Sub-Administrative Agent, or the relevant Distributor or a sub-distributor, if any. Redemption requests must be received by the Sub-Administrative Agent not later than 2.00 p.m. (CET) on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary in the relevant currency within three (3) Business Days following the relevant Valuation Day.

The redemption price will be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day.

Contingent Redemption Fees may be applied on redemption of holdings of T Class Shares based on the term of the holding of such Shares by an investor, as follows:

Holding period of Shares of Class T (starting at the day where the Shares have been issued)	Contingent Redemption Fee (percentage of NAV on Redemption Date)
Up to 1 year	4%
After 1 year but up to 2 years	3%
After 2 year but up to 3 years	2%
After 3 year but up to 4 years	1%
After 4 years	0%

Please refer to section 7.12 of the General Section for an explanation of possible discrepancies between the remaining amortized amount and the Contingent Redemption Fee.

No Redemption Fee will be applied to the other Classes (R, Q and I).

## **9. CONVERSION**

Shares in the Sub-Fund may be converted as of each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund or Class in accordance with Section 11 of the General Section, provided that Shareholders of Shares of Class R, Q or I may not convert their Shares into Class T of the same or of other Sub-Funds, nor may Shareholders of Class T Shares convert their Shares to Shares of Class R, Q or I of the same or other Sub-Funds, except in the case of automatic conversion pursuant to Section 5 of this Special Section. In case of a conversion between two Class T Shares, a fee will be paid between the relevant Sub-Funds.

Conversion requests must be received by the Sub-Administrative Agent no later than 2.00 p.m. (CET) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

No Conversion Fees will be levied by the Sub-Fund.

## **10. MANAGEMENT FEE AND PERFORMANCE FEE**

The Management Fee together with the Performance Fee will be used to cover the costs of the Conducting Persons (including the remuneration of the Conducting Persons and their Support Officer(s), if any), the Distributor(s), the Marketing Officer(s) and the Investment Adviser on a monthly basis in arrears and in the order as indicated under Section 20.2 of the General Section.

The Management Fee is indicated under Section 5 of this Special Section and accrues as of each Valuation Day.

The Performance Fee will be equivalent to 20% of the absolute value of the performance of the relevant Class based on the difference between the Net Asset Value per Share at the end of each quarter of the calendar year (before the calculation of the Performance Fee) and the Net Asset Value per Share at the end of the last quarter of the calendar year, multiplied by the number of Shares issued by that Class on the relevant Valuation Day. If the difference is equal to zero or negative, no Performance Fee will be levied. The Performance Fee will be retained in reserve as of each Valuation Day and will accrue at the end of each quarter of the calendar year.

The first quarter will be from the date of commencement of business of the relevant Class until the end of the first calendar quarter following the launch of that Class.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Performance Fee will be adjusted to take into account subscription and redemption requests:

- 10.1.1 in case of subscriptions, the reserve for the Performance Fee shall be reduced by 20% of the absolute performance determined on the Valuation Day on which the relevant subscriptions are processed multiplied by the number of Shares subscribed;
- 10.1.2 in case of redemptions, any accrued but unpaid Performance Fee in respect of such Shares will be kept. The amount accrued to the Investment Adviser will be equal to 20% of the absolute performance determined on the Valuation Day on which the relevant redemptions are processed multiplied by the number of Shares redeemed, and shall be paid in arrears at the end of the relevant quarter of the calendar year.

The payment of a Performance Fee is subject to a high water mark.

The high water mark is:

- 10.1.3 for Shares of Classes I, Q and R the greater of the highest Net Asset Value per Share at the end of a quarter of the calendar year on which a Performance Fee has been paid..
- 10.1.4 for Shares of Class T the greater of the highest Net Asset Value per Share at the end of a quarter of the calendar year on which a Performance Fee has been paid or the Initial Subscription Price.

The Initial Subscription Price for Shares of Class T is EUR 100 per Share.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

## **11. PAST PERFORMANCE**

Please refer to the relevant key investor information document of the Sub-Fund for additional information on the Sub-Funds past performance. Please note that the Sub-Fund changed its name as well as its investment policy and strategy on 29 May 2015. Consequently, the past performance illustrated in the key investor information documents might reflect the historical performance under the Sub-Fund's previous investment policy and strategy prior to that date.

