

# **LAKEFIELD UCITS-SICAV**

**SOCIETE D'INVESTISSEMENT A CAPITAL VARIABLE**

**PROSPECTUS**

**FEBRUARY 1, 2024**

## IMPORTANT INFORMATION

### General

Lakefield UCITS-SICAV (the **Company**) is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment pursuant to Part I of the act of 17 December 2010 relating to undertakings for collective investment, as amended (the **2010 Act**) and qualifies as an undertaking for collective investments in transferable securities (**UCITS**) under the EC Directive 2009/65 of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), and may therefore be offered for sale in European Union (**EU**) Member States (subject to applicable notification process). The Company is structured as an umbrella fund to provide both institutional and retail investors with a variety of sub-funds (the **Sub-funds**, each a **Sub-fund**).

The registration of the Company 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.

### Definitions

Unless the context otherwise requires, or as otherwise provided in this Prospectus, capitalised words and expressions will bear the respective meanings ascribed thereto in the Section "Definitions" below.

### Stock Exchange Listing

Application may be made to list certain Classes of the Shares on the Luxembourg Stock Exchange and any other stock exchange, regulated market or other multilateral trading facility as determined by the board of directors of the Company (the **Board**).

The approval of any listing particulars pursuant to the listing requirements of the relevant stock exchange, regulated market or multilateral trading facility does not constitute a warranty or representation by such stock exchange, regulated market or multilateral trading facility as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the Shares for investment or for any other purpose.

### Reliance

Shares in the Company are offered solely on the basis of the information and the representations contained in the current Prospectus accompanied by the PRIIP(s), the latest annual report and semi-annual report, if published after the latest annual report, as well as the documents mentioned herein which may be inspected by the public at the offices of the Company and Management Company. The annual report and the semi-annual report form an integral part of the Prospectus. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Prospectus and the Articles.

In addition to the General Section, investors must refer to the relevant Special Section(s) attached at the end of 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, conversion or redemption of Shares other than those contained in this Prospectus and the PRIIP(s) and, if

issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company. Neither the delivery of this Prospectus or of the PRIIP(s) nor the offer, placement, subscription or issue of any of the Shares will under any circumstances create any implication or constitute a representation that the information given in this Prospectus and in the PRIIP(s) is correct as of any time subsequent to the date hereof.

### **Responsibility for the Prospectus**

The members of the Board, whose names appear under the Section "General Information", accept joint responsibility for the information and statements contained in this Prospectus and in the PRIIP issued for each Sub-fund. They have taken all reasonable care to ensure that the information contained in this Prospectus and in the PRIIP(s) 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.

### **Umbrella structure and Sub-funds**

Investors may, subject to applicable law, invest in any Sub-fund offered by the Company. Investors 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. 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.

### **General risk warnings**

An investment in the Company involves investment risks including those set out in Schedule 2. In addition, investors should refer to the Section "Specific risk factors" of the Special Section of the relevant Sub-fund (if any) in order to assess and inform themselves on the specific risks associated with an investment in such Sub-fund.

The Company is allowed to invest in financial derivative instruments. While the prudent use of derivatives can be beneficial, derivatives 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 derivatives is set out in Schedule 2. The Special Section relating to each Sub-fund will give more precise information on the types of derivatives, if any, which may be used by a Sub-fund for investment purposes.

### **Selling restrictions**

The distribution of this Prospectus and the offering or purchase of Shares is restricted in certain jurisdictions. This Prospectus and the PRIIP(s) 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 PRIIP(s) in any jurisdiction may not treat this Prospectus or PRIIP(s) as constituting an offer, invitation or solicitation to them to subscribe for or acquire 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 PRIIP(s) and any persons wishing to apply for or acquire Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, prospective applicants for

or purchasers of Shares should inform themselves as to the legal requirements of so applying or purchasing, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. Prospective investors should review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, switching, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, switching, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, switching, redeeming or disposing of Shares; and (iv) any other consequences of such activities.

The Shares have not been registered under the US Securities Act of 1933, as amended (the **US Securities Act**) or the securities laws of any state or political subdivision of the United States, and may not be offered, sold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any US Person. The Company has not registered and does not intend to register: (a) under the United States Investment Company Act of 1940, as amended (the **Investment Company Act**) in reliance on the exemption from such registration pursuant to Section 3(c)(7) thereunder; or (b) with the United States Commodity Futures Trading Commission (the **CFTC**) as a commodity pool operator, in reliance on the exemption from such registration pursuant to CFTC Rule 4.13(a)(4). Accordingly, the Shares are being offered and sold only outside the United States to persons other than US Persons in offshore transactions that meet the requirements of Regulation S under the US Securities Act.

This Prospectus does not constitute an offer or solicitation in respect of any US Person, as defined herein. The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America, its territories or possessions or to US Persons. Neither the Shares nor any interest therein may be beneficially owned by any other US Person. Any re-offer or resale of any of the Shares in the United States or to US Persons is prohibited.

Each applicant for the Shares must certify that it is not a US person as defined in Regulation S under the US Securities Act and CFTC Rule 4.7 and not a US resident within the meaning of the Investment Company Act.

If you are in any doubt as to your status, you should consult your financial, tax, legal or other professional adviser.

### **Foreign Account Tax Compliance Act ("FATCA")**

The Foreign Account Tax Compliance Act (FATCA), which forms part of the US Hiring Incentives to Restore Employment (HIRE) Act, was enacted in the US in 2010 and took effect on 1 July 2014. The Act requires that foreign financial institutions (FFIs), that is financial institutions established outside of the US, report information on financial accounts held by specified US persons or non-US entities with one or more controlling person that is a specified US person (together referred to as "US reportable accounts") to the US tax authorities (Internal Revenue Service, IRS) every year. A withholding tax of 30% is also levied on revenue from a US source paid to FFIs that do not comply with the requirements of FATCA ("non participating FFIs").

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

Pursuant to the Luxembourg IGA, funds are required to collect specific information identifying their investors and all intermediaries (nominees) acting on behalf of such investors. Funds will be

required to report information they have about US reportable accounts and non-participating FFIs to the Luxembourg tax authorities, which will in turn relay that information automatically to the IRS.

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

a. seek information or additional documentation, including US tax forms (Forms W-8 / W-9) and a GIIN (Global Intermediary Identification Number), where necessary, or any other documentary evidence of the identification of a shareholder, intermediary, or their respective status pursuant to FATCA, and

b. prohibit the sale or transfer of units/shares to specified US persons, non-participating FFIs and passive non-financial foreign entities (passive NFFEs) with one or more substantial US Owners.

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

c. report information specifically related to a shareholder and its account to the Luxembourg tax authorities if it is considered a US reportable account pursuant to the Luxembourg IGA, or if the account is believed to be held by a non-participating FFI pursuant to FATCA, and

d. where required, arrange for the deduction of US withholding tax applicable to payments made to certain shareholders, in accordance with FATCA.

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

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

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

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

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

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

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

In the event of doubt concerning their status under FATCA or the implications of FATCA or the IGA in terms of their personal situation, investors are recommended to consult their financial, legal or tax advisor before subscribing for units/shares in the fund. **TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

### **Prevailing language**

The distribution of this Prospectus and the PRIIP(s) 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 will always prevail.

### **Currency references**

All references in the Prospectus to "**USD**" refer to the currency of the United States of America; "**Euro(s)**" or "**EUR**" refer to the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Economic Community (signed in Rome on 25 March 1957), as amended; "**CHF**" refer to the currency of Switzerland, "**GBP**" refer to the currency of the United Kingdom.

### **Data protection**

In accordance with the provisions of the data protection act applicable in the Grand Duchy of Luxembourg, and Regulation No. 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data applicable since 25 May 2018 (the "Data Protection Act"), the Company, acting as data controller, gathers, stores and processes, electronically or otherwise, data provided by investors for the purposes of providing the services required by investors and complying with its legal and regulatory obligations. Data processed include the name, contact details (including the postal or electronic address), bank details and the amount invested by each investor (or, where the investor is a legal person, the data of the contact persons and/or owner(s)) ("Personal Data").

The investor may, at its discretion, refuse to disclose its Personal Data to the Company. In this case, however, the Company may reject a subscription application.

In accordance with the conditions set out in the Data Protection Act, each investor shall have the right to:

- access its Personal Data;
- request the rectification of inaccurate or incomplete Personal Data concerning it;
- oppose the processing of its Personal Data;

- request the erasure of its Personal Data;
- request the portability of its Personal Data.

Each investor may exercise the above rights by writing to the registered office of the Company.

The investor also acknowledges the existence of its right to lodge a complaint with a data protection supervisory authority.

The Personal Data provided by investors are processed, in particular, for the processing of subscriptions, redemptions and conversions of shares and the payment of distributions to investors, for the management of accounts, customer relation management, tax identification required by Luxembourg or foreign laws and regulations (including laws and regulations relating to CRS/FATCA) and compliance with anti-money laundering regulations. Personal Data provided by investors is also processed for the purpose of keeping the Company's register of shareholders up to date. In addition, Personal Data may incidentally be processed for commercial purposes. Each investor shall have the right to oppose the use of its Personal Data for commercial purposes by writing to the registered office of the Company.

To this end, Personal Data may be transferred to affiliated entities and third parties supporting the activities of the Company, including the Management Company, the Manager, the Distributors, the Custodian, the Statutory Auditor and/or any other agent of the Company, acting collectively as data processors.

The processors are located in the European Union or Switzerland. The Company may transfer Personal Data to third parties such as governmental or regulatory agencies, including tax authorities, inside or outside the European Union, in accordance with applicable laws and regulations. In particular, these Personal Data may be disclosed to the Luxembourg tax authorities who may in turn, as data controller, disclose them to foreign tax authorities.

Personal Data will not be kept for longer than is necessary for the purposes of processing the data, subject to statutory storage periods applicable provided for by the laws.

By subscribing for the Company's shares, each investor consents to such processing of his personal data.

## **General Information on SFDR, the Taxonomy Regulation and sustainability risk integration**

### *SFDR and sustainability risks*

EU Regulation 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR") governs transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of environmental, social and governance ("ESG") information relating to sustainable development.

Sustainability risk means the occurrence of an ESG event or situation which could potentially or actually have a material adverse effect on the value of the investment of a fund. Sustainability risks can either represent their own risk or have an impact on other risks and can contribute significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can have an impact on long-term risk-adjusted returns for investors. Sustainability risk assessment is complex and may be based on ESG data that is difficult to obtain and incomplete, estimated, outdated or otherwise materially inaccurate. Even when they are identified, there is no guarantee that these data will be properly evaluated.

These sustainability risks are addressed by 1741 Fund Services S.A. acting as Management Company in charge of the risk management of the Company in accordance with the policy on sustainability risk integration published on the website of 1741Fund Services S.A.: [www.1741group.lu](http://www.1741group.lu).

Currently none of the sub-funds of the Company neither promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics nor has sustainable investment as its objective.

However, and pursuant to Article 4 of the Regulation, the Management Company may not take into account the negative impact of investment decisions on sustainability factors as defined in SFDR. At this stage, the Management Company does not take these impacts into account.

The Management Company will reassess its decision once the regulatory framework relating to the consideration of the negative impact of its investment decisions on sustainability factors, is fully known.

The sustainability classification and risk of the Company's sub-funds are as follows:

All sub-funds are categorised as Art. 6 sub-funds and the sustainability risk is high, i.e. sustainability risk is considered material, as sustainability aspects are not systematically part of the sub-fund's investment selection process, with the exception of investments in companies with exposure to controversial activities such as tobacco, the manufacture, use or possession of anti-personnel mines, cluster munitions, and depleted uranium ammunition and armour which are basically excluded.

The impact of adverse sustainability events may lead to material sustainability risks which could have negative effects on the performance of the relevant sub-fund.

As the SFDR classification may change over time, the Prospectus will be updated accordingly.

#### *Alignment with the Taxonomy*

Given the different interpretations in different Member States of what constitutes a "sustainable" investment, the European Commission decided that a common taxonomy was needed.

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework for sustainable investment and amending the SFDR ("Taxonomy Regulation") establishes a classification system (or taxonomy) that provides companies with a common language for determining whether or not a given economic activity should be considered "environmentally sustainable". The Taxonomy Regulation also establishes disclosure obligations that complement SFDR and Directive 2014/95/EU with regard to activities that contribute to an environmental objective.

The Taxonomy Regulation includes six environmental objectives:

- Mitigation of climate change;
- Adaptation to climate change;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.



The investments underlying the so-called Article 6 sub-funds do not take into account the European Union's criteria for environmentally sustainable economic activities.

The principle of "not causing significant harm" referred to in SFDR applies only to the investments underlying the so-called Article 8 sub-funds, which take into account the European Union's criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of the so-called Article 8 sub-funds do not take into account the European Union's criteria for environmentally sustainable economic activities.

The technical review criteria ("TRC") are very detailed, are not yet in their final form and require the availability of multiple specific data points for each investment. As at the date of the Prospectus, there is insufficient reliable, timely and verifiable data for the Manager to be able to evaluate investments using TRC. Although there are investments in sub-funds involved in economic activities that contribute to an environmental objective and may be eligible to be assessed under the TRC, the Managers are not currently able to describe:

- the extent to which the investments of the sub-funds are in economic activities qualified as environmentally sustainable and aligned with the Taxonomy Regulation;
- the proportion, as a percentage of the sub-funds' portfolios, of investments in environmentally sustainable economic activities that are aligned with the Taxonomy Regulation; or
- the proportion, as a percentage of the sub-funds' portfolios, of enabling and transitional activities as described in the Taxonomy Regulation.

## **SFTR**

The Company and its Sub-funds will not use for the time being securities financing transactions (as such terms are defined in Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse) and total return swaps. Securities financing transactions include in particular repurchase transactions, securities lending and borrowing, as well as buy-sell back or sell-buy back transactions. This Prospectus would be amended prior to the use of such instruments and transactions should any Sub-fund intend to use them.

## GENERAL INFORMATION

### Registered office

94B Waistrooss  
L-5440 Remerschen  
Grand Duchy of Luxembourg

### Members of the board of directors

- Chairman: Mr Vinicio MARSIAJ, Lakefield Partners AG, Partner, Seefeldstrasse 281, CH-8008 Zurich – Switzerland
- Prof. Dr. Dirk Zetzsche, 4, rue Alphonse Weicker, L-2721 Luxembourg, Grand Duchy of Luxembourg

Mrs Alexandra Beining Branch Manager, 1741 Fund Management AG, Luxembourg Branch, 94B, Waistrooss, L-5440 Remerschen, Grand Duchy of Luxembourg

### Management Company

1741 Fund Services S.A.

94B Waistrooss

L-5440 Remerschen

Grand Duchy of Luxembourg

RCS-number: B43576

### Board of Directors of the Management Company

- Dr. Benedikt Czok
- Prof. Dr. Dirk Zetzsche
- Mr Philippe Burgener
- Mrs Alexandra Beining.

### Conducting Officers of the Management Company

- Mr Maik von Bank
- Mr Bernd Becker
- Mr Olaf-Alexander Priess

**Depository**

VP Bank (Luxembourg) SA  
2, rue Edward Steichen  
L-2540 Luxembourg  
Grand Duchy of Luxembourg  
RCS-number: B29509

**Administrative Agent**

1741 Fund Management AG  
  
Bangarten 101  
  
FL-9490 Vaduz  
  
Principality of Liechtenstein  
  
CR-number: FL-0002.456.004-7

**Registrar and Transfer Agent**

VP Fund Solutions (Luxembourg) SA  
2, rue Edward Steichen  
2540 Luxembourg  
Grand Duchy of Luxembourg  
RCS-number: B42828

**Auditor**

Luxembourg  
Mazars Luxembourg  
5, rue Guillaume J. Kroll  
L-1882 Luxembourg  
Grand Duchy of Luxembourg

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<sup>1</sup> As from April 1, 2024: Austrasse 59 in FL-9490 Vaduz

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## DEFINITIONS

In this Prospectus, the following terms have the following meanings.

**144 A Securities** means Shares sold to US Persons who are "qualified institutional buyers" within the meaning of Rule 144A under the US Securities Act and "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act.

**1915 Act** means the Luxembourg act of 10 August 1915 on commercial companies, as amended.

**2008 Regulation** means the grand-ducal regulation of 8 February 2008 implementing Commission Directive 2007/16 of 19 March 2007 as regards the clarification of certain definitions.

**2010 Act** means the act dated 17 December 2010 on undertakings for collective investment, as amended.

**Accumulation Class** means a Class for which it is not intended to make distributions, as set out in the relevant Special Section.

**Administrative Agent** means 1741 Fund Management AG in its capacity as administrative agent of the Company

**Administration Agreement** means the service agreement between the Management Company and the Administrative Agent as amended, supplemented or otherwise modified from time to time.

**Affiliate** means in relation to any person, any entity Controlled by or Controlling such person or under common Control.

**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 Mazars Luxembourg

**Board** means the board of directors of the Company.

**Business Day** means, unless otherwise defined in respect of a specific Sub-fund in the relevant Special Section, a day on which banks are generally open for business in Luxembourg during the whole day (excluding Saturdays and Sundays and public holidays).

**CFTC** means the United States Commodity Futures Trading Commission.

**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 14/592** means the CSSF circular 14/592 implementing the ESMA guidelines 2014/937 of 1 August 2014 on ETFs and other UCITS issues.

**Class** means a class of Shares issued in any Sub-fund.

**Class Launch Date** means the date, as determined by the Board, on which the Company (re)opens a Class for subscription.

**Clearstream** means Clearstream Banking, société anonyme.

**Company** means Lakefield UCITS-SICAV, a public limited liability company incorporated as an investment company with variable capital under the laws of Luxembourg and registered pursuant to part I of the 2010 Act.

**Control** means, in relation to an entity: (a) the holding, directly or indirectly, of the majority votes which may be cast at that entity's ordinary shareholders', partners' or members' meetings or the votes necessary to direct or cause the direction of that entity's ordinary shareholders', partners' or members' meetings. and (b) any contractual relationship by virtue of which a person can direct the business activities of a company or other entity and "controlled" or "to control" will be construed accordingly.

**Conversion Fee** means the fee that may be paid by Shareholders in the event of a conversion of Shares as described under Section 6.4 of the General Section.

**CSSF** means the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority of the financial sector.

**Depository** means VP Bank (Luxembourg) SA, in its capacity as depository and paying agent of the Company.

**Depository Agreement** means the custodian agreement between the Company and the Depository as amended, supplemented or otherwise modified from time to time.

**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.

**Distribution Class** means a Class for which it is intended to make distributions, as set out in the relevant Special Section.

**Distributors** means any person from time to time appointed or authorised by the Company to distribute the Shares of one or more Sub-funds or Classes (including, for the avoidance of doubt, the Management Company).

**EEA** means the European Economic Area.

**Eligible Investments** means eligible investments for 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 and that is not a Restricted Person.

**EPM Techniques** means (reverse) repurchase transactions or securities lending transactions as more fully described in Schedule 1, Section II.

**EU** means the European Union whose member States at the date of this Prospectus include Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

**EU Member State** means a member State of the EU.

**EU Savings Directive** means the Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments.

**EUR** or **€** means the Euro, the single currency of the Participating Member States.

**Euroclear** means Euroclear Bank S.A./N.V. as the operator of the Euroclear System.

**FATCA** means Sections 1471 through 1474 of the U.S. Internal Revenue Code.

**FATCA Restricted Person** means any "specified U.S. persons", "nonparticipating FFIs", or "passive NFFEs" with one or more "substantial U.S. owners", each as defined by FATCA, unless if their Shares are both distributed by and held through a "participating FFI", as defined by FATCA, acting as a nominee.

**First Class Institutions** means first class financial institutions selected by the Company, subject to prudential supervision and belonging to the categories approved by the CSSF for the purposes of the OTC Derivative transactions and EPM Techniques and specialised in this type of transaction.

**Fiscal Year** means the twelve (12) month period ending on 31 March in each year.

**General Section** means the general section of the Prospectus that sets out the general terms and conditions applicable to all Sub-funds of the Company, unless otherwise provided in any of the Special Sections.

**GBP** or **£** means the British Pound, the currency of the United Kingdom.

**Group of companies** means companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules.

**Initial Subscription Period** or **Initial Subscription Date** means, with respect to each Sub-fund, the first offering of Shares in a Sub-fund made pursuant to the terms of the Prospectus and the relevant Special Section.

**Initial Subscription Price** means the price at which Shares are issued in respect of subscriptions received during the Initial Subscription Period or on the Initial Subscription Date or on the Class Launch Date, as determined for each Sub-fund and Class in the relevant Special Section.

**Institutional Investors** means investors who qualify as institutional investors according to article 174 of the 2010 Act.

**Investing Sub-fund** has the meaning ascribed to this term in Schedule 1.

**Investment Adviser** means such person from time to time appointed by the Company as the investment adviser to a particular Sub-fund and disclosed (if and to the extent required) in the relevant Special Section.

**Investment Company Act** means the United States Investment Company Act of 1940, as amended.

**Investment Manager** means such person from time to time appointed by the Company and the Management Company as the investment manager to a particular Sub-fund and disclosed in the relevant Special Section.

**Investment Objective** means the investment objective of a Sub-fund as specified in the relevant Special Section.

**Investment Policy** means the investment policy of a Sub-fund as specified in the relevant Special Section.

**Investment Restrictions** means the investment restrictions applicable to the Sub-funds. The investment restrictions applicable to all Sub-funds are set out under Section 3 of the General Section. Additional investment restrictions may be applicable to each Sub-fund as set out in the relevant Special Section.

**Late Trading** 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., 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.

**Launch Date** means the date on which the Company issues Shares relating to a Sub-fund in respect of subscriptions received during the Initial Subscription Period or on the Initial Subscription Date as set out in respect of each Sub-fund in the relevant Special Section.

**Luxembourg** means the Grand Duchy of Luxembourg.

**Luxembourg Law** means the applicable laws of the Grand Duchy of Luxembourg.

**Management Company** means 1741 Fund Services S.A. **Management Company Agreement** means the agreement between the Company and the Management Company as amended, supplemented or otherwise modified from time to time.

**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.

**Member State** means a member state of the European Union.

**Mémorial** means the Luxembourg Mémorial C, Recueil des Sociétés et Associations.

**Minimum Holding Amount** means the minimum number of Shares or amount which a Shareholder must hold at any time in a particular Class in a particular Sub-fund, as set out in the relevant Special Section.