### **SPECIAL SECTION III - ALESSIA – VOLCOR BETA ZERO**

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Alessia – VOLCOR Beta Zero (the **Sub-Fund**).

The Sub-Fund has initially been launched under the name of Alessia – Dynamic Beta 1. As of 22 May 2014, the Sub-Fund's name has been changed into Alessia – VOLCOR Beta Zero.

#### **1. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund mainly invests in stocks of the Stoxx 600 index and in the Eurostoxx 50 index. If efficient, the exposure to these stocks and financial markets may be (potentially) hedged by opening positions in options and futures on Stoxx 600 and Eurostoxx 50. The Sub-Fund's strategy aims at extracting positive alpha from the European stock picking activity while minimizing at the same time the overall beta of the portfolio.

The Sub-Fund will not invest on an aggregate basis more than 10% of its NAV in shares/units of other UCIs including UCITS and shares of other Sub-Funds of the Company.

#### **2. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure. No VaR will be calculated for the Sub-Fund.

The risk management takes into account the full exposure on the underlying assets of the FDIs to measure the risk exposure of the Sub-Fund.

#### **3. INVESTOR PROFILE**

The Sub-Fund is appropriate for investors looking for an exposure to both equity market and/or single stocks or to movements of single stocks relatively to equity indexes.

#### **4. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR. However, the Net Asset Value may be calculated and subscriptions and redemptions may be made in another currency if the relevant Class is denominated in another currency as EUR as more fully described in the Special Section.

#### **5. CLASSES AVAILABLE, LISTING**

Class	Minimum Initial Subscription Amount (in EUR or Shares)	Minimum Holding Amount (in EUR or Shares)	Management Fee	Listing
Class Q (accumulation)	1 Share	1 Share	1.00% of the Net Asset Value per Share	Yes
Class I (accumulation)	EUR 250,000	EUR 250,000	1.00% of the Net Asset Value per Share	No

Class	Minimum Initial Subscription Amount (in EUR or Shares)	Minimum Holding Amount (in EUR or Shares)	Management Fee	Listing
Class T (accumulation)	EUR 5,000	EUR 5,000	1.75% of the Net Asset Value per Share	No
Class R (accumulation)	EUR 5,000	EUR 5,000	1.75% of the Net Asset Value per Share	No

The issuance of Shares of Class T is subject to the Placement Fee of 4% which will be amortised at 1% p.a. over a 4-years period. Shares of Class T will automatically be converted after a term of four (4) years (representing the end of the Amortisation Period) into Shares of Class R. No Subscription Fee or Conversion Fee will be due pursuant to this conversion.

## 6. NET ASSET VALUE CALCULATION AND VALUATION DAY

The Net Asset Value per Share of the Sub-Fund is calculated, under the overall responsibility of the Board, as of each Business Day (each a **Valuation Day**).

## 7. SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the relevant Distributor, if any.

Subscriptions for Shares are accepted as of each Valuation Day. Applications for subscriptions must be received by the Sub-Administrative Agent not later than 2.00 p.m. (CET) on the relevant Valuation Day. Applications received after that time will be processed on the next following Valuation Day.

Payments for subscriptions must be received in the relevant currency within three (3) Business Days after the relevant Valuation Day.

A Subscription Fee of up to 4% may be applied to Shares of Class R in the Subscription Agreement. No Subscription Fee is applied on the other Classes (Q and I).

## 8. REDEMPTION

Shares in the Sub-Fund may be redeemed as of each Valuation Day. Redemption requests must be sent in writing to the Sub-Administrative Agent, or the relevant Distributor or a sub-distributor, if any. Redemption requests must be received by the Sub-Administrative Agent not later than 2.00 p.m. (CET) on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary in the relevant currency within three (3) Business Days following the relevant Valuation Day.

The redemption price will be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day.

Contingent Redemption Fees may be applied on redemption of holdings of T Class Shares based on the term of the holding of such Shares by an investor, as follows:

Holding period of Shares of Class T (starting at the day where the Shares have been issued)	Contingent Redemption Fee (percentage of NAV on Redemption Date)
Up to 1 year	4%
After 1 year but up to 2 years	3%
After 2 year but up to 3 years	2%
After 3 year but up to 4 years	1%
After 4 years	0%

Please refer to section 7.12 of the General Section for an explanation of possible discrepancies between the remaining amortized amount and the Contingent Redemption Fee.

No Redemption Fee will be applied to the other Classes (R, Q and I).

## **9. CONVERSION**

Shares in the Sub-Fund may be converted as of each Valuation Day.

Shareholders of the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund or Class in accordance with Section 11 of the General Section, provided that Shareholders of Shares of Class R, Q or I may not convert their Shares into Class T of the same or of other Sub-Funds, nor may Shareholders of Class T Shares convert their Shares to Shares of Class R, Q or I of the same or other Sub-Funds, except in the case of automatic conversion pursuant to Section 5 of this Special Section. In case of a conversion between two Class T Shares, a fee will be paid between the relevant Sub-Funds.

Conversion requests must be received by the Sub-Administrative Agent no later than 2.00 p.m. (CET) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

No Conversion Fees will be levied by the Sub-Fund.

## **10. MANAGEMENT FEE AND PERFORMANCE FEE**

The Management Fee together with the Performance Fee will be used to cover the costs of the Conducting Persons (including the remuneration of the Conducting Persons and their Support Officer(s), if any), the Distributor(s), the Marketing Officer(s) and the Investment Adviser on a monthly basis in arrears and in the order as indicated under Section 20.2 of the General Section.

The Management Fee is indicated under Section 5 of this Special Section and accrues as of each Valuation Day.

The Performance Fee will be equivalent to 20% of the absolute value of the performance of the relevant Class based on the difference between the Net Asset Value per Share at the end of each quarter of the calendar year (before the calculation of the Performance Fee) and the Net Asset Value per Share at the end of the last quarter of the calendar year, multiplied by the number of Shares issued by that Class on the relevant Valuation Day. If the difference is equal to zero or negative, no Performance Fee will be levied. The Performance Fee will be retained in reserve as of each Valuation Day and will accrue at the end of each quarter of the calendar year.

The first quarter will be from the date of commencement of business of the relevant Class until the end of the first calendar quarter following the launch of that Class.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Performance Fee will be adjusted to take into account subscription and redemption requests:

- 10.1.1 in case of subscriptions, the reserve for the Performance Fee shall be reduced by 20% of the absolute performance determined on the Valuation Day on which the relevant subscriptions are processed multiplied by the number of Shares subscribed;
- 10.1.2 in case of redemptions, any accrued but unpaid Performance Fee in respect of such Shares will be kept. The amount accrued to the Investment Adviser will be equal to 20% of the absolute performance determined on the Valuation Day on which the relevant redemptions are processed multiplied by the number of Shares redeemed, and shall be paid in arrears at the end of the relevant quarter of the calendar year.

The payment of a Performance Fee is subject to a high water mark.

The high water mark is:

- 10.1.3 for Shares of Classes Q and I the highest Net Asset Value per Share at the end of a quarter of the calendar year on which a Performance Fee has been paid; and
- 10.1.4 for Shares of Classes R and T, the greater of the highest Net Asset Value per Share at the end of a quarter of the calendar year on which a Performance Fee has been paid or the Initial Subscription Price.

The Initial Subscription Price for Shares of Classes R and T is EUR 100 per Share.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

## **11. PAST PERFORMANCE**

Please refer to the relevant key investor information document of the Sub-Fund for additional information on the Sub-Funds past performance. Please note that the Sub-Fund changed its name as well as its investment policy and strategy on 22 May 2014. Consequently, the past performance illustrated in the key investor information documents might reflect the historical performance under the Sub-Fund's previous investment policy and strategy prior to that date.



## **SPECIAL SECTION IV - ALESSIA – ATLANTIDE DEBT OPPORTUNITIES**

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Alessia – Atlantide Debt Opportunities (the **Sub-Fund**).

### **1. INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund aims to achieve attractive returns by mainly investing in a diversified portfolio of global bonds and other fixed and variable income securities including convertible bonds qualifying as Transferable Securities and which have:

- different maturities;
- are issued by various type of issuers (including governments, international and local authorities, and institutions or corporate issuers); and
- are denominated in various currencies including currencies of emerging countries.