**Minimum Net Asset Value** means the minimum Net Asset Value for a Sub-fund to be operated in an economically efficient manner. Unless otherwise specified in respect of a Sub-fund in the relevant Special Section, the Minimum Net Asset Value per Sub-fund will be USD5,000,000 (or the equivalent in the Reference Currency of the relevant Sub-fund).



**Minimum Subscription Amount** means the minimum number of Shares or amount which a Shareholder or subscriber must subscribe for in a particular Class in a particular Sub-fund in which the Shareholder or subscriber does not hold Share(s) prior to such subscription, as set out in the relevant Special Section (if any).

**Minimum Subsequent Subscription Amount** means the minimum number of Shares or amount which a Shareholder must subscribe for in a particular Class in a particular Sub-fund when subscribing for additional Shares of the relevant Class, as set out in the relevant Special Section (if any).

**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.

**NAV Calculation Day** means the Business Day on which the Net Asset Value is calculated in respect of a specific Valuation Day. Unless otherwise provided for in respect of a specific Sub-fund in the relevant Special Section, the NAV Calculation Day will be the first Business Day following the relevant Valuation Day.

**Net Asset Value** or **NAV** means the net asset value of the Company, each Sub-fund, each Class and each Share as determined in accordance with Section 11 of the General Section.

**OECD** means the Organisation for Economic Co-operation and Development.

**OECD Member State** means any of the member States of the OECD.

**OTC** means over-the-counter.

**OTC Derivative** means any financial derivative instrument dealt in over-the-counter.

**Other Regulated Market** means a market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognised by a state or by a public authority which has been delegated by that state or by that public authority such as a professional association; and (iv) on which the securities dealt are accessible to the public.

**Other State** means any State of Europe which is not a Member State, and any State of America, Africa, Asia and Oceania.

**Participating Member State** means any member state of the European Union that adopts or has adopted and, in each case, continues to adopt the Euro as its lawful currency in accordance with the legislation of the European Union.

**PRIIP** means the “Packaged Retail and Insurance-based Investment Products” in respect of each Sub-fund.

**Prospectus** means this prospectus, as amended or supplemented from time to time.

**Redemption Fee** means the fee that may be levied in case of redemption of Shares of any Class in any Sub-fund, details of which are set out in the relevant Special Section.

**Redemption Cut-Off Time** means the deadline for the submission of redemption requests as set out in Section 7.1 of the General Section, unless otherwise specified in respect of a specific Sub-fund in the relevant Special Section.

**Reference Currency** means, in relation to each Sub-fund and Class, the currency in which the Net Asset Value of such Sub-fund or Class is calculated, as stipulated in the relevant Special Section.

**Registrar and Transfer Agent** means VP Fund Solutions (Luxembourg) SA, in its capacity as registrar and transfer agent of the Company.

**Registrar and Transfer Agent Agreement** means the registrar and transfer agreement between the Management Company and the Registrar and Transfer as amended, supplemented or otherwise modified from time to time.

**Regulated Market** means a regulated market as defined in the Council Directive 2004/39/EEC (**Directive 2004/39/EC**), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2004/39/EC.

**Restricted Person** means any US Person, any FATCA Restricted Person, and 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 Board, (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 or (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.

**Service Agreements** means the Depositary Agreement, the Management Company Agreement, the Administration Agreement, the Registrar and Transfer Agent Agreement and any other agreement between the Company and/or the Management Company on account of one or more Sub-fund(s) and any other Service Provider.

**Service Providers** means the Management Company, the Investment Manager(s) (if any), the Investment Adviser(s) (if any), the Depositary, the Administrative Agent and the Registrar and Transfer Agent and any other person who provides services to the Company from time to time (including, for the avoidance of doubt, any Investment Adviser or Investment Manager).

**Shareholder** means any registered holder of Shares.

**Shares** means all shares issued by the Company from time to time, representing the total outstanding shares.

**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.

**Securities Financing Transaction (“SFTs”)** means (i) a repurchase transaction; (ii) securities lending and securities borrowing; (iii) a buy-sell back transaction or a sell-buy back transaction as defined under the SFTR

**SFTR** means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

**Sub-Classes** means each sub-class of Shares which may be issued within each Class with a distinct valuation currency.

**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 Sub-funds do not have a legal existence distinct from the Company; however, each Sub-fund is liable only for the debts, liabilities and obligations attributable to it. The specifications of each Sub-fund will be described in the relevant Special Section.

**Subscription Cut-Off Time** means the deadline for the submission of subscription requests as set out in Section 5.2(a) of the General Section, unless otherwise specified in respect of a specific Sub-fund in the relevant Special Section.

**Subscription Fee** means the fee that may be levied in case of subscription of Shares of any Class in any Sub-fund, details of which are set out in the relevant Special Section.

**Supermajority Resolution** means a resolution of the Shareholders' meeting in accordance with the quorum and majority requirements set out in the 1915 Act for amendments to the Articles, i.e., a resolution passed at a meeting where holders representing half of the issued share capital are present or represented and that is passed by not less than two-thirds of the votes cast in relation to such resolution provided that if the quorum requirement is not fulfilled at the occasion of the first general meeting, a second meeting may be convened at which meeting resolutions are passed at a two third majority of the votes cast without any quorum requirement.

**Target Sub-fund** has the meaning ascribed to this term in Schedule 1.

**Transferable Securities** means:

- shares and other securities equivalent to shares;
- bonds and other forms of securitized debt (debt instruments);
- 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.

**UCI** means an undertaking for collective investment within the meaning of article 1, paragraph (2), points a) and b) of the UCITS Directive, whether situated in a EU Member State or not, provided that:

- 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 ensured;
- the level of guaranteed protection for Shareholders in such UCI is equivalent to that provided for Shareholders 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.

**USD** means the currency of the United States of America.

**US Person** means a person that is a US person for purposes of Regulation S under the US Securities Act and CFTC Rule 4.7 or a US resident within the meaning of the Investment Company Act, which includes any natural person who is a resident of the United States, any partnership or corporation organised or incorporated under the laws of the United States, any estate of which any executor or administrator is a US person and the income of such estate is subject to United States income tax regardless of source, any trust of which any trustee is a US person and the income of such trust is subject to United States income tax regardless of source and any other US person that is a US person or US resident for purposes of Regulation S under the US Securities Act, the Investment Company Act and CFTC Rule 4.7.

**US Securities Act** means the US Securities Act of 1933, as amended.

**Valuation Day** means (unless otherwise defined in respect of a specific Sub-fund in the relevant Special Section) a Business Day on which subscriptions for, conversions from and redemptions of Shares can be made in order to be dealt with by the Administrative Agent on the basis of the Net Asset Value that will be calculated on the relevant NAV Calculation Day, based upon the price as of the relevant Valuation Day.

## 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. STRUCTURE OF THE COMPANY

#### 1.1 The Company

The Company is an open-ended investment company organised under the laws of Luxembourg as a société d'investissement à capital variable (**SICAV**), incorporated on 28 April 2011 under the form of a public limited liability company (*société anonyme*) under the law of 13 February 2007 relating to specialised investment funds, as amended. The Company is registered with the Luxembourg trade and companies register under number B160.853. Its deed of incorporation was published in the Mémorial on 29 July 2011. The Company has been converted into a UCITS subject to part I of the 2010 Act by decision of an extraordinary general meeting of Shareholders held on 10 July 2015. The minutes of such general meeting was published in the Mémorial on 1 August 2015.

The Company is subject to the provisions of the 2010 Act and of the 1915 Act insofar as the 2010 Act does not derogate therefrom. The Company will exist for an indefinite period. However, the Company will be automatically put into liquidation upon the termination of a Sub-fund if no further Sub-fund is active at that time.

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.

There is no limit to the number of Shares which may be issued. Shares will be issued to subscribers in registered form or dematerialised form.

Shares will have the same voting rights and will 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 relevant Sub-fund'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.

The initial subscribed capital of the Company was EUR 31,000. The minimum share capital of the Company must at all times be EUR 1,250,000 which amount has to be attained within 6 months of the Company's authorisation to operate as a UCI subject to part I of the 2010 Act, being provided that Shares of a Target Sub-fund held by an Investing Sub-fund will not be taken into account for the purpose of the calculation of the EUR 1,250,000 minimum capital requirement. 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 are necessary in relation thereto.

#### 1.2 Shares

Any Eligible Investor may acquire Shares in the Company against payment of the subscription price as defined in Section 5.1 of the General Section.

Shares may be issued in registered or dematerialised form. A holder of dematerialised Shares will have its Shares deposited on a securities account in the name of its beneficiary. All Shares must be fully paid up. Fractional Shares may be issued up to three (3) decimal

places and will carry rights in proportion to the fraction of a Share they represent but will carry no voting rights.

The register of the Shareholders will be kept by the Registrar and Transfer Agent on behalf of the Company, and the register (and the Shareholders' personal data contained therein) will be available for inspection by any Shareholder. The register will contain the name of each owner of registered Shares, his/her/its residence or elected domicile as indicated to the Company and the number and Class held by him/her/it and the transfer of Shares and the dates of such transfers. The ownership of the Shares will be established by the entry in this register.

Each registered Shareholder will provide the Company with such information with regards to the subscription requested by the Company, the Management Company or the Registrar and Transfer Agent.

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

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 Board 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 5 of the General Section.

### **1.3 Umbrella structure - 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 Investment Policy applicable to that Sub-fund. The Investment Objective, Investment Policy, as well as the other specific features of each Sub-fund (such as risk profile and duration (including limited duration)) 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.

The Company may be comprised of one or more feeder Sub-funds, with each such feeder Sub-fund being authorised to invest up to 100% of its assets in units of another eligible master UCITS (or sub-fund thereof) under the conditions set out by applicable law, as may be set forth in the relevant Special Section.

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 Board 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. Classes of some Sub-funds, indicated in the Special Sections, may, on the decision of the Board, be subdivided into several Sub-Classes with a different valuation currency. **The attention of investors is drawn to the fact that, depending on whether foreign exchange hedging instruments are used in respect of each Class, an investor may be exposed to the risk that the Net Asset Value of one Class denominated in a given valuation currency may fluctuate in a way that compares unfavourably to that of another Class denominated in another valuation currency. It should nevertheless be noted that all expenses associated with the financial instruments, if any, used for the purpose of hedging foreign exchange risks related to the Sub-Class concerned will be allocated to that Sub-Class.** To the extent permitted by the Prospectus, and in relation to Sub-Classes that are denominated in a currency other than the Reference Currency of a Sub-fund or Class, the Company may (but is under no obligation to) employ techniques and instruments intended to provide protection, so far as possible, against movements of the currency in which the relevant Sub-Class is denominated.

The Company is currently comprised of the following Sub-funds:

- Lakefield UCITS-SICAV – Dynamic Global Core;
- Lakefield UCITS-SICAV – Dynamic Global Bond; and
- Lakefield UCITS-SICAV – Dynamic World Equity.
- Lakefield UCITS-SICAV – Swiss Mid & Small Cap Equity
- Lakefield UCITS-SICAV – Swiss Large Cap Equity
- Lakefield UCITS-SICAV – Swiss Equity Long/Short

The Sub-funds are described in more detail in the relevant Special Sections.

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 Institutional Investors only.

## **2. MANAGEMENT, ADMINISTRATION AND DISTRIBUTION**

### **2.1 The Board**

The Company will 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.

The Board must be composed at all times of three Directors (including the chairman 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.

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 is currently composed as follows:

- Chairman: Mr Vinicio Marsiaj, Lakefield Partners AG, Partner, Seefeldstrasse 281, CH- 8008 Zurich – Switzerland
- Prof. Dr. Dirk Zetzsche, 4, rue Alphonse Weicker, L-2721 Luxembourg, Grand Duchy of Luxembourg
- Mrs Alexandra Beining, Branch Manager, 1741 Fund Management AG, Luxembourg Branch, 94B, Waistrooss, L-5440 Remerschen, Grand Duchy of Luxembourg.

The Board will appoint a chairman. The chairman will have a casting vote in case of a tied vote.



## 2.2 Management Company

### Corporate information

The Board has appointed 1741 Fund Services S.A. (the **Management Company**) as the management company of the Company to serve as its designated management company within the meaning of Part I of the 2010 Act pursuant to a management company agreement with effect as of February 1, 2024 (the **Management Company Agreement**).

1741 Fund Services S.A. is a public limited company incorporated under the laws of Luxembourg for an unlimited duration on 22 April 1993.

The Management Company is authorised and regulated as a management company by the CSSF and has the necessary permissions to manage UCITS. It is registered on the official list of Luxembourg management companies governed by Chapter 15 of the 2010 Act. At the date of this Prospectus, the authorised capital of the Management Company which is fully paid up is EUR 308,818.00- and the own funds of the Management Company comply with the requirements of the 2010 Act and of the CSSF Circular 18/698.

Its Board of Directors is composed as follows:

- Dr Benedikt Czok, Chairman;
- Prof. Dr. Dirk Zetsche;
- Mr Philippe Burgener;
- Mrs Alexandra Beining.

The Management committee (Conducting Persons) is composed as follows:

- Mr Maik von Bank;
- Mr Bernd Becker;
- Mr Olaf-Alexander Priess

### Duties of 1741 Fund Services S.A. as Management Company

The Management Company will provide, subject to the overall control of the Board and without limitation,

(i) investment management services, (ii) administrative services (including domiciliation services) and (iii) marketing, distribution and sales services to the Company as listed in Annex II of the 2010 Act. The rights and duties of the Management Company are further laid down in articles 107 et seq. of the 2010 Act. The Management Company must at all times act honestly and fairly in conducting its activities in the best interest of the Shareholders and in conformity with the 2010 Act, the Prospectus and the Articles.

The Management Company is vested with the day-to-day administration of the Company. In fulfilling its duties as set forth by the 2010 Act and the Management Company Agreement, the Management Company is authorised, for the purpose of more efficient conduct of its business, to delegate, under its responsibility and control, part or all of its functions and duties to any third party, which, having regard to the nature of the functions

and duties to be delegated, must be qualified and capable of undertaking the duties in question. The Management Company shall remain liable to the Company in respect of all matters so delegated.

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

### **UCI administration activity**

The tasks of the Management Company also include the UCI administration activity which can be splitted into three main functions:

- (1) the registrar and transfer function,
- (2) the NAV calculation and accounting function, and
- (3) the client communication function.

The Management Company primarily performs the client communication function of the UCI administration activity itself and is only supported in some areas in the manner described below.

The Management Company is supported by VP Fund Solutions S.A. in the performance of its duties as registrar and transfer agent. The function of the registrar and transfer agent essentially concerns the execution of applications for the subscription, redemption and transfer of shares, the maintenance of the shareholder register and the performance of tasks in connection with client identity verification (KYC) and anti-money laundering (AML).

In performing tasks in connection with client communication, the Management Company is also supported by VP Fund Solutions S.A., in particular, the mailing of documents to the investors/shareholders of the Company.

The Management Company has delegated the calculation of the NAV and the fund accounting function to 1741 Fund Management AG. 1741 Fund Management AG is entrusted with all administrative tasks in connection with the management of the Fund, including fund accounting, the determination of the net asset value, the maintenance of accounting records and the preparation of the financial reports prescribed in this Prospectus and under Luxembourg law.

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

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

The following functions may be delegated by the Management Company to third parties: investment management of certain Sub-funds, administration, marketing and distribution, as further set forth in this Prospectus and in the Special Sections.

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

At the date of this Prospectus, the Management Company has also been appointed to act as the management company for other investment funds, the list of which is available at the registered office of the Management Company and which will be set out in the Management Company's annual reports.

#### Conducting persons

The conducting persons of the Management Company are responsible for the conduct of the day-to-day business of the Management Company. As at the date of this Prospectus, the conducting persons of the Management Company are

- Mr Maik von Bank;
- Mr Bernd Becker;
- Mr Olaf-Alexander Priess.

The conducting persons, acting as a management committee, have the duty to ensure that the different service providers to which the Management Company has delegated certain functions perform their functions in compliance with the 2010 Act, the CSSF Circular 18/698, the Articles, the Prospectus and the provisions of the relevant services agreements between the Management Company, the Company and each of them. The conducting persons will also ensure compliance of the Company with the investment restrictions and oversee the implementation of the Sub-funds' investment policies. The conducting persons shall also report to the board of directors of the Management Company on a regular basis and inform the board of directors of the Management Company without delay of any non-compliance of the Company with the investment restrictions.

### **2.3 Investment Manager(s)**

The Management Company may, with the consent of the Company, determine that an Investment Manager be appointed to carry out investment management services and to be responsible for a Sub-fund's investment activities within the parameters and restrictions set out in this Prospectus and the relevant Special Section.

The Investment Manager will provide or procure each such Sub-fund investment management services, pursuant to the provisions of the Investment Management Agreement and in accordance with the investment policy, objective and restrictions of the relevant Sub-fund as set out in the Articles, the Prospectus and the relevant Special Section and with the aim to achieve the Sub-fund's investment objective.

Any such Investment Manager may be assisted by one or more Investment Advisers. An Investment Manager may also delegate its functions, with the approval of the CSSF, the Management Company and the Board, to one or more sub-managers. In case sub-managers/advisers are appointed, the relevant Special Section will be updated.

Based on article 110(1)(g) of the 2010 Act, the Management Company may (i) give any further instructions to, and (ii) terminate the mandate of, any Investment Manager which is appointed in accordance with the above paragraph, at any time when this is in the interests of the Shareholders.

Unless otherwise stated in the relevant Special Section, the Investment Manager is responsible for, among other matters, identifying and acquiring the investments of the Company. The Investment Manager is granted full power and authority and all rights necessary to enable it to manage the investments of the relevant Sub-funds and provide other investment management services to assist the Company and the Management Company to achieve the investment objectives and policy set out in this Prospectus and any specific investment objective and policy set out in the relevant Special Section. Consequently, the responsibility for making decisions to buy, sell or hold a particular security or asset rests with the Board, the Management Company, the Investment Manager and, as the case may be, the relevant sub-investment manager appointed by them, subject always to the overall policies, direction, control and responsibility of the Board and the Management Company.

If an Investment Manager is entitled to receive a remuneration out of the assets of the relevant Sub-fund, then such remuneration will be disclosed in the relevant Special Section.

## **2.4 Investment Adviser(s)**

The Management Company or an Investment Manager may appoint one or more Investment Advisers to provide advisory services in respect of a Sub-fund as stipulated in the relevant Special Section.

If an Investment Adviser is entitled to receive a remuneration directly out of the assets of the relevant Sub-fund, then such remuneration will be disclosed in the relevant Special Section.

## **2.5 Depositary**

VP Bank (Luxembourg) SA has been appointed as depositary and paying agent of the Company within the meaning of article 33 of the 2010 Act.

VP Bank (Luxembourg) SA is a société anonyme incorporated under the laws of Luxembourg. It was incorporated in Luxembourg on 16 November 1988 for an indefinite term. Its registered office is located at 2, rue Edward Steichen L-2540 Luxembourg, and it has engaged in the banking business since its incorporation. The Depositary performs its duties pursuant to a depositary agreement entered into for an indefinite term between VP Bank (Luxembourg) SA and the Company.

Pursuant to this agreement, VP Bank (Luxembourg) SA also acts as paying agent with respect to provide financial servicing for the Company's shares.

The Depositary performs its duties and tasks as prescribed by Luxembourg laws and particularly the duties set out in articles 33 to 37 of the 2010 Act.

The Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Company and the investors of the Company.

The Depositary shall not carry out activities with regard to the Company or the Management Company on behalf of the Company, that may create conflicts of interest between the Company, the shareholders, the Management Company. An interest is a source of a benefit of any kind whatsoever and a conflict of interest is a situation in which the interest of the Depositary during performance of its activities conflicts with the interest of the Company, the shareholders and/or the Management Company.

The Depositary may provide the Company, directly or indirectly, with a wide range of banking services in addition to the depositary services.

The provision of additional banking services, as well as the capital links between the Depositary and some service providers and/or governing bodies of the Company, may lead to potential conflicts of interests between the Depositary and the Company.

Situations that may give rise to a potential conflict of interest during performance of the Depositary's activities may include the following:

- The probability that the Depositary will make a financial gain or avoid a financial loss, at the Company's expense;
- the Depositary's interest while its performs its activities is not the same as the Company's interest;
- financial or other reasons exist that might encourage the Depositary to act in the interest of a client rather than in the interest of the Company;

- the Depositary receives or will receive a benefit in connection with the performance of its activities, other than its usual fees, from a counterparty other than the Company;
- the Depositary delegates the safekeeping of certain assets of the Company to a number of sub-custodians;
- the Depositary may provide additional banking services beyond the depositary services.

The Depositary may perform these activities provided it has put in place functional and organisational barriers to separate performance of its tasks as Depositary from its other potentially conflictual tasks, and the potential conflicts of interest are duly and properly identified, managed, monitored and disclosed to the Company shareholders.

In order to identify, prevent and minimize conflicts of interest that may arise, the conflict of interest procedures and measures put in place by the Depositary include practical measures to ensure that if a conflict of interest arises the Depositary's interest is not unfairly prioritised.

Especially, none of the staff of VP Bank (Luxembourg) SA, performing or participating in the safekeeping, oversight and/or cash flow monitoring functions can be a member of the Board of the Company.

The Depositary publishes on the following website, <https://lu.vpbank.com/en/intermediaries/services/custodian-bank> , the list of delegates and sub-delegates it uses.

The selection and monitoring process of sub-custodians is handled in accordance with the 2010 Act. The Depositary monitors any potential conflicts of interests that may arise with sub-delegates. At present, the Depositary therefore confirms that no situation of conflicts of interest with any delegates or sub-delegates could be identified.

When, despite the measures in place to identify, prevent and minimize conflicts of interest that may arise with the Depositary, such a conflict arises, the Depositary shall at all times comply with its legal and contractual obligations to the Company. If a conflict of interest was likely to significantly and adversely affect the Company or the Shareholders of the Company and cannot be resolved, the Depositary shall duly inform the Company, which will take appropriate action.

Updated information relating to the Depositary may be obtained by shareholders upon request.