The Sub-Fund may invest in both rated and unrated securities, including subordinated debt or debt issued in order to enhance capital, so called hybrid bonds, issued both by financial institutions and corporate issuers as well as bonds with embedded options. To clarify, the Sub-Fund may invest for very short periods, e.g. in an intra-day investment.

The Sub-Fund may also hold up to 10% of its assets in equity or equity like instruments qualifying as Transferable Securities.

The Sub-Fund uses derivatives instruments to hedge against currency exchange risk. However, the Sub-Fund can hold an ancillary net exposure in aggregate to currencies other than its Reference Currency.

In addition, the Sub-Fund may use techniques and instruments to achieve its investment objectives and for the purpose of efficient portfolio management such as, but not limited to, options on transferable securities; futures, options and swap contracts relating to financial instruments (including credit default swaps); forward purchase settlement transactions.

The Sub-Fund will not invest on an aggregate basis more than 10% of its NAV in shares/units of other UCIs including UCITS and shares of other Sub-Funds of the Company.

The Sub-Fund will not invest more than 10% of its NAV into CoCos. Please refer to Section 7.5 of the General Section for a description of the main risks related to CoCos.

### **2. RISK MANAGEMENT**

The Sub-Fund will use the commitment approach to monitor its global exposure. No VaR will be calculated for the Sub-Fund.

The risk management takes into account the full exposure on the underlying assets of the FDIs to measure the risk exposure of the Sub-Fund.

### **3. INVESTOR PROFILE**

The Sub-Fund is appropriate for investors looking for an exposure to, mainly, the bond market and to currencies.

#### 4. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund is EUR. However, the Net Asset Value may be calculated and subscriptions and redemptions may be made in another currency if the relevant Class is denominated in another currency as EUR as more fully described in the Special Section.

#### 5. CLASSES AVAILABLE, LISTING

Class	Minimum Initial Subscription Amount (in EUR or Shares)	Minimum Holding Amount (in EUR or Shares)	Management Fee	Listing
Class R (accumulation)	EUR 1,000	EUR 1,000	1.50% of the Net Asset Value per Share	No
Class T (accumulation)	EUR 1,000	EUR 1,000	1.50% of the Net Asset Value per Share	No
Class Q (accumulation)	1 Share	1 Share	1.00% of the Net Asset Value per Share	Yes
Class I (accumulation)	EUR 125,000	EUR 125,000	1.00% of the Net Asset Value per Share	No

The issuance of Shares of Class T is subject to the Placement Fee of 4% which will be amortised at 1% p.a. over a 4-years period. Shares of Class T will automatically be converted after the term of four (4) years (representing the end of the Amortisation Period) into Shares of Class R. No Subscription Fee or Conversion Fee will be due pursuant to this conversion.

#### 6. NET ASSET VALUE CALCULATION AND VALUATION DAY

The Net Asset Value per Share of the Sub-Fund is calculated, under the overall responsibility of the Board, as of each Business Day (each a **Valuation Day**).

#### 7. SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the relevant Distributor, if any.

Subscriptions for Shares are accepted as of each Valuation Day. Applications for subscriptions must be received by the Sub-Administrative Agent not later than 2.00 p.m. (CET) on the relevant Valuation Day. Applications received after that time will be processed on the next following Valuation Day.

Payments for subscriptions must be received in the relevant currency within three (3) Business Days after the relevant Valuation Day.

A Subscription Fee of up to 4% may be applied to the issuance of Shares of Class R in the Subscription Agreement. No Subscription Fee is applied on the other Classes (I, Q and T).

## 8. REDEMPTION

Shares in the Sub-Fund may be redeemed as of each Valuation Day. Redemption requests must be sent in writing to the Sub-Administrative Agent, or the relevant Distributor or a sub-distributor, if any. Redemption requests must be received by the Sub-Administrative Agent not later than 2.00 p.m. (CET) on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary in the relevant currency within three (3) Business Days following the relevant Valuation Day.

The redemption price will be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day.