## **2.6 Administrative agent**

The Management Company has appointed, under its responsibility and control, 1741 Fund Management AG as the administrative agent of the Company. In its capacity as administrative agent, the Administrative Agent will have as its principal function among other things the calculation of the NAV of the Company respectively of the Sub-Funds and each Class, the maintenance of the Company's accounting records and the preparation of the financial reports required by this Prospectus and Luxembourg Law.

The Management Company shall remain liable to the Company in respect of all matters so delegated.

## **2.7 Registrar and Transfer agent**

The Management Company has appointed, under its responsibility and control, VP Fund Solutions (Luxembourg) SA as the registrar and transfer agent of the Company.

In its capacity as registrar and transfer agent, VP Fund Solutions (Luxembourg) SA will be responsible for the safekeeping and maintaining of the register of Shareholders and for processing issues, repurchases and Transfers of Shares in accordance with the Articles and this Prospectus.

The Management Company shall remain liable to the Company in respect of all matters so delegated.

## **2.8 Distributors and nominees**

1741 Fund Services S.A. acting in its capacity as management company of the Company will be in charge of the distribution of the Shares. The Management Company may appoint one or more distributors with the consent of the Company.

It is expected that the Management Company and/or any distributor(s) will offer to enter into arrangements with 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 that are entitled to receive subscription monies and/or subscription, redemption or conversion orders on behalf of the Company and nominee service providers must be (i) professionals of the financial sector of a FATF member country 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, underlying investors will not appear in the register of the Company and will have no direct right of recourse against the Company.

The Management Company and/or any distributors 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.

The terms and conditions of any (sub-)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 an Eligible Investor, may at any time, require the transfer in his/her/its 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 the Management Company or any distributors or nominee.

The Management Company and any Investment Manager or Investment Adviser may enter into retrocession fee arrangements with any distributor in relation to their distribution services. Any such retrocession fee will be paid by the Management Company, the Investment Manager or the Investment Adviser out of its own remuneration.

## **2.9 Auditor**

Mazars Luxembourg has been appointed as the Company's approved statutory auditor and will fulfil all duties prescribed by the 2010 Act.



### **3. INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS**

#### **3.1 Investment Objective and Investment Policy**

The Investment Objective and Investment Policy of each Sub-fund is as set out in respect of that Sub-fund in the relevant Special Section.

#### **3.2 Investment Restrictions**

The Company and the Sub-funds are subject to the Investment Restrictions set forth in Schedule 1.

#### **3.3 Use of financial derivative instruments**

Certain Sub-funds are authorised to use financial derivative instruments either for hedging or efficient portfolio management purposes or as part of their investment strategies as described in the relevant Special Sections. Unless stated otherwise in a Special Section, a Sub-fund which uses financial derivative instruments derivatives will do so for hedging and/or efficient portfolio management purposes only. Sub-funds using derivatives will do so within the limits specified in Schedule 1 and the relevant Special Section. **Investors should refer to the risk factors in Schedule 2, Sections 1.4 for special risk considerations applicable to financial derivative instruments. The Sub-funds will only enter into OTC transactions with first class financial institutions specialised in those transactions.**

#### **3.4 Use of EPM Techniques**

Certain Sub-funds are authorised to employ EPM Techniques within the limits specified in Schedule 1. **Investors should refer to the risk factors in Schedule 2 for special risk considerations applicable to EPM Techniques.**

#### **4. CO-MANAGEMENT**

Subject to the general provisions of the Articles, the Board may choose to co-manage the assets of certain Sub-funds on a pooled basis for the purposes of efficient portfolio management. In these cases, assets of the Sub-funds participating in the co-management process will be managed according to a common investment objective and will be referred to as a "pool". These pools, however, are used solely for internal management efficiency purposes or to reduce management costs.

The pools do not constitute separate legal entities and are not directly accessible to Shareholders. Cash, or other assets, may be allocated from one or more Sub-funds into one or more of the pools established by the Company. Further allocations may be made, from time to time, thereafter. Transfers from the pool(s) back to the Sub-funds may only be made up to the amount of that Sub-fund's participation in the pool(s).

The proportion of any Sub-fund's participation in a particular pool will be measured by reference to its initial allocation of cash and/or other assets to such a pool and, on an ongoing basis, according to adjustments made for further allocations or withdrawals.

The entitlement of each Sub-fund participating in the pool, to the co-managed assets applies proportionally to each and every single asset of such pool.

Where the Company incurs a liability relating to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool. Assets or liabilities of the Company which cannot be attributed to a particular pool, are allocated to the Sub-fund they belong or relate to. Assets or expenses which are not directly attributable to a particular Sub-fund are allocated among the various Sub-funds pro rata, in proportion to the Net Asset Value of each Sub-fund.

Upon dissolution of the pool, the pool's assets will be allocated to the Sub-fund(s) in proportion to its/their participation in the pool.

Dividends, interest, and other distributions of an income nature earned in respect of the assets of a particular pool will be immediately credited to the Sub-funds in proportion to its respective participation in the pool at the time such income is recorded.

Expenses directly attributable to a particular pool will be recorded as a charge to that pool and, where applicable, will be allocated to the Sub-funds in proportion to their respective participation in the pool at the time such expense is incurred. Expenses, that are not attributable to a particular pool, will be charged to the relevant Sub-fund(s).

In the books and accounts of the Company the assets and liabilities of a Sub-fund, whether participating or not in a pool, will, at all times, be identified or identifiable as an asset or liability of the Sub-fund concerned including, as the case may be, between two accounting periods a proportionate entitlement of a Sub-fund to a given asset. Accordingly, such assets can, at any time, be segregated. On the Depositary's records for the Sub-fund such assets and liabilities will also be identified as a given Sub-fund's assets and liabilities and, accordingly, segregated on the Depositary's books.

## **5. SUBSCRIPTION FOR SHARES**

### **5.1 Initial Subscription Period/Date and Ongoing Subscriptions**

During the Initial Subscription Period or on the Initial Subscription Date or on the Class Launch 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. If so provided for in a Special Section, the Board may extend the Initial Subscription Period and/or postpone the Launch Date subject to the terms of the relevant Special Section.

After the Initial Subscription Period, the Initial Subscription Date or the Class Launch Date, the Company may offer Shares of each existing Class in each existing Sub-fund on any day that is a Valuation Day, as stipulated in the relevant Special Section. The Company may decide that for a particular Class or Sub-fund no further Shares will be issued after the Initial Subscription Period or Initial Subscription Date (as will be set forth in the relevant Special Section). However, the Board reserves the right to authorise at any time and without notice the issue and sale of Shares for Classes or Sub-funds that were previously closed for further subscriptions. Such decision will be made by the Board with due regard to the interest of the existing Shareholders in the relevant Class or Sub-fund.

The Board may in its discretion decide to cancel the offering of a Sub-fund. The Board may also decide to cancel the offering of a new Class. In such case, investors having made an application for subscription will be duly informed and any subscription monies already paid will be returned. For the avoidance of doubt, no interest will be payable on such amount prior to their return to the relevant investors.

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

- (a) the Initial Subscription Price where the subscription relates to the Initial Subscription Period, the Initial Subscription Date or the Class Launch Date; or
- (b) the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) as of the Valuation Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the Initial Subscription Period, the Initial Subscription Date or the Class Launch Date) of Shares of an existing Class in an existing Sub-fund.

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 Company, the Management Company or the Distributor, unless otherwise specified in respect of a Sub-fund in the relevant Special Section.

Subscriptions will be accepted in amounts and number of Shares.

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

### **5.2 Subscription procedure**

After the end of the Initial Subscription Period, the Initial Subscription Date or the Class Launch Date, subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by fax, swift or any other transmission method allowed by the Management Company to the Registrar and Transfer Agent to be received by the Registrar and Transfer Agent by such time as set out in the relevant Special Section (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Registrar and Transfer Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time, will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 by such time as set out in the relevant Special Section.

If the Depositary does not receive the funds in time the investor will be liable for the costs of late or non-payment in which case the Board 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 relevant Sub-fund.

Subscribers for Shares must make payment in the Reference Currency of the relevant Sub-fund or Class.

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. Subscription requests are irrevocable, unless in the period during which the calculation of the Net Asset Value is suspended in accordance with Section 11.2 of the General Section.

In the event that the subscription order is incomplete (i.e., all requested papers are not received by the Registrar and Transfer Agent or a 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 applicable Minimum Subscription Amount, Minimum Holding Amount and Minimum Subsequent Subscription Amount may be waived or varied on a case-by-case basis, by the Company.

In the event that the Company decides to reject any application to subscribe for 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).

### **5.3 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 US Person or (b) a "qualified institutional buyer" within the meaning of Rule 144A under the US 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 US Person and may not be transferred or re-sold except pursuant to an exemption from registration under the US Securities Act or an effective registration statement under the US 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 US 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 US Person or (b) in the case of 144 A Securities, are or become owned, directly or indirectly, by a US Person who is not a "qualified institutional buyer" within the meaning of Rule 144A under the US 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 will only be issued Shares for Institutional Investor if such person provides a representation that it qualifies as an Institutional Investor pursuant to Luxembourg law.

#### **5.4 Subscription in kind**

At the entire 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 the Prospectus and the relevant Special Sections 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.

#### **5.5 Institutional Investors**

The sale of Shares of certain Sub-funds or Classes may be restricted to 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 Section 7.9 of this 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 objective (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.

## **5.6 Closed Classes – Launch of Classes**

In the event that a Class, closed for subscriptions because all the Shares issued in that Class have been redeemed, is reopened for subscriptions or in the event that no Shares of a Class are subscribed during the Initial Offering Period or Initial Offering Date of a Sub-fund, as set out in the relevant Special Section, the Initial Subscription Price per Share of the Class concerned will, at the time of the (re)launch of the Class, be equal to the original Initial Subscription Price of the relevant Class.

## **6. CONVERSION OF SHARES**

### **6.1 General**

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 another Class of the same or another Sub-fund. However, the right to convert Shares is subject to compliance with any condition (including any Minimum 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 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 as stipulated in the relevant Special Section, 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 Subscription Period or Initial Subscription Date (as will be set forth in the relevant Special Section).

### **6.2 Procedure**

If the criteria to become a Shareholder of such other Class and/or such other Sub-fund are fulfilled, the Shareholder will make an application to convert Shares by sending a written request by swift or fax for conversion to the Distributor or the Registrar and Transfer 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 Distributor or the Registrar and Transfer Agent by such time as set out in the relevant Special Section on the relevant Valuation Day. Conversion requests received after this deadline will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) as of the first Valuation Day after the relevant Valuation Day. The conversion request must state the number of Shares of the relevant Classes in the relevant Sub-fund, which the Shareholder wishes to convert.

### **6.3 10% Gate**

If any application for conversion is received in respect of any one Valuation Day (the **First Valuation Day**) which either singly or when aggregated with other applications so received (including redemption requests), is more than 10% of the total net assets of the relevant Sub-fund, the Company reserves the right in its sole and absolute discretion (and taking into account the best interests of the remaining Shareholders) to scale down pro rata each application with respect to such First Valuation Day so that not more than 10% of the total net assets of the Sub-fund be redeemed or converted on such First Valuation Day. To the extent that any application is not given full effect on such First Valuation Day by virtue of the exercise of the power to prorate applications, it will be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Valuation Day and, if necessary, subsequent Valuation Days. With respect to any application received in respect of the First Valuation Day, to the extent that subsequent applications will be received in respect of following Valuation Days, such later applications will be postponed in priority to the satisfaction of applications relating to the First Valuation Day, but subject thereto will be dealt with as set out in the preceding sentence.

### **6.4 Conversion Fee**

A Conversion Fee, in favour of Sub-fund from which the Shares are converted, of up to 1% of the Net Asset Value (as adjusted as the case may be pursuant to Section 8 of the General Section) of the Shares of the relevant Class of the relevant new Sub-fund to be issued may be levied to cover conversion costs. The same rate of Conversion Fee will be applied to all conversion requests (deemed) received on the same Valuation Day.

### **6.5 Conversion process**

Conversion of Shares will be effected on the first NAV Calculation Day after the relevant Valuation Day on which the conversion request is deemed received, by the simultaneous:

- (a) 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 (as adjusted as the case may be pursuant to Section 8 of the General Section) of the relevant Class in the relevant Sub-fund; and
- (b) 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 (as adjusted as the case may be pursuant to Section 8 of the General Section) 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 will be applied immediately as the subscription monies for the Shares in the new Class or Sub-fund into which the original Shares are converted.

If conversion requests would result in a residual holding in any one Sub-fund or Class of less than the Minimum Net Asset Value applicable, the Company reserves the right to compulsorily redeem the residual Shares in that Sub-fund or Class at the relevant redemption price and make payment of the proceeds thereof to the Shareholders.

## **7. REDEMPTION OF SHARES**

### **7.1 Timing, form of redemption request**

Shares in a Sub-fund may be redeemed at the request of the Shareholders on any day that is a Valuation Day. Redemption requests must be sent in writing by fax, swift or any other transmission method allowed by the Management Company to the Distributor(s) or the Registrar and Transfer Agent or such other place as the Company may advise. Redemption requests must be received by the Registrar and Transfer Agent at the time specified in the relevant Special Section (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day (unless another Redemption Cut-Off Time is specified in respect of a Sub-fund in the relevant Special Section). Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day.

The Board, the Registrar and Transfer Agent and the Distributor(s) will ensure that the relevant Redemption Cut-Off Times 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 Reference Currency of the Class of the Sub-fund. Redemption requests must be addressed to the Registrar and Transfer Agent or the Distributor. Redemption requests will not be accepted by telephone or telex. Redemption requests are irrevocable (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 subscription 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 Registrar and Transfer Agent may result in the withholding of redemption proceeds.

### **7.2 Redemption Price**

A Shareholder who redeems his/her/its Shares will receive an amount per Share redeemed equal to the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) as of the applicable Valuation Day for the relevant Class in the relevant Sub-fund, less, as the case may be, the Redemption Fee as stipulated in the relevant Special Section and any tax or duty imposed on the redemption of the Shares.

### **7.3 Redemption Fee**

If a Shareholder wants to redeem Shares of the Company, a Redemption Fee may be levied on the amount to be paid to the Shareholder. The applicable Redemption Fee will be stipulated in the relevant Special Section. This fee will be payable to the Company, unless otherwise specified in respect of a Sub-fund in the relevant Special Section. For the avoidance of doubt, the Redemption Fee is calculated on the redemption price of the Shares and the same rate of Redemption Fee will be applied to all redemption requests (deemed) received on the same Valuation Day in respect of Shares of the same Class.

### **7.4 Payment of the redemption price**

Payment of the redemption proceeds will be made generally within two (2) Business Days following the relevant NAV Calculation Day (unless otherwise specified in respect of a Sub-



fund in the relevant Special Section). Where a Shareholder redeems Shares that he/she/it has not paid for within the required subscription settlement period, in circumstances where the redemption proceeds would exceed the subscription amount that he/she/it owes, the Company will be entitled to retain such excess for the benefit of the Company.

#### **7.5 Minimum Holding Amount - Minimum Net Asset Value**

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

If redemption requests would result in a residual holding in any one Sub-fund or Class of less than the Minimum Net Asset Value applicable, the Company reserves the right to compulsorily redeem the residual Shares in that Sub-fund or Class at the relevant redemption price and make payment of the proceeds thereof to the Shareholder.

#### **7.6 Suspension of redemption**

Redemption of Shares may be suspended for certain periods of time as described under Section 11.2 of the General Section.

#### **7.7 10% Gate**

If any application for redemption is received in respect of a Valuation Day which either singly or when aggregated with other applications so received (including conversion requests), is more than 10% of the total net assets of the relevant Sub-fund, the Company reserves the right in its sole and absolute discretion (and taking into account the best interests of the remaining Shareholders) to scale down pro rata each application with respect to such Valuation Day so that not more than 10% of the total net assets of the Sub-fund be redeemed or converted on such Valuation Day. To the extent that any application is not given full effect on such Valuation Day by virtue of the exercise of the power to prorate applications, it will be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Valuation Day and, if necessary, subsequent Valuation Days. With respect to any application received in respect of the relevant Valuation Day, to the extent that subsequent applications will be received in respect of following Valuation Days, such later applications will be postponed in priority to the satisfaction of applications relating to the relevant Valuation Day, but subject thereto will be dealt with as set out in the preceding sentence.

#### **7.8 Redemption in-kind**

The Company 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 Company will agree to do so if it determines 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 (as adjusted as the case may be pursuant to Section 8 of the General Section) 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 will be determined by the Company 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 (as adjusted as the case may be pursuant to Section 8 of the General Section) of the Sub-fund. The selection, valuation and transfer of assets will be subject to the review and approval of the Auditor of the Company.

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

## **7.9 Compulsory redemptions by the Company**

The Company may redeem Shares of any Shareholder if the Board whether on its own initiative or at the initiative of a Distributor, determines that:

- (a) any of the representations given by the Shareholder to the Company or the Management Company were not true and accurate or have ceased to be true and accurate; or
- (b) the Shareholder is not or ceases to be an Eligible Investor; or
- (c) 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
- (d) the continuing ownership of Shares by such Shareholder may be prejudicial to the Company or any of its Shareholders; or
- (e) 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.

## 8. PRICE ADJUSTMENT POLICY

The basis on which the assets of each Sub-fund are valued for the purposes of calculating the Net Asset Value per Shares is set out in Section 11 of the General Section. The actual cost of purchasing or selling assets and investments for a Sub-fund may however deviate from the latest available price or net asset value used, as appropriate, in calculating the Net Asset Value per Shares due to duties and charges and spreads from buying and selling prices of the underlying investments. These costs have an adverse effect on the value of a Sub-fund and are known as "dilution". To mitigate the effects of dilution, the Company may, at its discretion, make a dilution adjustment to the Net Asset Value per Shares.

Shares will in principle be issued and redeemed on the basis of a single price, i.e., the Net Asset Value per Share. However – to mitigate the effect of dilution – the Net Asset Value per Share may be adjusted on any Valuation Day in the manner set out below depending on whether or not a Sub-fund is in a net subscription position or in a net redemption position on such Valuation Day to arrive at the applicable adjusted price representing the NAV in respect of that Valuation Day. Where there is no dealing on a Sub-fund or Class of a Sub-fund on any Valuation Day, the applicable price will be the unadjusted Net Asset Value per Share. The Company will retain the discretion in relation to the circumstances under which to make such a dilution adjustment. As a general rule, the requirement to make a dilution adjustment will depend upon the volume of subscriptions or redemptions of Shares in the relevant Sub-fund. The Company may make a dilution adjustment if, in their opinion, the existing Shareholders (in case of subscriptions) or remaining Shareholders (in case of redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be made where, for example but without limitation:

- (a) a Sub-fund is in continual decline (i.e. is experiencing a net outflow of redemptions);
- (b) a Sub-fund is experiencing large levels of net subscriptions relevant to its size;
- (c) a Sub-fund is experiencing a net subscription position or a net redemption position on any Valuation Day;
- (d) in any other case where the Company is of the opinion that the interests of Shareholders require the imposition of a dilution adjustment.

The dilution adjustment will involve adding to, when the Sub-fund is in a net subscription position, and deducting from, when the Sub-fund is in a net redemption position, the Net Asset Value per Share such figure as the Board considers represents an appropriate figure to meet duties and charges and spreads. In particular, the Net Asset Value of the relevant Sub-fund will be adjusted (upwards or downwards) by an amount which reflects (i) the estimated fiscal charges, (ii) dealing costs that may be incurred by the Sub-fund and (iii) the estimated bid/offer spread of the assets in which the Sub-fund invests. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. Adjustments will however be limited to a maximum of 2.5% of the then applicable Net Asset Value per Share.

The adjusted NAV of each Class in the Sub-fund will be calculated separately but any dilution adjustment will in percentage terms affect the adjusted price of each Class in an identical manner. On the occasions when the dilution adjustment is not made there may be an adverse impact on the total assets of a Sub-fund.

## 9. RESTRICTIONS ON TRANSFER OF SHARES

All transfers of Shares will be effected by a transfer in writing in any usual or common form or any other form approved by the Company and every form of transfer will state the full name and address of the transferor and the transferee. The instrument of transfer of a Share will be signed by or on behalf of the transferor and the transferee. The transferor will 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 Company may decline to register any transfer of a Share if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Share Class or Sub-fund as set out in this Prospectus or the relevant Special Section. The registration of transfer may be suspended at such times and for such periods as the Company may from time to time determine, provided, however, that such registration will not be suspended for more than five (5) days in any calendar year. The Company may decline to register any transfer of Shares unless the original instruments of transfer, and such other documents that the Company may require are deposited at the registered office of the Company or at such other place as the Company may reasonably require, together with such other evidence as the Company 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 Company may decline to register a transfer of Shares:

- (a) if in the opinion of the Company, the transfer will be unlawful or will result or be likely to result in any adverse regulatory, tax (including, as the case may be, under FATCA) or fiscal consequences to the Company or its Shareholders; or
- (b) if the transferee is a US Person or is acting for or on behalf of a US Person; or
- (c) if the transferee is a Restricted Person or is acting for or on behalf of a Restricted Person; or
- (d) in relation to Classes reserved for subscription by Institutional Investors, if the transferee is not an Institutional Investor; or
- (e) in circumstances as set out in Section 10.2 of this General Section; or
- (f) if in the opinion of the Company, the transfer of the Shares would lead to the Shares being registered in a depository or clearing system in which the Shares could be further transferred otherwise than in accordance with the terms of this Prospectus or the Articles.

## **10. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS – MARKET TIMING AND LATE TRADING**

### **10.1 Anti-money laundering and terrorist financing requirements**

Measures aimed towards the prevention of money laundering as provided by Luxembourg Law and the circulars as issued by the CSSF are the responsibility of the Company and the Management Company, who delegates to the Registrar and Transfer Agent such controls.

These measures may require the Registrar and Transfer Agent to request verification of the identity of any prospective investor. By way of example, an individual may be required to produce a copy of his passport or identification card duly certified by a competent authority (e.g. embassy, consulate, notary, police officer, solicitor, financial institution domiciled in a country imposing equivalent identification requirements or any other competent authority). In the case of corporate applicants, this may require, amongst others, production of a certified copy of the certificate of incorporation (and any change of name) and investor's memorandum and articles of association (or equivalent), a recent list of its shareholders showing a recent stake in its capital, printed on the letterhead of the investor duly dated and signed, an authorised signature list and an excerpt of the trade register. It should be noted that the above list is not exhaustive and that the investors may be required to provide further information to the Registrar and Transfer Agent in order to ensure the identification of the final beneficial owner of the Shares.