Contingent Redemption Fees may be applied on redemption of holdings of Shares of Class T based on the term of the holding of these Shares by an investor, as follows:

Holding period of Shares of Class T (starting at the day where the Shares have been issued)	Contingent Redemption Fee (percentage of NAV on Redemption Date)
Up to 1 year	4%
After 1 year but up to 2 years	3%
After 2 year but up to 3 years	2%
After 3 year but up to 4 years	1%
After 4 years	0%

Please refer to section 7.12 of the General Section for an explanation of possible discrepancies between the remaining amortized amount and the Contingent Redemption Fee.

No Redemption Fee will be applied to the other Classes (R, Q and I).

## 9. CONVERSION

Shares in the Sub-Fund may be converted as of each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund or Class in accordance with Section 11 of the General Section, provided that Shareholders of Shares of Class R, Q or I may not convert their Shares into Class T of the same or of other Sub-Funds, nor may Shareholders of Class T Shares convert their Shares to Shares of Class R, Q or I of the same or other Sub-Funds, except in the case of automatic conversion pursuant to Section 5 of this Special Section. In case of a conversion between two Class T Shares, a fee will be paid between the relevant Sub-Funds.

Conversion requests must be received by the Sub-Administrative Agent no later than 2.00 p.m. (CET) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

No Conversion Fees will be levied by the Sub-Fund.

## 10. INVESTMENT MANAGER

The Company has appointed Atlantide Asset Management Limited as the Sub-Fund's investment manager (the **Investment Manager**) further to the investment management agreement between the Company and the Investment Manager.

The Investment Manager is an investment firm with registered office at 66 Grosvenor Street, London W1K 3JL United Kingdom.

The Investment Manager is authorised and regulated by the Financial Conduct Authority (FCA) and registered in England under the number 7858231.

## 11. MANAGEMENT FEE AND PERFORMANCE FEE

The Management Fee together with the Performance Fee will be used to cover the costs of the Conducting Persons (including the remuneration of the Conducting Persons and their Support Officer(s), if any), the Distributor(s), the Investment Manager appointed for the Sub-Fund, the Marketing Officer(s) and the Investment Adviser (if any) on a monthly basis in arrears and in the following order:

- 11.1.1 Remuneration to be paid to the Distributor(s);
- 11.1.2 Remuneration for the Investment Manager;
- 11.1.3 Remuneration to be paid to the Investment Adviser (if any); and
- 11.1.4 Other expenses.

The Management Fee is indicated under Section 5 of this Special Section and accrues as of each Valuation Day.

The Performance Fee will be equivalent to 15% of the absolute value of the performance of the relevant Class based on the difference between the Net Asset Value per Share at the end of each quarter of the calendar year (before the calculation of the Performance Fee) and the Net Asset Value per Share at the end of the last quarter of the calendar year, multiplied by the number of Shares issued by that Class on the relevant Valuation Day. If the difference is equal to zero or negative, no Performance Fee will be levied. The Performance Fee will be retained in reserve as of each Valuation Day and will accrue at the end of each quarter of the calendar year.

The first quarter will be from the date of commencement of business of the relevant Class until the end of the first calendar quarter following the launch of that Class.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Performance Fee will be adjusted to take into account subscription and redemption requests:

- 11.1.5 in case of subscriptions, the reserve for the Performance Fee shall be reduced by 15% of the absolute performance determined on the Valuation Day on which the relevant subscriptions are processed multiplied by the number of Shares subscribed;
- 11.1.6 in case of redemptions, any accrued but unpaid Performance Fee in respect of such Shares will be kept. The amount accrued to the Investment Adviser will be equal to 15% of the absolute performance determined on the Valuation Day on which the relevant redemptions are processed multiplied by the number of Shares redeemed, and shall be paid in arrears at the end of the relevant quarter of the calendar year.

The payment of a Performance Fee is subject to a high water mark.

The high water mark is the greater of:

- 11.1.7 for Classes R and I the highest Net Asset Value per Share at the end of a quarter of the calendar year on which a Performance Fee has been paid; or
- 11.1.8 for Shares of Class Q and T, the greater of the highest Net Asset Value per Share at the end of a quarter of the calendar year on which a Performance Fee has been paid or the Initial Subscription Price..

The Initial Subscription Price for Shares of Classes T and Q is EUR 100 per Share.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

## **12. PAST PERFORMANCE**

Please refer to the relevant key investor information document of the Sub-Fund for additional information on the Sub-Funds past performance.