Until satisfactory proof of identity is provided by potential investors or transferees as determined by the Registrar and Transfer Agent, it reserves the right to withhold issue or approval of registration of transfers of Shares. Similarly, redemption proceeds will not be paid unless compliance with these requirements has been made in full. In any such event, the Registrar and Transfer Agent will not be liable for any interest, costs or compensation.

In case of a delay or failure to provide satisfactory proof of identity, the Registrar and Transfer Agent may take such action as it thinks fit.

These identification requirements may be waived by the Registrar and Transfer in the following circumstances:

- (a) in the case of a subscription through a financial intermediary which is supervised by a regulatory authority which imposes an investors' or transferees' identification obligation equivalent to that required under Luxembourg Law for the prevention of money laundering and to which the financial intermediary is subject;
- (b) in the case of a subscription through a financial intermediary whose parent is supervised by a regulatory authority which imposes an investors' or transferees' identification obligation equivalent to that required under Luxembourg Law for the prevention of money laundering and where the law applicable to the parent or the group policy imposes an equivalent on its subsidiaries or branches.

### **10.2 Market Timing and Late Trading**

Prospective investors and Shareholders should note that the Company may reject or cancel any subscription, conversion or redemption orders for any reason and in particular in order to comply with the 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 Company may consider an investor's trading history in the Sub-funds and accounts under common control or ownership.

In addition to the Subscription or Conversion Fees which may be of application to such orders as set forth in the Special Section of the relevant Sub-fund, the Company may impose a penalty of maximum 2% (two per cent.) of the Net Asset Value of the Shares subscribed or converted where the Company reasonably believes that an investor has engaged in Market Timing activity. The penalty will be credited to the relevant Sub-fund. Neither the Company nor the Board will be held liable for any loss resulting from rejected orders or mandatory redemption.

Furthermore, the Company will ensure that the relevant deadlines 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.

## **11. CALCULATION AND SUSPENSION OF NET ASSET VALUE**

### **11.1 Net Asset Value calculation**

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 USD. The Net Asset Value of each Sub-fund and Class will be calculated in the Reference Currency of the Sub-fund or Class, as it is stipulated in the relevant Special Section, and will be determined by the Administrative Agent for each Valuation Day as at each NAV Calculation Day as stipulated in the relevant Special Section, by calculating the aggregate of:

- (a) 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
- (b) all the liabilities of the Company which are allocated to the relevant Sub-fund and Class in accordance with the provisions of the Articles, and all fees attributable to the relevant Sub-fund and Class, which fees have accrued but are unpaid on the relevant Valuation Day.

The Net Asset Value per Share for a Valuation Day will be calculated in the Reference Currency of the relevant Sub-fund and will be calculated by the Administrative Agent as at the NAV Calculation 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 in relation to such NAV Calculation Day). The Net Asset Value will be calculated up to two (2) decimal places, provided that the Administrative Agent can apply its own rounding policy to such calculation.

If the Sub-fund has more than one Class in issue, the Administrative Agent will calculate the Net Asset Value per Share of each Class for a Valuation Day 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 in relation to such NAV Calculation Day).

The Net Asset Value per Share may be rounded up or down to the nearest whole hundredth share of the currency in which the Net Asset Value of the relevant Shares are calculated.

The allocation of assets and liabilities of the Company between Sub-funds (and within each Sub-fund between the different Classes) will be effected so that:

- (a) 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, will be attributed to the Sub-fund (and within that Sub-fund, the Class) to which the relevant Shares belong.
- (b) 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) will be attributed to such Sub-fund (or Class in the Sub-fund).
- (c) 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) will be attributed to such Sub-fund (or Class in the Sub-fund).
- (d) 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 will be attributed to such Sub-fund (or Class in the Sub-fund).
- (e) 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 will 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).
- (f) 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 will be divided equally between all Sub-funds or, in so far as is justified by the amounts, will 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.
- (g) 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.

The assets of the Company will be valued as follows:

- (a) Transferable Securities or Money Market Instruments quoted or traded on an official stock exchange, Regulated Market or any Other Regulated Market, are valued on the basis of the last known price as of the relevant Valuation Day, and, if the

securities or Money Market Instruments are listed on several stock exchanges Regulated Market or any Other Regulated Market, the last known price of the stock exchange which is the principal market for the security or Money Market Instrument in question, unless these prices are not representative.

- (b) For Transferable Securities or Money Market Instruments not quoted or traded on an official stock exchange Regulated Market or any Other Regulated Market, and for quoted Transferable Securities or Money Market Instruments, but for which the last known price as of the relevant Valuation Day is not representative, valuation is based on the probable sales price estimated prudently and in good faith by the Board.
- (c) Units and shares issued by UCITS or other UCIs will be valued at their last available net asset value as of the relevant Valuation Day.
- (d) The liquidating value of futures, forward or options contracts that are not traded on exchanges or Regulated Markets or any Other Regulated Markets will be determined pursuant to the policies established in good faith by the Board, on a basis consistently applied. The liquidating value of futures, forward or options contracts traded on exchanges or Regulated Markets or any Other Regulated Markets will be based upon the last available settlement prices as of the relevant Valuation Day of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Business Day with respect to which a Net Asset Value is being determined, then the basis for determining the liquidating value of such contract will be such value as the Board may, in good faith and pursuant to verifiable valuation procedures, deem fair and reasonable.
- (e) Liquid assets and Money Market Instruments with a maturity of less than 12 months may be valued at nominal value plus any accrued interest or using an amortised cost method (it being understood that the method which is more likely to represent the fair market value will be retained). This amortised cost method may result in periods during which the value deviates from the price the Company would receive if it sold the investment. The Board may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the Board. If the Board believes that a deviation from the amortised cost may result in material dilution or other unfair results to Shareholders, the Board will take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.
- (f) The swap transactions will be consistently valued based on a calculation of the net present value of their expected cash flows. For certain Sub-funds using OTC Derivatives as part of their main Investment Policy, the valuation method of the OTC Derivative will be further specified in the relevant Special Section.
- (g) Accrued interest on securities will be taken into account if it is not reflected in the share price.
- (h) Cash will be valued at nominal value, plus accrued interest.
- (i) All assets denominated in a currency other than the Reference Currency of the respective Sub-fund/Class will be converted at the applicable Bloomberg tickers



foreign exchanges rate as of the relevant Valuation Day between the Reference Currency and the currency of denomination.

- (j) All other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above paragraphs would not be possible or practicable, or would not be representative of their probable realisation value, will be valued at probable realisation value, as determined with care and in good faith pursuant to procedures established by the Board.

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 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 will be considered as final and applicable despite any future divergence.

For the purpose of determining the value of the Company's assets, the 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 or the Management Company, (ii) by various pricing sources available on the market such as pricing agencies (i.e., Telekurs, 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 Administrative Agent will exclusively rely on valuations provided either by the Board, the Management Company or by third party pricing sources appointed by the Board (or the Management Company) 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 or the Management Company gives instructions to the Administrative Agent to use a specific pricing source, the Board or the Management Company will 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 Administrative Agent are reliable and the Administrative Agent will not, and will not be required to, carry out any additional due diligence or testing on any such pricing source.

If one or more sources of quotation is not able to provide relevant valuations to the Administrative Agent, the latter is authorised to not calculate the Net Asset Value and, consequently, not to determine subscription, redemption and conversion prices. The Administrative Agent will immediately inform the Board and the Management Company 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 11.2 of the General Section.

## 11.2 Suspension of Determination of 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/or the issue of the Shares of such Sub-fund or Class to subscribers and/or the redemption of the Shares of such Sub-fund or Class from its Shareholders as well as conversions of Shares of any Class in a Sub-fund:

- (a) when one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the assets of the relevant Sub-fund or Class, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the relevant Sub-fund or Class are denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
- (b) when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Board, disposal of the assets of the relevant Sub-fund or Class is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;
- (c) in the case of a breakdown in the normal means of communication used for the valuation of any investment of the relevant Sub-fund or Class or if, for any reason beyond the responsibility of the Board, the value of any asset of the relevant Sub-fund or Class may not be determined as rapidly and accurately as required;
- (d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable or if purchases and sales of the Sub-fund's assets cannot be effected at normal rates of exchange;
- (e) when the Board so decides, provided that all Shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) upon publication of a notice convening a general meeting of Shareholders of the Company or of a Sub-fund for the purpose of deciding on the liquidation, dissolution, the merger or absorption of the Company or the relevant Sub-fund and (ii) when the Board is empowered to decide on this matter, upon their decision to liquidate, dissolve, merge or absorb the relevant Sub-fund;
- (f) 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;
- (g) 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 will notify Shareholders requesting redemption or conversion of their Shares of such suspension.

Such suspension as to any Sub-fund will have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Sub-fund.

Any request for subscription, redemption and conversion will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share in the relevant Sub-fund. Withdrawal of a subscription or of an application for redemption or conversion will only be effective if written notification (by electronic mail, regular mail, courier or fax) is

received by the Administrative Agent before termination of the period of suspension, failing which subscription, redemption applications not withdrawn will be processed on the first Valuation Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined for such Valuation Day.

## **12. GENERAL INFORMATION**

### **12.1 Fiscal Year - Reporting**

The Fiscal Year will begin on 1 April and terminate on 31 March of each year.

Audited annual reports of the end of each Fiscal Year will be established as at 31 March of each year. In addition, unaudited semi-annual reports will be established as per the last day of the month of September. 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, the Administrative Agent and of the Management Company.

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 USD.

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

The Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) of each Class within each Sub-fund will be made public at the offices of the Company, the Administrative Agent and the Management Company on each NAV Calculation Day.

### **12.2 Documents available to Shareholders**

The Articles, this Prospectus, the PRIIPs and the most recent annual and semi-annual financial statements of the Company are available for inspection by Shareholders free of charge, during usual business hours at the offices of the Company and the Management Company in Remerschen/Luxembourg (copies of these documents may also be delivered without cost to Shareholders at their request).

Copies of the Prospectus, PRIIP, Articles and latest published annual and semi-annual reports may also be consulted from the following website [www.fundsquare.net](http://www.fundsquare.net).

A brief description of the strategy put in place by the Management Company for determining when and how voting rights attached to instruments held in the Company's portfolio are to be exercised and information regarding procedure on clients' complaints handling may be consulted from the following website [www.1741group.lu](http://www.1741group.lu).

The Management Company applies a remuneration policy (the « Policy ») within the meaning of article 111bis of the 2010 Act and in accordance with the principles laid down in article 111ter of the 2010 Act.

The Policy aims among others to prevent risk taking which is incompatible with a sound and effective risk management, with the business strategy, the objectives, the values and the interests of the Management Company or the Company, with the interests of the Shareholders of the Company, to avoid potential conflicts of interests and to decorrelate the decisions relating to control operations, from the performances obtained. The Policy

includes an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the long-term performance of the Company and its investment risks. The variable remuneration component is also based on a number of other qualitative and quantitative factors. The Policy contains an appropriate balance of fixed and variable components of the total remuneration.

This Policy is adopted by the board of directors of the Management Company, who is also responsible for its implementation and supervision. The Policy applies to any kind of benefit paid by the Management Company, as well as to any amount paid directly by the Company itself, including performance fees (if any), and to any transfer of shares of the Company, made in favour of a category of staff covered by the Policy.

The general principles of the Policy are reviewed by the board of directors of the Management Company at least annually and are based on the size of the Management Company and/or on the size of the UCITS it manages.

The details of the up-to-date Policy are available on the website [www.1741group.lu](http://www.1741group.lu). A hard copy will be made available free of charge upon request.

### **12.3 General Meeting of Shareholders**

The annual general meeting of the Shareholders in the Company will be held at the registered office of the Company or on the place specified in the convening notice on the fourth Monday of July at 10.00am (Luxembourg time), provided that if such date is not a Business Day, the annual general meeting will occur on the immediately preceding 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 will contain the agenda, the date and place of the meeting, the conditions of admission to the meeting and they will 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.

The convening notice to a General Meeting may provide that the quorum and majority requirements will be assessed against the number of Shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the relevant meeting (the **Record Date**) in which case, the right of any Shareholder to participate in the meeting will be determined by reference to his/her/its holding as at the Record Date.

### **12.4 Dividend policy**

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 EUR1,250,000 (being provided that Shares of a Target Sub-fund held by an Investing Sub-fund will not be taken into account for the purpose of the calculation of the EUR1,250,000 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 Company may issue Accumulation Classes and Distribution Classes within the Classes of each Sub-fund, as indicated in the Special Section. Accumulation Classes capitalise their entire earnings whereas Distribution Classes pay dividends.

For Distribution Classes, 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 Company within the conditions set forth by law, as further described in the relevant Special Section.

Payments will be made in the Reference Currency of the relevant Sub-fund. With regard to Shares held through Euroclear or Clearstream (or their successors), dividends will 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.

Unless otherwise stated for a particular Sub-fund in the relevant Special Section, the Company is authorised to make in-kind distributions/payments of securities or other assets with the consent of the relevant Shareholder(s). Any such distributions/payments in kind will be valued in a report established by an auditor qualifying as a *réviseur d'entreprises agréé* drawn up in accordance with the requirements of Luxembourg Law, the costs of which report will be borne by the relevant Shareholder.

## **12.5 Liquidation and merger of Sub-funds or Classes**

### **(a) 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 of Shareholders. If the total net assets of the Company falls below two-thirds of the minimum capital prescribed by law (i.e. EUR1,250,000), the Board must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed and which will pass resolutions by simple majority of the Shares represented at the 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 of Shareholders for which no quorum is prescribed. A resolution dissolving the Company may be passed by Shareholders holding one-fourth of the voting rights represented at the meeting.

The meeting must be convened so that it is held within a period of forty 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 will 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 entitlement. Any amounts unclaimed by the Investors at the closing of the liquidation and, at the latest, at the expiration of a period of nine (9) months following the decision to liquidate 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 will 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 will be deemed void.

(b) 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 the Minimum Net Asset Value, 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 or Class'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 at the latest on 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. Any amounts unclaimed by the Investors at the closing of the liquidation 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 will be forfeited.

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 will become effective. No quorum will be required at this general meeting and resolutions will 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.

All the Shares redeemed will be cancelled.

(c) Merger of the Company and the Sub-funds

In accordance with the provisions of the 2010 Act and of the Articles, the Board may decide to merge or consolidate the Company with, or transfer substantially all or part of the Company's assets to, or acquire substantially all the assets of, another UCITS established in Luxembourg or another EU Member State. For the purpose of this Section 12.5(c), the term UCITS also refers to a sub-fund of a UCITS and the term Company also refers to a Sub-fund.

Any merger leading to termination of the Company must be approved by Supermajority Resolution at the Shareholders' meeting.

Shareholders will receive shares of the surviving UCITS or sub-fund and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares.

The Company will provide appropriate and accurate information on the proposed merger to its Shareholders so as to enable them to make an informed judgment of the impact of the merger on their investment and to exercise their rights under this Section 12.5(c) and the 2010 Act.

The Shareholders have the right to request, without any charge other than those retained by the Company to meet disinvestment costs, the redemption of their Shares.

Under the same circumstances as provided by Section 12.5(b) above, the Board may decide to allocate the assets of a Sub-fund to those of another existing Sub-fund within the Company or to another Luxembourg UCITS or to another sub-fund within such other Luxembourg UCITS (the **New Sub-fund**) and to repatriate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published one month before its effectiveness (and, in addition, the publication will contain information in relation to the New Sub-fund), in order to enable the Shareholders to request redemption of their Shares, free of charge, during such period.

Notwithstanding the powers conferred to the Board by the paragraph above, a contribution of the assets and of the liabilities attributable to any Sub-fund to another Sub-fund within the Company may in any other circumstances be decided by a general meeting of Shareholders of the Class or Classes issued in the Sub-fund concerned for which there will be no quorum requirements and which will decide upon such a merger by resolution taken by simple majority of those present or represented and voting at such meeting.

If 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 a Sub-fund by means of a division into two or more Sub-funds. 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.

## **13. FEES AND EXPENSES**

### **13.1 Fees and Expenses payable directly by the Company**

#### **(a) Operation and administration expenses**

The Company will pay out of the assets of the relevant Sub-fund all expenses incurred by it, which will include but not be limited to: all taxes which may be due on the assets and the income of the Company; the reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by the Depositary and any custody charges of banks and financial institutions to whom custody of assets of the Company is entrusted; usual banking fees due on transactions involving securities or other assets (including derivatives) held in the portfolio of the Company (such fees to be included in the acquisition price and to be deducted from the selling price); the fees, expenses and all reasonable out-of-pocket expenses properly incurred by the Company, the Service Providers and any other agent appointed by the Company; legal expenses incurred by the Company or the Service Providers while acting in the interests of the Shareholders; the cost and expenses of preparing and/or filing and printing the Articles and all other documents concerning the Company (in such languages as are necessary), including registration statements, prospectuses and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the

Company or the offering of Shares of the Company; the cost of preparing, in such languages as are necessary for the benefit of the Shareholders (including the beneficial holders of the Shares), and distributing annual and semi-annual reports and such other reports or documents as may be required under applicable laws or regulations; the cost of accounting, bookkeeping and calculating the Net Asset Value (and Adjusted Price); the cost of preparing and distributing notices to the Shareholders; a reasonable share of the cost of promoting the Company, as determined in good faith by the Company, including reasonable marketing and advertising expenses; the costs incurred with the admission and the maintenance of the Shares on the stock exchanges on which they are listed (if listed). The Company may accrue in its accounts for administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

Each of the Depositary, the Administrative Agent and the Registrar and Transfer Agent is entitled to receive out of the assets of each Class within each Sub-fund a depositary fee, an administrative agent fee and a registrar and transfer agent fee based on the average of the value of the NAV of the relevant Class over the relevant period as further described in the relevant Special Section.

(b) Remuneration of the Management Company

The Management Company is entitled to receive from the relevant Sub-Fund a fee payable quarterly in arrears as determined in the relevant Special Sections of the Prospectus. The fees and costs of the Administrative Agent, the Registrar and Transfer Agent, the Depositary, the Auditor for their functions is paid by the Management Company out of the management company fee it receives conform to common practise in Luxembourg. Moreover, the management company fee includes inter alia the following services: fund administration/reporting, risk management and corporate secretary services (including domiciliation services)

(c) Remuneration of the Investment Manager(s) or Investment Adviser(s)

If an Investment Manager or Investment Adviser is entitled to be remunerated out of the assets of a Sub-fund, then such remuneration will be disclosed in the relevant Special Section.

(d) Conversion Expenses

All expenses (including but not limited to legal fees, travel expenses, etc.) incurred in connection with the conversion of the Company into a UCITS subject to Part I of the 2010 Act (together the **Conversion Expenses**) were borne by the Company.

Expenses incurred in connection with the creation of any additional Sub-fund (**Additional Sub-fund Formation Expenses**) may be borne by the relevant Sub-fund and be written off over a period not exceeding five years.

(e) Annual subscription tax (*Taxe d'abonnement*)

The Company's assets are subject to tax (*taxe d'abonnement*) in Luxembourg at a rate of 0.05% p.a. on net assets (except for Sub-funds or Classes which are reserved to Institutional Investors which are subject to a tax at a reduced rate of 0.01% p.a. on net assets), payable quarterly. Some Sub-funds are exempt from the subscription tax, as more fully described in Section 14.1 of the General Section.

## 13.2 Fees and expenses payable directly by the investor



(a) Subscription Fee

If an investor wants to subscribe for 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 Company, the Management Company or the Distributor, unless otherwise specified in respect of a Sub-fund in the relevant Special Section.

(b) Redemption Fee

If a Shareholder wants to redeem Shares of the Company, a Redemption Fee may be levied on the amount to be paid to the Shareholder. The applicable Redemption Fee will be stipulated in the relevant Special Section. This fee will be payable to the Company, unless otherwise specified in respect of a Sub-fund in the relevant Special Section.

(c) Conversion Fee

A Conversion Fee, in favour of Sub-fund from which the Shares are converted, of up to 1% of the Net Asset Value of the Shares (as adjusted as the case may be pursuant to Section 8 of the General Section) of the relevant Class of the relevant new Sub-fund to be issued may be levied to cover conversion costs. The same rate of Conversion Fee will be applied to all conversion requests received on the same Valuation Day. The applicable Conversion Fee will be stipulated in the relevant Special Section.

### **13.3 Retrocession fee arrangements**

Subject to the approval of the Company, the Management Company and each Investment Manager may enter into arrangements whereby the Management Company or the relevant Investment Manager agrees that part of its management company or investment management fee will be redirected to one or more entities, such as business introducers, as payment for services that they have provided to or for the benefit of the Company. The Management Company and each such relevant Investment Manager may only enter into similar arrangements where the payment is designed to enhance the quality of the services provided to the Company and does not impair compliance with the Management Company's or Investment Manager's duty to act in the best interest of the Company.

## **14. TAXATION**

### **14.1 General**

The Company's assets are subject to a subscription tax (taxe d'abonnement) in Luxembourg at a rate of 0.05% p.a. on net assets (except for Sub-funds or Classes which are reserved to Institutional Investors or UCIs which are subject to a tax at a reduced rate of 0.01% p.a. on net assets), payable quarterly. In the case some Sub-funds are invested in other Luxembourg UCIs, which in turn are subject to the subscription tax provided for by the 2010 Act, no subscription tax is due by the Company on the portion of assets invested therein. Are exempt from the subscription tax, Sub-funds (i) whose Shares are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and (ii) whose exclusive objective is to replicate the performance of one or more indices, it being understood that this condition of exclusive objective does not prevent the management of liquid assets, if any, on an ancillary basis, or the use of techniques and instruments used for hedging or for purposes of efficient portfolio management. In case of several Classes within a Sub-fund, the exemption only applies to

the Classes fulfilling condition (i) above. Moreover, and without prejudice to additional or alternative criteria that may be determined by applicable law, the index referred to under condition (ii) above must represent an adequate benchmark for the market to which it refers and must be published in an appropriate manner.

The Company is neither subject to corporation taxes nor net wealth tax in Luxembourg. Income received by 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 *ad valorem* 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.