## **SPECIAL SECTION V - ALESSIA – ABSOLUTE RETURN FX**

This Special Section is valid only if accompanied by the Prospectus. This Special Section only relates to Alessia – Absolute Return FX (the **Sub-Fund**).

### **1. INVESTMENT OBJECTIVES AND POLICY**

The investment objective of the Sub-Fund is to achieve an appropriate capital growth by investing in a diversified portfolio of debt instruments qualifying as Transferable Securities and in foreign currencies and/or currency FDI (the **Investments**).

Where the Investments are bonds, they are government bonds and/or corporate bonds. Corporate bonds will have an investment grade rating by at least one major rating agency (S&P, Moody's or Fitch).

The Sub-fund will not acquire ABS, MBS or other hybrid structured debt instruments as well as distressed bonds or Emerging Markets bonds.

Investments are denominated in the Reference Currency and/or in other currencies.

The residual maturity of Investments that are Transferable Debt Securities is below two years.

In order to generate the portfolio performance and/or for hedging purposes, the Sub-Fund will also invest in foreign currencies (as spot and/or forward contracts), eligible FDI on foreign currencies (as buying and selling currency futures and/or currency index futures, put and call options on foreign currencies) .

Currencies will be EUR, AUD, CAD, CHF, DKK; GBP, JPY, NOK and USD.

### **2. RISK MANAGEMENT**

The Sub-Fund will use an absolute Value-at-Risk (VaR) approach to monitor its global exposure.

The maximum expected adjusted global VaR is targeted to be 20% on a monthly basis. The global VaR is calculated using a 99% probability on a period of one (1) month. The VaR is adjusted to include, also, a measure for issuer risk (so called idiosyncratic risk) if any.

Leverage will in principle only be achieved through the use of FDIs. It is expected that FDIs will be used to construct synthetic long and short positions.

The sum of the notional of the opened FDIs is expected to range between 0% and 200% of the Sub-Fund's NAV. In exceptional circumstances, the leverage of the Sub-Fund may be higher due to changes in the market volatility. The Sub-Fund may have up to 200% of the total Foreign Exchange net exposure to currencies different from EUR.

### **3. INVESTOR PROFILE**

The Portfolio is suitable for Investors who are looking for the benefits of investing in bonds, currencies and financial derivatives instruments on currencies. The Investors must be able to accept significant losses, thus the Portfolio is suitable for Investors who can afford to set aside the capital for at least five (5) years.

### **4. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is EUR. However, the Net Asset Value may be calculated and subscriptions and redemptions may be made in another currency if the relevant Class is denominated in another currency as EUR as more fully described in the Special Section.

## 5. CLASSES AVAILABLE, LISTING

Class	Minimum Initial Subscription Amount (in EUR or Shares)	Minimum Holding Amount (in EUR or Shares)	Management Fee	Listing
Class R (accumulation)	EUR 5,000	EUR 5,000	2,75% of the Net Asset Value per Share	No
Class T (Accumulation)	EUR 5,000	EUR 5,000	2,75% of the Net Asset Value per Share	No
Class I (accumulation)	EUR 250,000	EUR 250,000	1% of the Net Asset Value per Share	No

The issuance of Shares of Class T is subject to the Placement Fee of 4% which will be amortised at 1% p.a. over a 4-years period. Shares of Class T will automatically be converted after the term of four (4) years (representing the end of the Amortisation Period) into Shares of Class R. No Subscription Fee or Conversion Fee will be due pursuant to this conversion.

## 6. NET ASSET VALUE CALCULATION AND VALUATION DAY

The Net Asset Value per Share of the Sub-Fund is calculated, under the overall responsibility of the Board, as of each Business Day (each a **Valuation Day**).

## 7. SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the relevant Distributor, if any.

Subscriptions for Shares are accepted as of each Valuation Day. Applications for subscriptions must be received by the Sub-Administrative Agent not later than 2.00 p.m. (CET) on the relevant Valuation Day. Applications received after that time will be processed on the next following Valuation Day.

Payments for subscriptions must be received in the relevant currency within three (3) Business Days after the relevant Valuation Day.

A Subscription Fee of up to 4% may be applied to Shares of Class R.

## 8. REDEMPTION

Shares in the Sub-Fund may be redeemed as of each Valuation Day. Redemption requests must be sent in writing to the Sub-Administrative Agent, or the relevant Distributor or a sub-distributor, if any. Redemption requests must be received by the Sub-Administrative Agent not later than 2.00 p.m. (CET) on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary in the relevant currency within three (3) Business Days following the relevant Valuation Day.

The redemption price will be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day.

Contingent Redemption Fees may be applied on redemption of holdings of Shares of Class T based on the term of the holding of these Shares by an investor, as follows:

Holding period of Shares of Class T (starting at the day where the Shares have been issued)	Contingent Redemption Fee (percentage of NAV on Redemption Date)
Up to 1 year	4%
After 1 year but up to 2 years	3%
After 2 year but up to 3 years	2%
After 3 year but up to 4 years	1%
After 4 years	0%

Please refer to section 7.12 of the General Section for an explanation of possible discrepancies between the remaining amortized amount and the Contingent Redemption Fee.

No Redemption Fees will be applied to the R Class Shares.

## **9. CONVERSION**

Shares in the Sub-Fund may be converted as of each Valuation Day.

The Shareholders in the Sub-Fund may convert all or part of their Shares into Shares of another Sub-Fund or Class in accordance with Section 11 of the General Section, provided that Shareholders of Shares of Class R, Q or I may not convert their Shares into Class T of the same or of other Sub-Funds, nor may Shareholders of Class T Shares convert their Shares to Shares of Class R, Q or I of the same or other Sub-Funds, except in the case of automatic conversion pursuant to Section 5 of this Special Section. In case of a conversion between two Class T Shares, a fee will be paid between the relevant Sub-Funds.

Conversion requests must be received by the Sub-Administrative Agent no later than 2.00 p.m. (CET) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day. In case of a conversion between two Class T Shares, a fee will be paid between the relevant Sub-Funds.

No Conversion Fees will be levied by the Sub-Fund.

## **10. MANAGEMENT FEE AND PERFORMANCE FEE**

The Management Fee together with the Performance Fee will be used to cover the costs of the Conducting Persons (including the remuneration of the Conducting Persons and their Support Officer(s), if any), the Distributor(s), the Marketing Officer(s) and the Investment Adviser on a monthly basis in arrears and in the order as indicated under Section 20.2 of the General Section.

The Management Fee is indicated under Section 5 of this Special Section and accrues as of each Valuation Day.

The Performance Fee will be equivalent to 20% of the absolute value of the performance of the relevant Class based on the difference between the Net Asset Value per Share at the end of each



quarter of the calendar year (before the calculation of the Performance Fee) and the Net Asset Value per Share at the end of the last quarter of the calendar year, multiplied by the number of Shares issued by that Class on the relevant Valuation Day. If the difference is equal to zero or negative, no Performance Fee will be levied. The Performance Fee will be retained in reserve as of each Valuation Day and will accrue at the end of each quarter of the calendar year.

The first quarter will be from the date of commencement of business of the relevant Class until the end of the first calendar quarter following the launch of that Class.

The subsequent Performance Periods shall start from the beginning of each following calendar quarter until the end of the considered quarter.

The Performance Fee will be adjusted to take into account subscription and redemption requests:

- 10.1.1 in case of subscriptions, the reserve for the Performance Fee shall be reduced by 20% of the absolute performance determined on the Valuation Day on which the relevant subscriptions are processed multiplied by the number of Shares subscribed;
- 10.1.2 in case of redemptions, any accrued but unpaid Performance Fee in respect of such Shares will be kept. The amount accrued to the Investment Adviser will be equal to 20% of the absolute performance determined on the Valuation Day on which the relevant redemptions are processed multiplied by the number of Shares redeemed, and shall be paid in arrears at the end of the relevant quarter of the calendar year.

The payment of a Performance Fee is subject to a high water mark.

The high water mark is the greater of:

- 10.1.3 the highest Net Asset Value per Share at the end of a quarter of the calendar year on which a Performance Fee has been paid; or
- 10.1.4 the Initial Subscription Price.

If the Net Asset Value is lower than the high water mark no provision for the Performance Fee shall be made.

## **11. PAST PERFORMANCE**

Please refer to the relevant key investor information document of the Sub-Fund for additional information on the Sub-Fund's past performance.