The information referred to in the previous paragraph is limited to the taxation of the Shareholders in Luxembourg in respect of their investment in the Shares and does not include an analysis of their taxation resulting from the underlying investments of the Company.

## 14.2 Automatic Exchange of Information

European Directive 2014/107/EU of 9 December 2014 (the 'Directive') amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, like other international agreements, such as those that have been or will be adopted in connection with the information exchange standard developed by the OECD (more generally known as the 'Common Reporting Standard' or 'CRS'), require participating jurisdictions to obtain information from their financial institutions and to exchange such information since 1 January 2016.

Pursuant, in particular, to the Directive, investment funds, which are considered to be Financial Institutions, are required to collect specific information intended to properly identify their Investors.

In addition, the Directive requires that the personal and financial data<sup>2</sup> of each Investor who is:

- an individual or legal entity considered to be a reportable person<sup>3</sup>, or
- a passive non-financial entity (NFE)<sup>4</sup> with controlling persons who are reportable persons<sup>5</sup>,

be reported by the Financial Institution to the competent local Tax Authorities, which will, in turn, forward such information to the Tax Authorities of the country(ies) in which the Investor resides.

If the Company's shares are held in an account with a financial institution, such institution will be responsible for reporting the required information.

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<sup>2</sup> Including, but not limited to, name, address, country of residence, tax identification number, date and place of birth, bank account number, the amount of income generated, the proceeds from sales, redemptions or refunds, and the value of the 'account' during the calendar year or upon the closure thereof.

<sup>3</sup> An individual or legal entity who is not a resident of the country in which the Company is incorporated and who is a resident of a participating country. The list of countries that participate in the automatic exchange of information may be viewed on the following website: <http://www.oecd.org/tax/automatic-exchange/>

<sup>4</sup> Non-Financial Entity, i.e. an Entity that is not a Financial Institution under the Directive.

<sup>5</sup> An individual or legal entity who is not a resident of the country in which the Company is incorporated and who is a resident of a participating country. The list of countries that participate in the automatic exchange of information may be viewed on the following website: <http://www.oecd.org/tax/automatic-exchange/>

Consequently, the Company, whether directly or indirectly (i.e. through an intermediary appointed for such purpose):

- may, at any time, request and obtain from any Investor updates to the documents and information already provided, as well as any additional document or information for any purpose whatsoever;
- is required by the Directive to report all or some of the information provided by Investors in connection with their investment in the Company to the competent local Tax Authorities.

The Investor is hereby informed of the potential risk of an inaccurate and/or erroneous exchange of information in the event the information he provides ceases to be accurate or complete. In the event of a change that impacts the information provided, the Investor shall promptly inform the Company (or any intermediary it appoints for such purpose) and furnish, if necessary, a new certificate within 30 days from the event that causes the information to become inaccurate or incomplete.

The mechanisms and scope of this information exchange regime may change over time. Each Investor is recommended to consult his own tax adviser to determine the impact that the CRS provisions may have on an investment in the Company.

In Luxembourg, under the Act of 2 August 2002 relating to the protection of individuals in relation to the processing of personal data, the Investor has a right to access and rectify data about him that are reported to the Tax Authorities. These data are kept by the Company (or any intermediary it appoints for such purpose) in accordance with the provisions of that Act.

### **14.3 Other jurisdictions**

Interest, dividend and other income realised by the Company on the sale of securities, 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 bear 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.

### **14.4 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.

## 15. CONFLICTS OF INTEREST

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

### Interested dealings

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

- contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company, in securities in any company or body any of whose investments or obligations form part of the assets of the Company or any Sub-fund, or be interested in any such contracts or transactions;
- invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party;
- act as counterparty to the derivative transactions or contracts entered on behalf of the Company or act as index sponsor or calculation agent in respect of underlyings to which the Company will be exposed via derivative transactions; and
- deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the Company through, or with, the Investment Manager or the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof.

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

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.

Notwithstanding anything to the contrary herein and unless otherwise provided for in a Special Section for a particular Sub-fund, the Management Company, the Investment Manager or the Investment Adviser and their respective Affiliates may actively engage in transactions on behalf of other investment funds and accounts which involve the same securities and instruments in which the Sub-funds will invest. The Management Company, the Investment Manager or the Investment Adviser and their respective Affiliates may provide investment management/advisory services to other investment funds and accounts that have investment objectives similar or dissimilar to those of the Sub-funds and/or which may or may not follow investment programs similar to the Sub-funds, and in which the Sub-funds will have no interest. The portfolio strategies of the Management Company, the Investment Manager or the Investment Adviser and their respective Affiliates used for other investment funds or accounts could conflict with the transactions and strategies advised by the Management Company, the Investment Manager or the Investment Adviser in managing a Sub-fund and affect the prices and availability of the securities and instruments in which such Sub-fund invests.

The Management Company, the Investment Manager or the Investment Adviser and their respective Affiliates may give advice or take action with respect to any of their other clients which may differ from the advice given or the timing or nature of any action taken with respect to investments of a Sub-fund. The Management Company, the Investment Manager or the Investment Adviser have no obligation to advise any investment opportunities to a Sub-fund which they may advise to other clients.

The Management Company, the Investment Manager or the Investment Adviser will devote as much of their time to the activities of a Sub-fund as they deem necessary and appropriate. The Management Company, the Investment Manager or the Investment Adviser and their respective Affiliates are not restricted from forming additional investment funds, from entering into other investment advisory/management relationships, or from engaging in other business activities, even though such activities may be in competition with a Sub-fund. These activities will not qualify as creating a conflict of interest.

Additional considerations relating to conflicts of interest may be applicable, as the case may be, for a specific Sub-fund as further laid down in the relevant Special Section.

## **PART B – SPECIAL SECTIONS**

## SPECIAL SECTION 1 – LAKEFIELD UCITS-SICAV – DYNAMIC GLOBAL CORE

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to the Lakefield UCITS-SICAV – Dynamic Global Core (the **Sub-fund**).

### 1. INVESTMENT OBJECTIVE, STRATEGY AND POLICY

#### INVESTMENT OBJECTIVE AND STRATEGY

Lakefield UCITS-SICAV - Dynamic Global Core's objective is to optimize portfolio returns while observing a global quantitative system with monthly rebalancings. The Sub-fund aims at capital preservation in bear markets and at capital appreciation in bull markets in a risk-controlled manner. The dynamic allocations are determined in a systematic investment process supported by a proprietary model with proven, multi-year track record. Based on short-term performance expectations, allocations to equities are made along the regional and sectorial lines, and in the case of fixed income instruments across different maturities and credit quality criteria.

The Sub-fund has an absolute return-oriented strategy, long-only and employs no leverage. The weights allocated to the various asset classes, and sub-asset classes, may vary substantially over time and are rebalanced monthly to take into account current and expected market developments.

The Sub-fund's mix of asset and sub-asset classes is expected to be as follows:

Cash	Fixed Income		Global Equities	
Short-term cash and cash equivalents	<b>Sovereign Debt</b> Sovereign Debt 1-3 Y Sovereign Debt 7-10 Y Sovereign Debt 20+ Y Emerging Market Debt	<b>Corporate Debt</b> Corp. Invest. Grade Corp. High Yield Emerging Market Corp.	<b>Global Sectors</b> Basic Materials Consumer Non-Discrete Consumer Discretionary Financials Health Care Industrials Oil & Gas Technology Telecommunications Utilities	<b>Global Regions</b> North America Latin America Europe ex-UK UK Japan Asia/Pacific ex-Japan

The Sub-fund's portfolio will be evaluated monthly by the Investment Manager. The Investment Manager is not required to rebalance a particular security if its current weight falls within an acceptable range around the optimized portfolio weight.

The Sub-fund's investment policy is based on fundamental economic theories and employs sophisticated econometric techniques. Effectively, the proprietary model that underlies the Sub-fund acts as an external advisor to the Investment Manager, making recommendations that are objective and independent, devoid of emotional content and unbiased with respect to existing portfolio holdings. Technically speaking, the model gives asset allocation, duration bucketing as well as sector rotation recommendations. The optimal asset allocation and sector rotation recommendations are revised monthly and tactically adjusted as needed. The investment policy will be flexible in terms of geographic and sector allocation.

## INVESTMENT POLICY

In order to achieve its objectives, the Sub-fund will gain exposure to both the equity and debt universes and will invest in a broadly diversified portfolio containing global equities, bonds and cash. The allocation will be done either directly or indirectly through other UCITS and/or UCIs (including exchange traded funds) eligible for investment pursuant to Schedule 1. The allocation of the portfolio between the different asset classes may vary according to the Investment Manager's expectations. The Sub-fund's allocation among asset classes is expected to remain within the following limits:

Asset Class	Max Allocation
• Sub-asset Class	
<b>Cash and cash equivalents</b>	100%
<b>Fixed Income</b>	100%
• Sovereign Bonds	100%
• Investment Grade Debt	100%
• Emerging Market Debt	50%
• High Yield Debt	50%
<b>Equities</b>	100%
• Developed Markets	100%
• Emerging Markets	50%

The Sub-fund may also invest up to a maximum of 10% of its net assets in structured products. The term "structured products" refers to transferable securities issued by first class financial institutions aiming at restructuring the investment characteristics of certain other investments (the "underlying assets"). As such, financial institutions issue transferable securities (the "structured products") whose performance is linked to that of the underlying assets. If the relevant structured products embed a derivative component, (a) the underlying assets must be in line with the investment policy of the Sub-fund and article 41 of the 2010 Act and article 2 of the Grand-ducal regulation of 8 February 2008 relating to certain definitions of the 2010 Act and (b) risks resulting out of the exposure to those underlying assets may not exceed the investment limits as detailed in Schedule 1, Section II. C. The Sub-fund will not invest (directly or indirectly) in ABS/MBS, commodities, real estate, private equity or private equity funds.

Within the limits set forth under Schedule 1, Section II. A., the Sub-fund may use eligible financial derivative instruments predominantly for efficient exposure management, risk management (e.g. hedging strategies) and exploiting investment opportunities (e.g. covered call/yield enhancement strategies). The Sub-fund will not use of derivatives to leverage its portfolio.

On an ancillary basis, the Sub-fund may hold liquid assets subject to the conditions and limits set out in Schedule 1, Section II. B. Ancillary liquid assets are limited to bank deposits at sight, such as cash held in current bank accounts - accessible at any time - to cover (ordinary or exceptional) payments or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions.



## 2. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS – SUSTAINABILITY TRANSPARENCY

The investments underlying the Sub-fund do not take into account the European Union's criteria for environmentally sustainable economic activities.

Investors should consult the chapter “Important information – General information on SFDR, the Taxonomy and sustainability risk integration” in the main part of the Prospectus.

## 3. GLOBAL EXPOSURE

The Sub-fund uses the commitment approach to monitor its global exposure.

## 4. ADDITIONAL INVESTMENT RESTRICTION

N/A

## 5. VALUATION DAY

For the purpose of this Special Section, a **Valuation Day** means each Wednesday. If such day is not a Business Day, the Valuation Day will be the following Business Day.

The Management Company or the Company may decide to publish an indicative Net Asset Value per Share for each Class in the Sub-fund on any day which is not a Valuation Day. This indicative Net Asset Value per Share will be published for information purpose only. For the avoidance of doubt no subscriptions, redemptions or conversions will be accepted based on this indicative Net Asset Value per Share.

## 6. INVESTMENT MANAGER

With the approval of the Company, the Management Company has appointed Lakefield Partners AG as the investment manager of the Sub-fund (the **Investment Manager**) pursuant to an investment management agreement entered into between the Company, the Management Company and the Investment Manager with effect as of 15 November 2021 (the **Investment Management Agreement**).

The Investment Manager is a company formed under the laws of Switzerland with registered office at 281, Seefeldstrasse, CH-8008 Zurich, Switzerland.

The Investment Manager will be remunerated out of the assets of the Sub-fund and will be entitled to the Investment Management Fee described in Sections 7 and 11.2 of this Special Section.

The Investment Management Agreement may be terminated by either party upon a three months' written notice. It may be terminated without notice in certain circumstances as set out in the Investment Management Agreement.

## 7. CLASSES

7.1 For the time being, the following Classes are available for subscription by investors:

<b>Share classes</b>	Class A (EUR), Class B (USD), Class C (CHF), Class D (GBP),	Class Z (EUR), Class Z (USD), Class Z (CHF), Class Z(GBP)	Class Dist (EUR), Class Dist (USD), Class Dist (CHF)
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<b>Eligible Investors</b>	Any type of investor	Institutional Investors (see item (i) below)	Any type of investor
<b>Initial Subscription Price</b>	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100
<b>Minimum, and Minimum Subsequent, Subscription</b>	1 share	1 share	1 share
<b>ISIN</b>	Class A: LU0618355985 Class B: LU0618382104 Class C: LU0618388994 Class D: LU1225538765	Class Z (EUR): LU1225538922 Class Z (USD): LU1225539144 Class Z (CHF): LU1225539490 Class Z (GBP): LU1225539656	Class Dist (EUR): LU1401139131 Class Dist (USD): LU1401139214 Class Dist (CHF): LU1401139305
<b>Distribution / Accumulation</b>	Accumulation	Accumulation	Distribution
<b>Management Company Fee</b>	Max. 0.20% p.a. (see item (ii) below)		
<b>Investment management fee</b>	Max. 1.25% p.a., see section 11.2 below	N/A	Max. 1.25% p.a., see section 11.2 below
<b>Performance Fee</b>	See section 11.3 below	N/A	See section 11.3 below
<b>Subscription tax rate</b>	0.05%	0.01%	0.05%

- (i) Class Z Shares are reserved exclusively for subscription and holding by (a) Institutional Investors (b) who, at the time the relevant subscription order is received, are clients of the Investment Manager. As Class Z Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of the Investment Manager and is charged management and/or performance fees directly by the Investment Manager, no management fees or performance fees will be payable in respect of Class Z Shares out of the net assets of the Sub-fund. Class Z Shares will bear their pro-rata share of the fees payable to the Management Company, as well as of other charges and expenses.
- (ii) The fees and costs of the Administrative Agent, the Registrar and Transfer Agent, the Depositary, the Auditor for their functions is paid by the Management Company out of the management company fee it receives conform to common practice in Luxembourg. Moreover, the management company fee includes inter alia the following services: fund administration/reporting, risk management and corporate secretary services (including domiciliation services).

## 8. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS

### Ongoing Subscriptions

Ongoing subscriptions for Shares can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by fax, swift or any other transmission method allowed by the Management Company to the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Registrar and Transfer Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 at the latest 2 Business Days after the relevant NAV Calculation Day.

No subscription fee is foreseen in this Sub-fund.

### **Redemption**

Redemption requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made no later than 2 Business Days following the relevant NAV Calculation Day.

No redemption fee is foreseen in this Sub-fund.

### **Conversion**

Conversion requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 6 of the General Section. Conversion request must be received by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest by the Registrar and Transfer Agent.

## **9. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **10. REFERENCE CURRENCY AND HEDGING**

The Reference Currency of the Sub-fund is the USD.

In relation to Classes that are denominated in a currency other than the Reference Currency of the Sub-fund, the Company may employ techniques and instruments intended

to provide protection (full or partial, as the case may be) so far as possible against movements of the currency in which the relevant Class is denominated against movements in the Reference Currency of the Sub-fund. All costs and gains/losses of such hedging transactions are borne separately by the respective Classes. These Classes will not be leveraged as a result of such currency exposure. Although the Company intends to utilise such currency hedging transactions in respect of the Classes of the Sub-fund that are not denominated in the Reference Currency of the Sub-fund, it will not be obliged to do so.

Likewise, in relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk borne by the holder of that Class arising out of (adverse) currency exchange rate changes.

## **11. MANAGEMENT COMPANY FEE, MANAGEMENT FEE, PERFORMANCE FEE AND DEPOSITARY FEE**

### **Management Company Fee**

- 11.1 The Management Company is entitled to the Management Company Fee as described in Section 7 of this Special Section, based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### **Investment Management Fee**

- 11.2 The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 7 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### **Performance Fee**

- 11.3 The Investment Manager shall also receive a performance fee (the **Performance Fee**) out of the assets of each Class and calculated on a Class-by-Class basis. The Performance Fee is calculated and accrued on each Valuation Day on the basis of the Net Asset Value of the relevant Class, net of all costs (including the Investment Management Fee but not the Performance Fee) adjusted in order to take into account all subscriptions during the period of calculation of the Performance Fee so as not to impact the calculation of the Performance Fee.

The crystallization frequency is yearly.

The Performance Fee shall be equal to 10 % of the increase in the Net Asset Value per Share of the relevant Class and shall be calculated by applying the High-on-High (HoH) model, a performance fee model whereby the Performance Fee may only be charged if the Net Asset Value per Share of the relevant Class exceeds the Net Asset Value at which the performance fee was last crystallized. Accordingly, no Performance Fee can be accrued or paid until the losses for such period (if any) in respect of the relevant Class are recovered.

The High-Water Mark is defined, with respect to each Class, as the greater of the two following values:

- the initial Net Asset Value per Share of the relevant Class;

- the last Net Asset Value per Share of the relevant Class at which the Performance Fee was last crystallized.

If the Net Asset Value per Share of the relevant Class is lower than the High-Water Mark, no Performance Fee shall accrue in respect of that Class.

If redemptions in a Class are made on a date other than the date of payment of the Performance Fee, but where Performance Fees have been accrued, the portion of the accruals attributable to such redemptions shall be crystallized and paid within 90 Business Days after the end of the relevant annual Performance Fee calculation period with respect to that Class.

The first calculation period for the Performance Fee shall begin on the Valuation Day following the close of the initial subscription period of each Class and shall terminate at the end of December each year. The subsequent calculation period shall commence annually the first Business Day in January each year. The Performance Fee, if any, will be paid within 90 Business Days after the end of the relevant annual Performance Fee calculation period.

The following example is intended to illustrate the calculation system of the Performance Fee schematically:

	Valuation Day	High Water Mark	NAV	Performance Fee (per share)	NAV before Performance Fee
	31.12.2020	100,00	100,00	0,00	100,00
<b>Year 1</b>	31.01.2021	100,00	95,00	0,00	95,00
	28.02.2021	100,00	101,80	<b>0,20</b>	102,00
	31.03.2021	100,00	104,91	<b>0,55</b>	105,45
	...				
	31.10.2021	100,00	104,32	<b>0,48</b>	104,80
	30.11.2021	100,00	104,68	<b>0,52</b>	105,20
	31.12.2021	100,00	106,75	<b>0,75</b>	107,50
	At the end of the review period, a Performance Fee of 0,75 is accrued per share and paid out. This sets the new High Water Mark of 106,75 for the subsequent period under review.				
<b>Year 2</b>	31.01.2022	106,75	106,75	0,00	106,75
	28.02.2022	106,75	105,50	0,00	105,50
	31.03.2022	106,75	108,33	<b>0,18</b>	108,50
	...				
	31.10.2022	106,75	107,07	<b>0,03</b>	107,10
	30.11.2022	106,75	106,50	0,00	106,50
	31.12.2022	106,75	104,45	0,00	104,45
	At the end of the review period, the NAV does not exceed the High Water Mark, which means that no Performance Fee is paid out. The Performance Fee accrued during the review period was dissolved when the outperformance of the Class above the High Water Mark was lost. As a result, the High Water Mark of 106,75 is left for the subsequent review period.				

<b>Year 3</b>	31.01.2023	106,75	105,25	0,00	105,25
	28.02.2023	106,75	107,98	<b>0,14</b>	108,12
	31.03.2023	106,75	110,45	<b>0,41</b>	110,86
	...				
	31.10.2023	106,75	115,77	<b>1,00</b>	116,77
	30.11.2023	106,75	120,00	<b>1,47</b>	121,47
	31.12.2023	106,75	120,63	<b>1,54</b>	122,17
	At the end of the period under review, a Performance Fee of 1,54 per share is accrued and paid out. This sets the new High Water Mark of 120,63 for the subsequent review period.				

### **Fees of the Depositary, the Administrative Agent and the Registrar and Transfer Agent**

- 11.4 Each of the Depositary, the Administrative Agent and the Registrar and Transfer Agent is entitled to receive a fee payable quarterly in arrears out of the management company fee of each Class of the Sub-fund at the rate set out in Section 7 of this Special Section, based on the average NAV of the relevant Class over the relevant period.

### **12. PROFILE OF THE TYPICAL INVESTOR**

The Sub-fund is suitable for investors who would like to (a) have an exposure to stocks, bonds and cash in proportions that are determined by market conditions, (b) hold broadly diversified investments globally and (c) have their investments managed based on a systematic investment process supported by a proven quantitative model.

The Sub-fund is suitable for conservative or less experienced investors including those who are not interested in or informed about capital market topics, but who see the investment fund as an integral part of their core investment strategy over the medium to long-term. It is also suitable for more experienced investors who wish to complement their portfolio with a stable investment. The investors must be able to accept moderate to high temporary losses, thus, this Sub-fund is suitable to the investors who can afford to set aside the capital for at least 5 years.

### **13. SPECIFIC RISK FACTORS**

- 13.1 In addition to the risk factors set out below, Shareholders should refer to the risk factors set out in Schedule 2.
- 13.2 **Price Adjustment Policy.** Investors should note that in certain circumstances the Net Asset Value of the Shares in the Sub-fund may be adjusted in accordance with Section 8 of the General Section (by increasing or decreasing the applicable Net Asset Value per Share by up to 2.5%). Where the adjusted price is not applicable, the Sub-fund may incur dilution which may constrain capital growth.
- 13.3 Investors should also consult the chapter "Important information – General Information on SFDR, the Taxonomy and sustainability risk" in the main part of the Prospectus for information on ESG risk.

## SPECIAL SECTION 2 – LAKEFIELD UCITS-SICAV – DYNAMIC GLOBAL BOND

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to the Lakefield UCITS-SICAV – Dynamic Global Bond (the **Sub-fund**).

### 1. INVESTMENT OBJECTIVE, STRATEGY AND POLICY

#### INVESTMENT OBJECTIVE AND STRATEGY

Lakefield UCITS-SICAV - Dynamic Global Bond's objective is to optimize portfolio returns while observing a global quantitative system and the discretionary decisions of the Investment Manager. The Sub-fund aims at capital preservation in bond bear markets and at capital appreciation in bond bull markets in a risk-controlled manner. The dynamic allocations are determined by an investment process that combines discretionary and systematic steps supported by a proprietary model with proven, multi-year track record. Based on short-term performance expectations, allocations to the various investment instruments are made across different maturities, credit quality criteria and currencies.

The Sub-fund has an absolute return-oriented strategy, long-only and employs no leverage. The weights allocated to the various asset classes, and sub-asset classes, may vary substantially over time and are rebalanced monthly to take into account current and expected market developments.

The Sub-fund's mix of asset and sub-asset classes is expected to be as follows:

Cash	Fixed Income	
Short-term cash and cash equivalents	<b>Sovereign Debt</b>	<b>Corporate Debt</b>
	Sovereign Debt 1-3 Y	Corporate Invest. Grade
	Sovereign Debt 7-10 Y	Corporate High Yield
	Sovereign Debt 20+ Y	Emerging Market Corporates
	Emerging Market Sovereign Debt	

The Sub-fund's portfolio will be rebalanced at the discretion of the Investment Manager. The Investment Manager is not required to rebalance a particular security if its current weight falls within an acceptable range around the optimized portfolio weight.

The Sub-fund's investment policy is based on fundamental economic theories and employs sophisticated econometric techniques. Effectively, the proprietary model that underlies the Sub-fund acts as an external advisor to the Investment Manager, making recommendations that are objective and independent, devoid of emotional content and unbiased with respect to existing portfolio holdings. Technically speaking, the model gives asset allocation, duration bucketing as well as credit quality rotation recommendations. The optimal asset allocation and credit quality rotation recommendations are revised monthly and tactically adjusted as needed. The investment policy will be flexible in terms of geographic and sector allocation.

#### INVESTMENT POLICY

In order to achieve its objectives, the Sub-fund will gain exposure to the bond universe and will invest in a broadly diversified portfolio of global bonds and cash. The allocation will be done either directly or indirectly through other UCITS and/or UCIs (including exchange traded funds) eligible for investment pursuant to Schedule 1. The proportion of the Sub-fund's net assets invested in UCITS and/or other UCIs may represent up to 100%.

The Sub-fund's allocation among asset classes is expected to remain within the following limits:

Asset Class	Max Allocation
• Sub-asset Class	
<b>Cash and cash equivalents</b>	100%
<b>Fixed Income</b>	100%
• Sovereign Bonds	100%
• Investment Grade Debt	100%
• Emerging Market Debt	50%
• High Yield Debt	50%

The Sub-fund may also invest up to a maximum of 10% of its net assets in structured products. The term “structured products” refers to transferable securities issued by first class financial institutions aiming at restructuring the investment characteristics of certain other investments (the “underlying assets”). As such, financial institutions issue transferable securities (the “structured products”) whose performance is linked to that of the underlying assets. If the relevant structured products embed a derivative component, (a) the underlying assets must be in line with the investment policy of the Sub-fund and article 41 of the 2010 Act and article 2 of the Grand-ducal regulation of 8 February 2008 relating to certain definitions of the 2010 Act and (b) risks resulting out of the exposure to those underlying assets may not exceed the investment limits as detailed in Schedule1, Section II. C. The Sub-fund will not (directly or indirectly) invest in ABS/MBS, commodities, real estate, private equity or private equity funds.

Within the limits set forth under Schedule 1, Section II. A., the Sub-fund may use eligible financial derivative instruments predominantly for efficient exposure management, risk management (e.g. hedging strategies) and exploiting investment opportunities (e.g. covered call/yield enhancement strategies). The Sub-fund will not use of derivatives to leverage its portfolio.

On an ancillary basis, the Sub-fund may hold liquid assets subject to the conditions and limits set out in Schedule 1, Section II.B. Ancillary liquid assets are limited to bank deposits at sight, such as cash held in current bank accounts - accessible at any time - to cover (ordinary or exceptional) payments or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions.

## **2. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS – SUSTAINABILITY TRANSPARENCY**

The investments underlying the Sub-fund do not take into account the European Union's criteria for environmentally sustainable economic activities.

Investors should consult the chapter “Important information – General information on SFDR, the Taxonomy and sustainability risk integration” in the main part of the Prospectus.

## **3. GLOBAL EXPOSURE**

The Sub-fund uses the commitment approach to monitor its global exposure.

## **4. ADDITIONAL INVESTMENT RESTRICTION**

N/A



## 5. VALUATION DAY

For the purpose of this Special Section, a **Valuation Day** means each Wednesday. If such day is not a Business Day, the Valuation Day will be the following Business Day.

The Management Company or the Company may decide to publish an indicative Net Asset Value per Share for each class in the Sub-fund on any day which is not a Valuation Day. This indicative Net Asset Value per Share will be published for information purpose only. For the avoidance of doubt no subscriptions, redemptions or conversions will be accepted based on this indicative Net Asset Value per Share.

## 6. INVESTMENT MANAGER

With the approval of the Company, the Management Company has appointed Lakefield Partners AG as the investment manager of the Sub-fund (the **Investment Manager**) pursuant to an investment management agreement entered into between the Company, the Management Company and the Investment Manager with effect as of 15 November 2021 (the **Investment Management Agreement**).

The Investment Manager is a company formed under the laws of Switzerland with registered office at 281, Seefeldstrasse, CH-8008 Zurich, Switzerland.

The Investment Manager will be remunerated out of the assets of the Sub-fund and will be entitled to the Investment Management Fee described in Sections 7 and 11.2 of this Special Section.

The Investment Management Agreement may be terminated by either party upon a three months' written notice. It may be terminated without notice in certain circumstances as set out in the Investment Management Agreement.

## 7. CLASSES

7.1 For the time being, the following Classes are available for subscription by investors:

<b>Share classes</b>	Class A (EUR), Class B (USD), Class C (CHF), Class D (GBP)	Class Z (EUR), Class Z (USD), Class Z (CHF), Class Z(GBP)	Class Dist (EUR), Class Dist (USD), Class Dist (CHF)
<b>Eligible Investors</b>	Any type of investor	Institutional Investors (see item (i) below)	Any type of investor
<b>Initial Subscription Price</b>	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100
<b>Minimum, and Minimum Subsequent, Subscription</b>	1 share	1 share	1 share
<b>ISIN</b>	Class A: LU1225539813 Class B: LU1225540076 Class C: LU1225540233 Class D: LU1225540407	Class Z (EUR): LU1225540662 Class Z (USD): LU1225540829 Class Z (CHF): LU1225541124 Class Z (GBP): LU1225541470	Class Dist (EUR): LU1401139487 Class Dist (USD): LU1401139560 Class Dist (CHF): LU1401139644

<b>Distribution / Accumulation</b>	Accumulation	Accumulation	Distribution
<b>Management Company Fee</b>	Max. 0.20% p.a. (see item (ii) below)		
<b>Investment management fee</b>	Max. 1.25% p.a., see section 11.2 below	N/A	Max. 1.25% p.a., see section 11.2 below
<b>Performance Fee</b>	N/A		
<b>Subscription tax rate</b>	0.05%	0.01%	0.05%

- (i) Class Z Shares are reserved exclusively for subscription and holding by (a) Institutional Investors (b). who, at the time the relevant subscription order is received, are clients of the Investment Manager. As Class Z Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of the Investment Manager and is charged management and/or performance fees directly by the Investment Manager, no management fees or performance fees will be payable in respect of Class Z Shares out of the net assets of the Sub-fund. Class Z Shares will bear their pro-rata share of the fees payable to the Management Company, as well as of other charges and expenses.
- (ii) The fees and costs of the Administrative Agent, the Registrar and Transfer Agent, the Depositary, the Auditor for their functions is paid by the Management Company out of the management company fee it receives conform to common practise in Luxembourg. Moreover, the management company fee includes inter alia the following services: fund administration/reporting, risk management and corporate secretary services (including domiciliation services).

## 8. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS

### Ongoing Subscriptions

Ongoing subscriptions for Shares can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by fax, swift or any other transmission method allowed by the Management Company to the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Registrar and Transfer Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 at the latest 2 Business Days after the relevant NAV Calculation Day.

No subscription fee is foreseen in this Sub-fund.

## **Redemption**

Redemption requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made no later than 2 Business Days following the relevant NAV Calculation Day.

No redemption fee is foreseen in this Sub-fund.

## **Conversion**

Conversion requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 60 of the General Section. Conversion request must be received by 11:00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest by the Registrar and Transfer Agent.

## **9. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **10. REFERENCE CURRENCY AND HEDGING**

The Reference Currency of the Sub-fund is the USD.

In relation to Classes that are denominated in a currency other than the Reference Currency of the Sub-fund, the Company may employ techniques and instruments intended to provide protection (full or partial, as the case may be) so far as possible against movements of the currency in which the relevant Class is denominated against movements in the Reference Currency of the Sub-fund. All costs and gains/losses of such hedging transactions are borne separately by the respective Classes. These Classes will not be leveraged as a result of such currency exposure. Although the Company intends to utilise such currency hedging transactions in respect of the Classes of the Sub-fund that are not denominated in the Reference Currency of the Sub-fund, it will not be obliged to do so.

Likewise, in relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk borne by the holder of that Class arising out of (adverse) currency exchange rate changes.

## **11. MANAGEMENT COMPANY FEE, MANAGEMENT FEE, PERFORMANCE FEE AND DEPOSITARY FEE**

### **Management Company Fee**

- 11.1 The Management Company is entitled to the Management Company Fee as described in Section 7 of this Special Section, based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### **Investment Management Fee**

- 11.2 The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 7 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### **Fees of the Depositary, the Administrative Agent and the Registrar and Transfer Agent**

- 11.3 Each of the Depositary, the Administrative Agent and the Registrar and Transfer Agent is entitled to receive a fee payable quarterly in arrears out of the management company fee of each Class of the Sub-fund at the rate set out in Section 7 of this Special Section, based on the average NAV of the relevant Class over the relevant period.

## **12. PROFILE OF THE TYPICAL INVESTOR**

The Dynamic Global Bond strategy is well suited for investors who would like to (a) have an exposure to fixed income investments in proportions that are determined by market conditions, (b) hold broadly diversified fixed income investments globally and (c) have their investments managed based on a systematic investment process supported by a proven quantitative model.

The Sub-fund is suitable for conservative or less experienced investors including those who are not interested in or informed about capital market topics, but who see investment fund as an integral part of their core investment strategy over the medium to long-term. It is also suitable for more experienced investors who wish to complement their portfolio with a stable investment. The investors must be able to accept moderate to high temporary losses, thus, this Sub-fund is suitable to the investors who can afford to set aside the capital for at least 3 years.

## **13. SPECIFIC RISK FACTORS**

- 13.1 In addition to the risk factors set out below, Shareholders should refer to the risk factors set out in Schedule 2.
- 13.2 **Price Adjustment Policy.** Investors should note that in certain circumstances the Net Asset Value of the Shares in the Sub-fund may be adjusted in accordance with Section 8 of the General Section (by increasing or decreasing the applicable Net Asset Value per Share by up to 2.5%). Where the adjusted price is not applicable, the Sub-fund may incur dilution which may constrain capital growth.
- 13.3 Investors should also consult the chapter "Important information – General Information on SFDR, the Taxonomy and sustainability risk" in the main part of the Prospectus for information on ESG risk.



### SPECIAL SECTION 3 – LAKEFIELD UCITS-SICAV – DYNAMIC WORLD EQUITY

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to the Lakefield UCITS-SICAV – Dynamic World Equity (the **Sub-fund**).

#### 1. INVESTMENT OBJECTIVE, STRATEGY AND POLICY

##### INVESTMENT OBJECTIVE AND STRATEGY

The Sub-fund’s objective is to optimize portfolio returns while observing a global quantitative system with monthly rebalancings. The Sub-fund aims at achieving a positive excess return against its benchmark across a market cycle in a risk-controlled manner. The dynamic allocations are determined in a systematic investment process supported by a proprietary model with proven, multi-year track record. Based on short-term performance expectations, allocations to equities are made along the regional and sectorial lines, as well as environmental, social and governance (ESG) considerations. The Sub-fund invests in a broadly diversified portfolio containing global equities and cash. Weights allocated to the individual categories in the Sub-fund can vary widely. The asset allocation evolves over time in line with the latest market developments using active, flexible asset allocation.

The Sub-fund’s mix of asset and sub-asset classes is expected to be as follows:

Cash	Global Equities	
Short-term cash and cash equivalents	<b>Global Sectors</b>	<b>Global Regions</b>
	Basic Materials	North America
	Consumer Non-Discret.	Latin America
	Consumer Discretionary	Europe ex-UK
	Financials	UK
	Health Care	Japan
	Industrials	Asia/Pacific ex-Japan
	Oil & Gas	
	Technology	
	Telecommunications	
	Utilities	

The Sub-fund has a relative return-oriented strategy, long-only and employs no leverage.

The Sub-fund’s portfolio will be evaluated monthly by the Investment Manager. The Investment Manager is not required to rebalance a particular security if its current weight falls within an acceptable range around the optimized portfolio weight.

The Sub-fund’s investment policy is based on fundamental economic theories and employs sophisticated econometric techniques. Effectively, the proprietary model that underlies the Sub-fund acts as an external advisor to the Investment Manager, making recommendations that are objective and independent, devoid of emotional content and unbiased with respect to existing portfolio holdings. The optimal asset allocation and sector rotation recommendations are revised monthly and tactically adjusted as needed. The investment policy will be flexible in terms of geographic and sector allocation.

It is ensured that more than 50% of the Sub-fund’s net assets is invested in common stocks that constitute “equity participations” for purposes of the German Investment Tax Act 2018 (“GITA 2018”). The term “equity participation” includes common stocks that are publicly traded on an established stock exchange. Investments in REITs, equity-swaps, ADRs/GDRs and similar access products are not deemed to be equity participations.

## INVESTMENT POLICY

In order to achieve its objectives, the Sub-fund will gain exposure to the equity universe. This universe is composed of securities selected on the basis of economic and financial analyses as well as environmental, social and governance (ESG) considerations. The allocation will be done either directly or indirectly through other UCITS and/or UCIs (including exchange traded funds) eligible for investment pursuant to Schedule 1. The proportion of the Sub-fund's net assets invested in UCITS and/or other UCIs may represent up to 100%. The allocation of the portfolio between the different asset classes, as well as across the developed/emerging divide will vary according to the Investment Manager's expectations, and will fall within the following limits:

Asset Class	Max Allocation
<ul style="list-style-type: none"> <li>• Sub-asset Class</li> </ul>	
<b>Cash and cash equivalents</b>	40%
<b>Equities</b>	100%
<ul style="list-style-type: none"> <li>• Developed Markets</li> </ul>	100%
<ul style="list-style-type: none"> <li>• Emerging Markets</li> </ul>	50%

The Sub-fund may also invest up to a maximum of 10% of its net assets in structured products. The term "structured products" refers to transferable securities issued by first class financial institutions aiming at restructuring the investment characteristics of certain other investments (the "underlying assets"). As such, financial institutions issue transferable securities (the "structured products") whose performance is linked to that of the underlying assets. If the relevant structured products embed a derivative component, (a) the underlying assets must be in line with the investment policy of the Sub-fund and article 41 of the 2010 Act and article 2 of the Grand-ducal regulation of 8 February 2008 relating to certain definitions of the 2010 Act and (b) risks resulting out of the exposure to those underlying assets may not exceed the investment limits as detailed in Schedule 1, Section II. C. The Sub-fund will not (directly or indirectly) invest in ABS/MBS, commodities, real estate, private equity or private equity funds.

Within the limits set forth under Schedule 1, Section II. A., the Sub-fund may use eligible financial derivative instruments predominantly for efficient exposure management, risk management (e.g. hedging strategies) and exploiting investment opportunities (e.g. covered call/yield enhancement strategies). The Sub-fund will not use of derivatives to leverage its portfolio.

On an ancillary basis, the Sub-fund may hold liquid assets subject to the conditions and limits set out in Schedule 1, Section II.B. Ancillary liquid assets are limited to bank deposits at sight, such as cash held in current bank accounts - accessible at any time - to cover (ordinary or exceptional) payments or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions.

## 2. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS – SUSTAINABILITY TRANSPARENCY

The investments underlying the Sub-fund do not take into account the European Union's criteria for environmentally sustainable economic activities.

Investors should consult the chapter “Important information – General information on SFDR, the Taxonomy and sustainability risk integration” in the main part of the Prospectus.

## 3. GLOBAL EXPOSURE

The Sub-fund uses the commitment approach to monitor its global exposure.

## 4. ADDITIONAL INVESTMENT RESTRICTION

N/A

## 5. VALUATION DAY

For the purpose of this Special Section, a **Valuation Day** means each Wednesday. If such day is not a Business Day, the Valuation Day will be the following Business Day.

The Management Company or the Company may decide to publish an indicative Net Asset Value per Share for each class in the Sub-fund on any day which is not a Valuation Day. This indicative Net Asset Value per Share will be published for information purpose only. For the avoidance of doubt no subscriptions, redemptions or conversions will be accepted based on this indicative Net Asset Value per Share.

## 6. INVESTMENT MANAGER

With the approval of the Company, the Management Company has appointed Lakefield Partners AG as the investment manager of the Sub-fund (the **Investment Manager**) pursuant to an investment management agreement entered into between the Company, the Management Company and the Investment Manager with effect as of 15 November 2021 (the **Investment Management Agreement**).

The Investment Manager is a company formed under the laws of Switzerland with registered office at 281, Seefeldstrasse, CH-8008 Zurich, Switzerland.

The Investment Manager will be remunerated out of the assets of the Sub-fund and will be entitled to the Investment Management Fee described in Sections 7 and 11.2 of this Special Section.

The Investment Management Agreement may be terminated by either party upon a three months' written notice. It may be terminated without notice in certain circumstances as set out in the Investment Management Agreement.

## 7. CLASSES

7.1 For the time being, the following Classes are available for subscription by investors:

Share classes	Class A (EUR), Class B (USD), Class C (CHF), Class	Class Z (EUR), Class Z (USD), Class Z (CHF), Class Z (GBP)	Class Dist (EUR), Class Dist (USD), Class Dist (CHF)
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	D (GBP)		
<b>Eligible Investors</b>	Any type of investor	Institutional Investors (see item (i) below)	Any type of investor
<b>Initial Subscription Price</b>	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100
<b>Minimum, and Minimum Subsequent, Subscription</b>	1 share	1 share	1 share
<b>ISIN</b>	Class A: LU1225541637 Class B: LU1225541801 Class C: LU1225542015 Class D: LU1225542288	Class Z (EUR): LU1225542445 Class Z (USD): LU1225542791 Class Z (CHF): LU1225542957 Class Z (GBP): LU1225543179	Class Dist (EUR): LU1401139727 Class Dist (USD): LU1401139990 Class Dist (CHF): LU1401140063
<b>Distribution / Accumulation</b>	Accumulation	Accumulation	Distribution
<b>Management Company Fee</b>	Max. 0.20% (see item (ii) below)		
<b>Investment management fee</b>	Max. 1.25% p.a., see section 11.2 below	N/A	Max. 1.25% p.a., see section 11.2 below
<b>Performance Fee</b>	N/A		
<b>Subscription tax rate</b>	0.05%	0.01%	0.05%

- (i) Class Z Shares are reserved exclusively for subscription and holding by (a) Institutional Investors (b) who, at the time the relevant subscription order is received, are clients of the Investment Manager. As Class Z Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of the Investment Manager and is charged management and/or performance fees directly by the Investment Manager, no management fees or performance fees will be payable in respect of Class Z Shares out of the net assets of the Sub-fund. Class Z Shares will bear their pro-rata share of the fees payable to the Management Company, as well as of other charges and expenses.
- (ii) The fees and costs of the Administrative Agent, the Registrar and Transfer Agent, the Depositary, the Auditor for their functions is paid by the Management Company out of the management company fee it receives conform to common practise in Luxembourg. Moreover, the management company fee includes inter alia the following services: fund administration/reporting, risk management and corporate secretary services (including domiciliation services).

## 8. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS

### Ongoing Subscriptions

Ongoing subscriptions for Shares can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by fax, swift or any other transmission method allowed by the Management Company to the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Registrar and Transfer Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 at the latest 2 Business Days after the relevant NAV Calculation Day.

No subscription fee is foreseen in this Sub-fund.

### **Redemption**

Redemption requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made no later than 2 Business Days following the relevant NAV Calculation Day.

No redemption fee is foreseen in this Sub-fund.

### **Conversion**

Conversion requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 6 of the General Section. Conversion request must be received by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest by the Registrar and Transfer Agent.

## **9. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **10. REFERENCE CURRENCY AND HEDGING**

The Reference Currency of the Sub-fund is the USD.

In relation to Classes that are denominated in a currency other than the Reference Currency of the Sub-fund, the Company may employ techniques and instruments intended to provide protection (full or partial, as the case may be) so far as possible against movements of the currency in which the relevant Class is denominated against movements in the Reference Currency of the Sub-fund. All costs and gains/losses of such hedging transactions are borne separately by the respective Classes. These Classes will not be leveraged as a result of such currency exposure. Although the Company intends to utilise such currency hedging transactions in respect of the Classes of the Sub-fund that are not denominated in the Reference Currency of the Sub-fund, it will not be obliged to do so.

Likewise, in relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk borne by the holder of that Class arising out of (adverse) currency exchange rate changes.

## **11. MANAGEMENT COMPANY FEE, MANAGEMENT FEE, PERFORMANCE FEE AND DEPOSITARY FEE**

### **Management Company Fee**

- 11.1 The Management Company is entitled to the Management Company Fee as described in Section 7 of this Special Section, based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### **Investment Management Fee**

- 11.2 The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 7 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### **Fees of the Depositary, the Administrative Agent and the Registrar and Transfer Agent**

- 11.3 Each of the Depositary, the Administrative Agent and the Registrar and Transfer Agent is entitled to receive a fee payable quarterly in arrears out of the management company fee of each Class of the Sub-fund at the rate set out in Section 7 of this Special Section, based on the average NAV of the relevant Class over the relevant period.

## **12. PROFILE OF THE TYPICAL INVESTOR**

The Sub-fund is suitable for investors who would like to (a) have exposure to stocks, and to a lesser extent cash, in proportions that are determined by market conditions, (b) hold broadly diversified investments globally and (c) have their investments managed based on a systematic investment process supported by a proven quantitative model. The Sub-fund is suitable for experienced investors who are interested and/or informed about capital market topics, who wish to complement their investment portfolio with a systematic world equity strategy. The investors must be able to accept significant losses, thus, this Sub-fund is suitable to the investors who can afford to set aside the capital for at least 7 years.

## **13. SPECIFIC RISK FACTORS**

- 13.1 In addition to the risk factors set out below, Shareholders should refer to the risk factors set out in Schedule 2.

- 13.2 **Price Adjustment Policy.** Investors should note that in certain circumstances the Net Asset Value of the Shares in the Sub-fund may be adjusted in accordance with Section 8 of the General Section (by increasing or decreasing the applicable Net Asset Value per Share by up to 2.5%). Where the adjusted price is not applicable, the Sub-fund may incur dilution which may constrain capital growth.
- 13.3 Investors should also consult the chapter "Important information – General Information on SFDR, the Taxonomy and sustainability risk" in the main part of the Prospectus for information on ESG risk.

## **SPECIAL SECTION 4 – LAKEFIELD UCITS-SICAV – SWISS MID & SMALL CAP EQUITY**

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to the Lakefield UCITS-SICAV – Swiss Mid & Small Cap Equity (the **Sub-fund**).

### **1. INVESTMENT OBJECTIVE, STRATEGY AND POLICY**

#### INVESTMENT OBJECTIVE AND STRATEGY

The Sub-Funds objective is to achieve long-term capital appreciation through investments in equities. The investment universe notably includes equities of small and mid-cap companies that are admitted to or dealt in on Switzerland exchanges and markets, that are regulated, operating regularly, recognised and open to the public, as well as cash and cash equivalents.

The Sub-Fund aims at achieving a positive excess return against the Swiss Performance Index (SPI) across a market cycle in a risk-controlled manner. The Sub-Fund invests in a broadly diversified portfolio of equities.

The Sub-Fund has a relative return-oriented strategy, long-only and employs no leverage. The strategy aims at outperforming the SPI through a favourable selection of equities. The investment decisions are at the discretion of the manager and are supported by a quantitative financial model. The model helps to enhance the quality of investment decisions and to ensure consistent decisions over time. The timing of investment decisions and portfolio transactions are at the discretion of the manager.

It is ensured that more than 50% of the Sub-fund's net assets is invested in common stocks that constitute "equity participations" for purposes of the German Investment Tax Act 2018 ("GITA 2018"). The term "equity participation" includes common stocks that are publicly traded on an established stock exchange. Investments in REITs, equity-swaps, ADRs/GDRs and similar access products are not deemed to be equity participations.

#### INVESTMENT POLICY

The Sub-Fund's investment policy is based on fundamental research supported by a financial model. In order to achieve its objectives, the Sub-Fund will gain exposure in the Equity Universe either directly through investment in single stocks or indirectly through instruments underlying equities such as target UCITS/UCIs (including those established as ETFs) or eligible financial derivative instruments. The allocation of the portfolio will fall within the following limits:

- Equity Universe: 60-100%
- Cash and cash equivalents: 0-40%

Eligible financial derivative instruments may be used for hedging and/or investment purposes. The Sub-Fund will not use derivatives to create leverage.

However, the Sub-Fund may invest a maximum of 10% of its assets in units or shares of other UCITS and/or UCIs in order to be eligible as a coordinated UCITS, within the meaning of Directive 2009/65/EC.

The Sub-Fund may hold cash and cash equivalents within the limits as defined above. In exceptional market conditions, the Sub-Fund may invest up to 100% of its net assets in cash or cash equivalents, term deposits, debt securities and money market instruments whose maturity does not exceed 12 months, monetary UCITS/UCIs, in compliance with the investment restrictions and principle of risk spreading set forth under Schedule 1. There is no restriction so as to the currency of these securities. Term deposits and liquid assets may not exceed 20% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Depositary may not exceed 20% of the Sub-Fund's net assets.

## **2. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS – SUSTAINABILITY TRANSPARENCY**

The investments underlying the Sub-fund do not take into account the European Union's criteria for environmentally sustainable economic activities.

Investors should consult the chapter "Important information – General information on SFDR, the Taxonomy and sustainability risk integration" in the main part of the Prospectus.

## **3. GLOBAL EXPOSURE**

The Sub-fund uses the commitment approach to monitor its global exposure.

## **4. ADDITIONAL INVESTMENT RESTRICTION**

N/A

## **5. VALUATION DAY**

For the purpose of this Special Section, a **Valuation Day** means each Wednesday. If such day is not a Business Day, the Valuation Day will be the following Business Day.

The Management Company or the Company may decide to publish an indicative Net Asset Value per Share for each class in the Sub-fund on any day which is not a Valuation Day. This indicative Net Asset Value per Share will be published for information purpose only. For the avoidance of doubt no subscriptions, redemptions or conversions will be accepted based on this indicative Net Asset Value per Share.

## **6. INVESTMENT MANAGER**

With the approval of the Company, the Management Company has appointed Lakefield Partners AG as the investment manager of the Sub-fund (the **Investment Manager**) pursuant to an investment management agreement entered into between the Company, the Management Company and the Investment Manager with effect as of November 15, 2021 (the **Investment Management Agreement**).

The Investment Manager is a company formed under the laws of Switzerland with registered office at 281, Seefeldstrasse, CH-8008 Zurich, Switzerland.

The Investment Manager will be remunerated out of the assets of the Sub-fund and will be entitled to the Investment Management Fee described in Sections 7 and 11.2 of this Special Section.

The Investment Management Agreement may be terminated by either party upon a three months' written notice. It may be terminated without notice in certain circumstances as set out in the Investment Management Agreement.

## 7. CLASSES

7.1 For the time being, the following Classes are available for subscription by investors:

<b>Share classes</b>	Class A (CHF), Class B (USD), Class C (EUR), Class D (GBP),	Class Z (CHF), Class Z (USD), Class Z (EUR), Class Z(GBP)	Class Dist (EUR), Class Dist (USD), Class Dist (CHF)
<b>Eligible Investors</b>	Any type of investor	Institutional Investors (see item (i) below)	Any type of investor
<b>Initial Subscription Price</b>	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100
<b>Minimum, and Minimum Subsequent, Subscription</b>	1 share	1 share	1 share
<b>ISIN</b>	Class A: LU1441977045  Class B: LU1441977631  Class C: LU1441978019  Class D: LU1441978522	Class Z (CHF): LU1441979090  Class Z (USD): LU1441979413  Class Z (EUR): LU1441979843  Class Z (GBP): LU1441980262	Class Dist (EUR): LU1441980775  Class Dist (USD): LU1441981153  Class Dist (CHF): LU1441981583
<b>Distribution / Accumulation</b>	Accumulation	Accumulation	Distribution
<b>Management Company Fee</b>	Max. 0.20% (see item (ii) below)		
<b>Investment management fee</b>	Max. 1.25% p.a., see section 11.2 below	N/A	Max. 1.25% p.a., see section 11.2 below
<b>Performance Fee</b>	N/A		
<b>Subscription tax rate</b>	0.05%	0.01%	0.05%

- (i) Class Z Shares are reserved exclusively for subscription and holding by (a) Institutional Investors (b) who, at the time the relevant subscription order is received, are clients of the Investment Manager. As Class Z Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of the Investment Manager and is charged management and/or performance fees directly by the Investment Manager, no management fees or performance fees will be payable in respect of Class Z Shares out of the net assets of the Sub-fund. Class Z Shares will bear their pro-rata share of the fees payable to the Management Company, as well as of other charges and expenses.
- (ii) The fees and costs of the Administrative Agent, the Registrar and Transfer Agent, the Depositary, the Auditor for their functions is paid by the Management Company out of the management company fee it receives conform to common practise in Luxembourg. Moreover, the management company fee includes inter alia the following services: fund administration/reporting, risk management and corporate secretary services (including domiciliation services).

## 8. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS

### Ongoing Subscriptions

Ongoing subscriptions for Shares can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by fax, swift or any other transmission method allowed by the Management Company to the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Registrar and Transfer Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 at the latest 2 Business Days after the relevant NAV Calculation Day.

No subscription fee is foreseen in this Sub-fund.

### **Redemption**

Redemption requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made no later than 2 Business Days following the relevant NAV Calculation Day.

No redemption fee is foreseen in this Sub-fund.

### **Conversion**

Conversion requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 60 of the General Section. Conversion request must be received by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest by the Registrar and Transfer Agent.



## 9. PRICE ADJUSTMENT

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## 10. REFERENCE CURRENCY AND HEDGING

The Reference Currency of the Sub-fund is the CHF.

In relation to Classes that are denominated in a currency other than the Reference Currency of the Sub-fund, the Company may employ techniques and instruments intended to provide protection (full or partial, as the case may be) so far as possible against movements of the currency in which the relevant Class is denominated against movements in the Reference Currency of the Sub-fund. All costs and gains/losses of such hedging transactions are borne separately by the respective Classes. These Classes will not be leveraged as a result of such currency exposure. Although the Company intends to utilise such currency hedging transactions in respect of the Classes of the Sub-fund that are not denominated in the Reference Currency of the Sub-fund, it will not be obliged to do so.

Likewise, in relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk borne by the holder of that Class arising out of (adverse) currency exchange rate changes.

## 11. MANAGEMENT COMPANY FEE, MANAGEMENT FEE, PERFORMANCE FEE AND DEPOSITARY FEE

### Management Company Fee

- 11.1 The Management Company is entitled to the Management Company Fee as described in Section 7 of this Special Section, based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### Investment Management Fee

- 11.2 The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 7 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### Fees of the Depositary, the Administrative Agent and the Registrar and Transfer Agent

- 11.3 Each of the Depositary, the Administrative Agent and the Registrar and Transfer Agent is entitled to receive a fee payable quarterly in arrears out of the management company fee of each Class of the Sub-fund at the rate set out in Section 7 of this Special Section, based on the average NAV of the relevant Class over the relevant period.

## 12. PROFILE OF THE TYPICAL INVESTOR

The Sub-fund is suitable for investors who would like to (a) have exposure to stocks, and to a lesser extent cash, in proportions that are determined by market conditions, (b) have their investments managed based on a systematic investment process supported by a proven

quantitative model. The Sub-fund is suitable for experienced investors who are interested and/or informed about capital market topics, who wish to complement their investment portfolio with a systematic Swiss equity strategy. The investors must be able to accept significant losses; thus, this Sub-fund is suitable to the investors who can afford to set aside the capital for at least 7 years.

### **13. SPECIFIC RISK FACTORS**

- 13.1 In addition to the risk factors set out below, Shareholders should refer to the risk factors set out in Schedule 2.
- 13.2 **Price Adjustment Policy.** Investors should note that in certain circumstances the Net Asset Value of the Shares in the Sub-fund may be adjusted in accordance with Section 8 of the General Section (by increasing or decreasing the applicable Net Asset Value per Share by up to 2.5%). Where the adjusted price is not applicable, the Sub-fund may incur dilution which may constrain capital growth.
- 13.3 Investors should also consult the chapter "Important information – General Information on SFDR, the Taxonomy and sustainability risk" in the main part of the Prospectus for information on ESG risk.

## **SPECIAL SECTION 5 – LAKEFIELD UCITS-SICAV – SWISS LARGE CAP EQUITY**

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to the Lakefield UCITS-SICAV – Swiss Large Cap Equity (the **Sub-fund**).

### **1. INVESTMENT OBJECTIVE, STRATEGY AND POLICY**

#### INVESTMENT OBJECTIVE AND STRATEGY

The Sub-Funds objective is to achieve long-term capital appreciation through investments in equities. The investment universe notably includes equities of large cap companies that are admitted to or dealt in on Switzerland exchanges and markets, that are regulated, operating regularly, recognised and open to the public, as well as cash and cash equivalents.

The Sub-Fund aims at achieving a positive excess return against the Swiss Leaders Index (SLI) across a market cycle in a risk-controlled manner. The Sub-Fund invests in a broadly diversified portfolio of equities.

The Sub-Fund has a relative return-oriented strategy, long-only and employs no leverage. The strategy aims at outperforming the SLI through a favourable selection of equities. The stock allocations are determined in a systematic investment process supported by a proprietary model with proven, multi-year track record.

The Sub-fund's portfolio will be evaluated monthly by the Investment Manager. The Investment Manager is not required to rebalance a particular security if its current weight falls within an acceptable range around the optimized portfolio weight.

It is ensured that more than 50% of the Sub-fund's net assets is invested in common stocks that constitute "equity participations" for purposes of the German Investment Tax Act 2018 ("GITA 2018"). The term "equity participation" includes common stocks that are publicly traded on an established stock exchange. Investments in REITs, equity-swaps, ADRs/GDRs and similar access products are not deemed to be equity participations.

#### INVESTMENT POLICY

The Sub-Fund's investment policy is based on fundamental research supported by a financial model. In order to achieve its objectives, the Sub-Fund will gain exposure in the Equity Universe either directly through investment in single stocks or indirectly through instruments underlying equities such as target UCITS/UCIs (including those established as ETFs) or eligible financial derivative instruments. The allocation of the portfolio will fall within the following limits:

- Equity Universe: 60-100%
- Cash and cash equivalents: 0-40%

Eligible financial derivative instruments may be used for hedging and/or investment purposes. The Sub-Fund will not use derivatives to create leverage.

However, the Sub-Fund may invest a maximum of 10% of its assets in units or shares of other UCITS and/or UCIs in order to be eligible as a coordinated UCITS, within the meaning of Directive 2009/65/EC.

The Sub-fund may also invest up to a maximum of 10% of its net assets in structured products. The term “structured products” refers to transferable securities issued by first class financial institutions aiming at restructuring the investment characteristics of certain other investments (the “underlying assets”). As such, financial institutions issue transferable securities (the “structured products”) whose performance is linked to that of the underlying assets. If the relevant structured products embed a derivative component, (a) the underlying assets must be in line with the investment policy of the Sub-fund and article 41 of the 2010 Act and article 2 of the Grand-ducal regulation of 8 February 2008 relating to certain definitions of the 2010 Act and (b) risks resulting out of the exposure to those underlying assets may not exceed the investment limits as detailed in Schedule 1, Section II. C.

The Sub-Fund may hold cash and cash equivalents within the limits as defined above. In exceptional market conditions, the Sub-Fund may invest up to 100% of its net assets in cash or cash equivalents, term deposits, debt securities and money market instruments whose maturity does not exceed 12 months, monetary UCITS/UCIs, in compliance with the investment restrictions and principle of risk spreading set forth under Schedule 1. There is no restriction so as to the currency of these securities. Term deposits and liquid assets may not exceed 20% of the Sub-Fund’s net assets; term deposits and liquid assets held by any counterparty including the Depositary may not exceed 20% of the Sub-Fund’s net assets.

## **2. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS – SUSTAINABILITY TRANSPARENCY**

The investments underlying the Sub-fund do not take into account the European Union’s criteria for environmentally sustainable economic activities.

Investors should consult the chapter “Important information – General information on SFDR, the Taxonomy and sustainability risk integration” in the main part of the Prospectus.

## **3. GLOBAL EXPOSURE**

The Sub-fund uses the commitment approach to monitor its global exposure.

## **4. ADDITIONAL INVESTMENT RESTRICTION**

N/A

## **5. VALUATION DAY**

For the purpose of this Special Section, a **Valuation Day** means each Wednesday. If such day is not a Business Day, the Valuation Day will be the following Business Day.

The Management Company or the Company may decide to publish an indicative Net Asset Value per Share for each class in the Sub-fund on any day which is not a Valuation Day. This indicative Net Asset Value per Share will be published for information purpose only. For the avoidance of doubt no subscriptions, redemptions or conversions will be accepted based on this indicative Net Asset Value per Share.

## **6. INVESTMENT MANAGER**

With the approval of the Company, the Management Company has appointed Lakefield Partners AG as the investment manager of the Sub-fund (the **Investment Manager**) pursuant to an investment management agreement entered into between the Company, the

Management Company and the Investment Manager with effect as of November 15, 2021 (the **Investment Management Agreement**).

The Investment Manager is a company formed under the laws of Switzerland with registered office at 281, Seefeldstrasse, CH-8008 Zurich, Switzerland.

The Investment Manager will be remunerated out of the assets of the Sub-fund and will be entitled to the Investment Management Fee described in Sections 7 and 11.2 of this Special Section.

The Investment Management Agreement may be terminated by either party upon a three months' written notice. It may be terminated without notice in certain circumstances as set out in the Investment Management Agreement.

## 7. CLASSES

7.1 For the time being, the following Classes are available for subscription by investors:

<b>Share classes</b>	Class A (CHF), Class B (USD), Class C (EUR), Class D (GBP),	Class Z (CHF), Class Z (USD), Class Z (EUR), Class Z(GBP)	Class Dist (EUR), Class Dist (USD), Class Dist (CHF)
<b>Eligible Investors</b>	Any type of investor	Institutional Investors (see item (i) below)	Any type of investor
<b>Initial Subscription Price</b>	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100
<b>Minimum, and Minimum Subsequent, Subscription</b>	1 share	1 share	1 share
<b>ISIN</b>	Class A: LU1441982045  Class B: LU1441982557  Class C: LU1441982987  Class D: LU1441983365	Class Z (CHF): LU1441983878  Class Z (USD): LU1441984256  Class Z (EUR): LU1441984686  Class Z (GBP): LU1441985063	Class Dist (EUR): LU1441985576  Class Dist (USD): LU1441985907  Class Dist (CHF): LU1441986384
<b>Distribution / Accumulation</b>	Accumulation	Accumulation	Distribution
<b>Management Company Fee</b>	Max. 0.20% (see item (ii) below)		
<b>Investment management fee</b>	Max. 1.25% p.a., see section 11.2 below	N/A	Max. 1.25% p.a., see section 11.2 below
<b>Performance Fee</b>	N/A		
<b>Subscription tax rate</b>	0.05%	0.01%	

- (i) Class Z Shares are reserved exclusively for subscription and holding by (a) Institutional Investors (b) who, at the time the relevant subscription order is received, are clients of the Investment Manager. As Class Z Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of the Investment Manager and is charged management and/or performance fees directly by the Investment Manager, no management fees or performance fees will be payable in respect of Class Z

Shares out of the net assets of the Sub-fund. Class Z Shares will bear their pro-rata share of the fees payable to the Management Company, as well as of other charges and expenses.

- (ii) The fees and costs of the Administrative Agent, the Registrar and Transfer Agent, the Depositary, the Auditor for their functions is paid by the Management Company out of the management company fee it receives conform to common practise in Luxembourg. Moreover, the management company fee includes inter alia the following services: fund administration/reporting, risk management and corporate secretary services (including domiciliation services).

## 8. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS

### Ongoing Subscriptions

Ongoing subscriptions for Shares can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by fax, swift or any other transmission method allowed by the Management Company to the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Registrar and Transfer Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 at the latest 2 Business Days after the relevant NAV Calculation Day.

No subscription fee is foreseen in this Sub-fund.

### Redemption

Redemption requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made no later than 2 Business Days following the relevant NAV Calculation Day.

No redemption fee is foreseen in this Sub-fund.

### Conversion

Conversion requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 6 of the General Section. Conversion request must

be received by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest by the Registrar and Transfer Agent.

## **9. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **10. REFERENCE CURRENCY AND HEDGING**

The Reference Currency of the Sub-fund is the CHF.

In relation to Classes that are denominated in a currency other than the Reference Currency of the Sub-fund, the Company may employ techniques and instruments intended to provide protection (full or partial, as the case may be) so far as possible against movements of the currency in which the relevant Class is denominated against movements in the Reference Currency of the Sub-fund. All costs and gains/losses of such hedging transactions are borne separately by the respective Classes. These Classes will not be leveraged as a result of such currency exposure. Although the Company intends to utilise such currency hedging transactions in respect of the Classes of the Sub-fund that are not denominated in the Reference Currency of the Sub-fund, it will not be obliged to do so.

Likewise, in relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk borne by the holder of that Class arising out of (adverse) currency exchange rate changes.

## **11. MANAGEMENT COMPANY FEE, MANAGEMENT FEE, PERFORMANCE FEE AND DEPOSITARY FEE**

### **Management Company Fee**

- 11.1 The Management Company is entitled to the Management Company Fee as described in Section 7 of this Special Section, based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### **Investment Management Fee**

- 11.2 The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 7 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### **Fees of the Depositary, the Administrative Agent and the Registrar and Transfer Agent**

- 11.3 Each of the Depositary, the Administrative Agent and the Registrar and Transfer Agent is entitled to receive a fee payable quarterly in arrears out of the management company fee of each Class of the Sub-fund at the rate set out in Section 7 of this Special Section, based on the average NAV of the relevant Class over the relevant period.



## **12. PROFILE OF THE TYPICAL INVESTOR**

The Sub-fund is suitable for investors who would like to (a) have exposure to stocks, and to a lesser extent cash, in proportions that are determined by market conditions, (b) have their investments managed based on a systematic investment process supported by a proven quantitative model. The Sub-fund is suitable for experienced investors who are interested and/or informed about capital market topics, who wish to complement their investment portfolio with a systematic Swiss equity strategy. The investors must be able to accept significant losses; thus, this Sub-fund is suitable to the investors who can afford to set aside the capital for at least 7 years.

## **13. SPECIFIC RISK FACTORS**

- 13.1 In addition to the risk factors set out below, Shareholders should refer to the risk factors set out in Schedule 2.
- 13.2 **Price Adjustment Policy.** Investors should note that in certain circumstances the Net Asset Value of the Shares in the Sub-fund may be adjusted in accordance with Section 8 of the General Section (by increasing or decreasing the applicable Net Asset Value per Share by up to 2.5%). Where the adjusted price is not applicable, the Sub-fund may incur dilution which may constrain capital growth.
- 13.3 Investors should also consult the chapter "Important information – General Information on SFDR, the Taxonomy and sustainability risk" in the main part of the Prospectus for information on ESG risk.

## **SPECIAL SECTION 6 – LAKEFIELD UCITS-SICAV – SWISS EQUITY LONG/SHORT**

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to the Lakefield UCITS-SICAV – Swiss Equity Long/Short (the **Sub-fund**).

### **1. INVESTMENT OBJECTIVE, STRATEGY AND POLICY**

#### **INVESTMENT OBJECTIVE AND STRATEGY**

The Sub-fund's objective is to achieve long-term capital appreciation through investments in equities, through both long as well as short positions (the latter being achieved through the use of financial derivative instruments). The investment universe notably includes equities of large cap companies that are admitted to or dealt in on Swiss stock exchanges and markets, that are regulated, operating regularly, recognised and open to the public, as well as equity derivatives, cash, and cash equivalents.

The Sub-fund has an absolute return-oriented strategy, and employs leverage. The Sub-fund invests in a broadly diversified portfolio of long and short equities, both directly or through the use of a derivative instrument. The stock allocations are determined in a systematic investment process supported by a proprietary model with proven, multi-year track record.

The Sub-fund's portfolio will be evaluated monthly by the Investment Manager. The Investment Manager is not required to rebalance a particular security if its current weight falls within an acceptable range around the optimized portfolio weight.

It is ensured that more than 50% of the Sub-fund's net assets is invested in common stocks that constitute "equity participations" for purposes of the German Investment Tax Act 2018 ("GITA 2018"). The term "equity participation" includes common stocks that are publicly traded on an established stock exchange. Investments in REITs, equity-swaps, ADRs/GDRs and similar access products are not deemed to be equity participations.

#### **INVESTMENT POLICY**

The Sub-fund's investment policy is based on fundamental research supported by a financial model. In order to achieve its objectives, the Sub-fund will gain exposure in the Equity Universe either directly through investment in single stocks or indirectly through equity instruments such as exchange traded funds, contracts for difference ("CFD") and futures. The allocation of the portfolio will fall within the following limits:

- Long Equity: 0 to 100%
- Short Equity (through derivatives): 0 to 100%
- Net Equity: -25% to +75%
- Gross Exposure (Long + Short): up-to 200%
- Derivatives: 0-100%
- Cash and cash equivalents: 0 to 100%

The Sub-fund may also invest up to a maximum of 10% of its net assets in structured products. The term “structured products” refers to transferable securities issued by first class financial institutions aiming at restructuring the investment characteristics of certain other investments (the “underlying assets”). As such, financial institutions issue transferable securities (the “structured products”) whose performance is linked to that of the underlying assets. If the relevant structured products embed a derivative component, (a) the underlying assets must be in line with the investment policy of the Sub-fund and article 41 of the 2010 Act and article 2 of the Grand-ducal regulation of 8 February 2008 relating to certain definitions of the 2010 Act and (b) risks resulting out of the exposure to those underlying assets may not exceed the investment limits as detailed in Schedule 1, Section II. C.

Within the limits set forth under Schedule 1, Section II. A., the Sub-fund may use eligible financial derivative instruments for hedging and/or investment purposes.

On an ancillary basis, the Sub-fund may hold liquid assets subject to the conditions and limits set out in Schedule 1, Section II.B. Ancillary liquid assets are limited to bank deposits at sight, such as cash held in current bank accounts - accessible at any time - to cover (ordinary or exceptional) payments or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions.

## **2. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS – SUSTAINABILITY TRANSPARENCY**

The investments underlying the Sub-fund do not take into account the European Union's criteria for environmentally sustainable economic activities.

Investors should consult the chapter “Important information – General information on SFDR, the Taxonomy and sustainability risk integration” in the main part of the Prospectus.

## **3. GLOBAL EXPOSURE**

The Sub-fund uses the commitment approach to monitor its global exposure.

## **4. ADDITIONAL INVESTMENT RESTRICTION**

N/A

## **5. VALUATION DAY**

For the purpose of this Special Section, a **Valuation Day** means each Wednesday. If such day is not a Business Day, the Valuation Day will be the following Business Day.

The Management Company or the Company may decide to publish an indicative Net Asset Value per Share for each class in the Sub-fund on any day which is not a Valuation Day. This indicative Net Asset Value per Share will be published for information purpose only. For the avoidance of doubt no subscriptions, redemptions or conversions will be accepted based on this indicative Net Asset Value per Share.

## **6. INVESTMENT MANAGER**

With the approval of the Company, the Management Company has appointed Lakefield Partners AG as the investment manager of the Sub-fund (the **Investment Manager**) pursuant to an investment management agreement entered into between the Company, the

Management Company and the Investment Manager with effect as of 15 November 2021, as amended from time to time, (the **Investment Management Agreement**).

The Investment Manager is a company formed under the laws of Switzerland with registered office at 281, Seefeldstrasse, CH-8008 Zurich, Switzerland.

The Investment Manager will be remunerated out of the assets of the Sub-fund and will be entitled to the Investment Management Fee described in Sections 7 and 11.2 of this Special Section.

The Investment Management Agreement may be terminated by either party upon a three months' written notice. It may be terminated without notice in certain circumstances as set out in the Investment Management Agreement.

## 7. CLASSES

7.1 For the time being, the following Classes are available for subscription by investors:

<b>Share classes</b>	Class A (CHF), Class B (USD), Class C (EUR), Class D (GBP)	Class Z (CHF), Class Z (USD), Class Z (EUR), Class Z(GBP)	Class Dist (EUR), Class Dist (USD), Class Dist (CHF)
<b>Eligible Investors</b>	Any type of investor	Institutional Investors (see item (i) below)	Any type of investor
<b>Initial Subscription Price</b>	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100 or GBP 100	EUR 100, USD 100, CHF 100
<b>Minimum, and Minimum Subsequent, Subscription</b>	1 share	1 share	1 share
<b>ISIN</b>	Class A (CHF): LU1543686478  Class B (USD): LU1543686551  Class C (EUR): LU1543686635  Class D (GBP): LU1543686718	Class Z (CHF): LU1543686809  Class Z (USD): LU1543687013  Class Z (EUR): LU1543687104  Class Z (GBP): LU1543687286	Class Dist (EUR): LU1543687369  Class Dist (USD): LU1543687443  Class Dist (CHF): LU1543687526
<b>Distribution / Accumulation</b>	Accumulation	Accumulation	Distribution
<b>Management Company Fee</b>	Max. 0.20% (see item (ii) below)		
<b>Investment management fee</b>	Max. 1.25% p.a., see section 11.2 below	N/A	Max. 1.25% p.a., see section 11.2 below
<b>Performance Fee</b>	Yes, see below Section 11.3	N/A	Yes, see below Section 11.3
<b>Subscription tax rate</b>	0.05%	0.01%	0.05%

- (i) Class Z Shares are reserved exclusively for subscription and holding by (a) Institutional Investors (b) who, at the time the relevant subscription order is received, are clients of the Investment Manager. As Class Z Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of the Investment Manager and is charged management and/or performance fees directly by the Investment Manager, no management fees or performance fees will be payable in respect of Class Z

Shares out of the net assets of the Sub-fund. Class Z Shares will bear their pro-rata share of the fees payable to the Management Company, as well as of other charges and expenses.

- (ii) The fees and costs of the Administrative Agent, the Registrar and Transfer Agent, the Depositary, the Auditor for their functions is paid by the Management Company out of the management company fee it receives conform to common practise in Luxembourg. Moreover, the management company fee includes inter alia the following services: fund administration/reporting, risk management and corporate secretary services (including domiciliation services).

## 8. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS

### Ongoing Subscriptions

Ongoing subscriptions for Shares can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by fax, swift or any other transmission method allowed by the Management Company, to the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Registrar and Transfer Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share (as adjusted as the case may be pursuant to Section 8 of the General Section) calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 at the latest 2 Business Days after the relevant NAV Calculation Day.

No subscription fee is foreseen in this Sub-fund.

### Redemption

Redemption requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Registrar and Transfer Agent by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made no later than 2 Business Days following the relevant NAV Calculation Day.

No redemption fee is foreseen in this Sub-fund.

### Conversion

Conversion requests for Shares in part or in whole can be made to the Registrar and Transfer Agent or the relevant Distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 6 of the General Section. Conversion request must

be received by 11.00 a.m. (Luxembourg time) on the applicable Valuation Day at the latest by the Registrar and Transfer Agent.

## **9. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **10. REFERENCE CURRENCY AND HEDGING**

The Reference Currency of the Sub-fund is the CHF.

In relation to Classes that are denominated in a currency other than the Reference Currency of the Sub-fund, the Company may employ techniques and instruments intended to provide protection (full or partial, as the case may be) so far as possible against movements of the currency in which the relevant Class is denominated against movements in the Reference Currency of the Sub-fund. All costs and gains/losses of such hedging transactions are borne separately by the respective Classes. These Classes will not be leveraged as a result of such currency exposure. Although the Company intends to utilise such currency hedging transactions in respect of the Classes of the Sub-fund that are not denominated in the Reference Currency of the Sub-fund, it will not be obliged to do so.

Likewise, in relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk borne by the holder of that Class arising out of (adverse) currency exchange rate changes.

## **11. MANAGEMENT COMPANY FEE, MANAGEMENT FEE, PERFORMANCE FEE AND DEPOSITARY FEE**

### **Management Company Fee**

- 11.1 The Management Company is entitled to the Management Company Fee as described in Section 7 of this Special Section, based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### **Investment Management Fee**

- 11.2 The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 7 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

### **Performance Fee**

- 11.3 The Investment Manager shall also receive a performance fee (the **Performance Fee**) out of the assets of some Classes (as set out in the Section 7 of this Special Section) and calculated on a Class-by-Class basis. The Performance Fee is calculated and accrued on each Valuation Day on the basis of the Net Asset Value of the relevant Class, net of all costs including the Investment Management Fee (but not the Performance Fee) adjusted in order to take into account all subscriptions during the period of calculation of the Performance Fee so as not to impact the calculation of the Performance Fee.

The crystallization frequency is yearly.

The Performance Fee shall be equal to 10 % of the increase in the Net Asset Value per Share of the relevant Class and shall be calculated by applying the High-on-High (HoH) model, a performance fee model whereby the Performance Fee may only be charged if the Net Asset Value per Share of the relevant Class exceeds the Net Asset Value at which the performance fee was last crystallized. Accordingly, no Performance Fee can be accrued or paid until the losses for such period (if any) in respect of the relevant Class are recovered.

The High Water Mark is defined, with respect to each Class, as the greater of the two following values:

- the initial Net Asset Value per Share of the relevant Class;
- the last Net Asset Value per Share of the relevant Class at which the Performance Fee was crystallized.

If the Net Asset Value per Share of the relevant Class is lower than the High Water Mark, no Performance Fee shall accrue in respect of that Class.

If redemptions in a Class are made on a date other than the date of payment of the Performance Fee, but where Performance Fees have been accrued, the portion of the accruals attributable to such redemptions shall be crystallized and paid within 90 Business Days after the end of the relevant annual Performance Fee calculation period with respect to that Class.

The first calculation period for the Performance Fee shall begin on the Valuation Day following the close of the initial subscription period of each Class and shall terminate at the end of December each year. The subsequent calculation period shall commence annually the first Business Day in January each year. The Performance Fee, if any, will be paid within 90 Business Days after the end of the relevant annual Performance Fee calculation period.

The following example is intended to illustrate the calculation system of the Performance Fee schematically:

	Valuation Day	High Water Mark	NAV	Performance Fee (per share)	NAV before Performance Fee
	31.12.2020	100,00	100,00	0,00	100,00
<b>Year 1</b>	31.01.2021	100,00	95,00	0,00	95,00
	28.02.2021	100,00	101,80	<b>0,20</b>	102,00
	31.03.2021	100,00	104,91	<b>0,55</b>	105,45
	...				
	31.10.2021	100,00	104,32	<b>0,48</b>	104,80
	30.11.2021	100,00	104,68	<b>0,52</b>	105,20
	31.12.2021	100,00	106,75	<b>0,75</b>	107,50



	At the end of the review period, a Performance Fee of 0,75 is accrued per share and paid out. This sets the new High Water Mark of 106,75 for the subsequent period under review.				
<b>Year 2</b>	31.01.2022	106,75	106,75	0,00	106,75
	28.02.2022	106,75	105,50	0,00	105,50
	31.03.2022	106,75	108,33	<b>0,18</b>	108,50
	...				
	31.10.2022	106,75	107,07	<b>0,03</b>	107,10
	30.11.2022	106,75	106,50	0,00	106,50
	31.12.2022	106,75	104,45	0,00	104,45
	At the end of the review period, the NAV does not exceed the High Water Mark, which means that no Performance Fee is paid out. The Performance Fee accrued during the review period was dissolved when the outperformance of the Class above the High Water Mark was lost. As a result, the High Water Mark of 106,75 is left for the subsequent review period.				
<b>Year 3</b>	31.01.2023	106,75	105,25	0,00	105,25
	28.02.2023	106,75	107,98	<b>0,14</b>	108,12
	31.03.2023	106,75	110,45	<b>0,41</b>	110,86
	...				
	31.10.2023	106,75	115,77	<b>1,00</b>	116,77
	30.11.2023	106,75	120,00	<b>1,47</b>	121,47
	31.12.2023	106,75	120,63	<b>1,54</b>	122,17
	At the end of the period under review, a Performance Fee of 1,54 per share is accrued and paid out. This sets the new High Water Mark of 120,63 for the subsequent review period.				

## Fees of the Depositary, the Administrative Agent and the Registrar and Transfer Agent

- 11.4 Each of the Depositary, the Administrative Agent and the Registrar and Transfer Agent is entitled to receive a fee payable quarterly in arrears out of the management company fee of each Class of the Sub-fund at the rate set out in Section 7 of this Special Section, based on the average NAV of the relevant Class over the relevant period.

## 12. PROFILE OF THE TYPICAL INVESTOR

The Sub-fund is suitable for investors who would like to (a) have long and/or short exposure to stocks, in proportions that are determined by market conditions, and (b) have their investments managed based on a systematic investment process supported by a proven quantitative model. The Sub-fund is suitable for experienced investors who are interested and/or informed about capital market topics, who wish to complement their investment portfolio with a systematic long/short equity strategy. The investors must be able to accept significant losses; thus, this Sub-fund is suitable to the investors who can afford to set aside the capital for at least 7 years.

## 13. SPECIFIC RISK FACTORS

- 13.1 In addition to the risk factors set out below, Shareholders should refer to the risk factors set out in Schedule 2.

- 13.2 **Price Adjustment Policy.** Investors should note that in certain circumstances the Net Asset Value of the Shares in the Sub-fund may be adjusted in accordance with Section 8 of the General Section (by increasing or decreasing the applicable Net Asset Value per Share by up to 2.5%). Where the adjusted price is not applicable, the Sub-fund may incur dilution which may constrain capital growth.
- 13.3 Investors should also consult the chapter "Important information – General Information on SFDR, the Taxonomy and sustainability risk" in the main part of the Prospectus for information on ESG risk.

## **PART C – SCHEDULES**

## SCHEDULE 1 – INVESTMENT RESTRICTIONS AND USE OF EPM TECHNIQUES

### 1. 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.** Where a UCITS comprises more than one Sub-fund, each Sub-fund shall be considered as a separate UCITS for the purpose of the present section.

#### **A. Investments in the Sub-funds shall comprise one or more of the following:**

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

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

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

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

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

(5) units of UCITS authorised according to Directive 2009/65/EC and/or other UCIs within the meaning of Article 1, paragraph (2) of Directive 2009/65/EC, whether situated in a Member State or in an Other State, provided that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
- the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC;
- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs;

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

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

- the underlying consists of instruments covered by this Section A, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

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

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by an undertaking any securities of which are dealt in on Regulated Markets or on other Regulated Markets referred to in (1), (2) or (3) above; or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

**B. Each Sub-fund may however:**

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

(2) Hold, on an ancillary basis (i.e. within the meaning of the CSSF FAQ dated November 3, 2021) liquid assets up to a maximum of 20% of its net assets.

This limit may only be temporarily waived by decision of the Board for a period of time strictly necessary when, due to exceptionally unfavourable market conditions, circumstances so require and such waiver is justified in the interest of investors.

This limit may also be waived in the event of the liquidation or merger of the Company (or any of its sub-funds) provided that this is in the interest of investors. In general terms, each Sub-fund will comply with the investment restrictions and the principle of risk spreading set forth under this Part A, Paragraph III. There is no restriction so as to the currency of these

securities. The 20% limit on deposits made with the same entity under article 43 (1) of the 2010 Act applies to ancillary liquid assets.

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

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

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

**(a) Risk Diversification rules**

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

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

**• Transferable Securities and Money Market Instruments**

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

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

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

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

(4) The limit of 10% set forth above under (1)(i) may be increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, “qualifying debt securities” are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-fund invests more than 5% of its net assets in debt securities issued by such

an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-fund.

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

**(6) Notwithstanding the ceilings set forth above, each Sub-fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other Member State of the Organization for Economic Cooperation and Development (OECD), by the Federative Republic of Brazil, by the Republic of Singapore or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-fund.**

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

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

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

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

#### **• Financial Derivative Instruments**

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

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

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

#### **• Units of Open-Ended Funds**

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

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of the relevant Sub-fund. When a Sub-fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, that Management Company or other company may not charge subscription or redemption fees on account of the Sub-fund's investment in the units of such other UCITS and/or UCIs.

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, will not exceed 5% unless otherwise set out in a Special Section.

• **Combined limits**

(13) Notwithstanding the individual limits laid down in (1), (8) and (9) above, a Sub-fund may not combine, where this would lead to investment of more than 20% of its net assets in a single issuer, any of the following:

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

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

**(b) Limitations on Control**

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

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

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

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

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



- laws of that State a participation by the relevant Sub-fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set forth under C, items (1) to (5), (8), (9) and (12) to (16); and
- shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

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

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

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

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

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

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

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

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

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

**F. Notwithstanding anything to the contrary herein contained:**

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

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

While ensuring observance of the principle of risk spreading, the Company may derogate to the limits set forth above for a period of 6 months following the date of its authorisation. The Board of Directors has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the Company are offered or sold.

## **G. Financial Derivative Instruments**

### **(1) General**

As specified in A (7) above, the Company may in respect of each Sub-fund invest in financial derivative instruments, including but not limited to financial futures contracts, options (on equities, interest rates, indices, bonds, currencies, commodity indices or other instruments), forward contracts (including foreign exchange contracts), swaps (including foreign exchange swaps, commodity index swaps, interest rate swaps, and swaps on baskets of equities), credit derivatives (including credit default derivatives, credit default swaps and credit spread derivatives), warrants and structured financial derivative instruments such as credit-linked and equity linked securities.

The use of financial derivative instruments may not cause the Company to stray from the investment objectives of each Sub-fund as set out in the relevant Special Section. If any Sub-fund intends to make use of financial derivative instruments for any purpose other than efficient portfolio management or to hedge against market or currency risks, this will be specified in the relevant investment policy in the relevant Special Section.

Each Sub-fund may invest in financial derivative instruments within the limits laid down in restriction C.(9) to (11) above.

### **(2) Global Exposure**

The global exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, counterparty risk, future market movements and the time available to liquidate the positions.

The global exposure relating to financial derivative instruments will be calculated through the commitment approach. The Sub-funds calculate their global exposure resulting from the use of financial derivative instruments on a commitment basis, thereby aggregating the market value of the equivalent position of underlying assets. Such Sub-funds will make use of financial derivative instruments in a manner not to materially alter a Sub-fund's risk profile over what would be the case if financial derivative instruments were not used.

The Company shall ensure that the global exposure of each Sub-fund relating to financial derivative instruments does not exceed the total net assets of that Sub-fund. The Sub-fund's global exposure shall consequently not exceed 200% of its total net assets. In addition, this global exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in section B. (3) above) so that the Sub-fund's overall risk exposure may not exceed 210% of any Sub-fund's total net assets under any circumstances.

## **H. Investment between Sub-funds**

A Sub-fund of the Company (the **Investing Sub-fund**) may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-funds of the Company (each a **Target Sub-fund**), without being subject to the requirements of the Law of 1915, with respect to the subscriptions, acquisition and/or the holding by a company of its own shares, under the conditions however that:

- the Target Sub-fund does not, in turn, invest in the Investing Sub-fund invested in this Target Sub-fund; and

- no more than 10% of the assets that the Target Sub-funds whose acquisition is contemplated may be invested pursuant to their management regulations or their instruments of incorporation in units of other UCIs; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Investing Sub-fund concerned and without prejudice to the appropriate processing on the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Investing Sub-fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purpose of verifying the minimum threshold of the net assets imposed by the 2010 Act; and
- there is no duplication of management/subscription or redemption fees between those at the level of the Investing Sub-fund and the Target Sub-fund.

## **II. TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS**

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

The risk exposure to a counterparty to securities lending transactions and borrowing, sale with right of repurchase and/or reverse repurchase and repurchase transactions must be taken into account when calculating the combined limit of maximum 20% of the net assets of each Sub-fund in a single issuer as set forth in II. Investment Restrictions, Section C (13) pursuant to point 2 of Box 27 of ESMA Guidelines 10-788. Each Sub-fund may take into account a guarantee conforming to the requirements set out under Section C below in order to reduce the counterparty risk in securities lending and borrowing, in sale with right of repurchase and/or reverse repurchase and repurchase transactions.

All the revenues arising from the techniques and instruments transactions net of direct and indirect operational costs/fees will be returned to the relevant Sub-fund. In particular, a Sub-fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Manager or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the annual report of the Company.

The risks of such techniques and instruments are adequately captured by the risk management process of the Management Company. For more information on risks, see Schedule 2 “General Risk Factors” of this Prospectus. There can be no assurance that the objective sought to be obtained from use of the aforesaid techniques and instruments will be achieved.

Unless otherwise indicated a Special Section, none of the Sub-Funds has as core strategy to achieve its investment objective through the entering into Securities lending and borrowing transactions, repurchase agreements, reverse repurchase agreements and “réméré” transactions.

### **A. Securities lending and borrowing**

No securities lending transactions pursuant to SFT Regulation are concluded for none of the Sub-funds.

## **B. Repurchase agreements, reverse repurchase agreements and “réméré” transactions (“repo transactions”)**

No repo transactions pursuant to SFT Regulation are concluded for none of the Sub-funds.

## **C. Collateral management**

In cases in which a Sub-fund enters into OTC Derivatives transactions or uses techniques for efficient portfolio management, all collateral that is allocated to the counterparty risk that meet the requirements of ESMA/2014/937 guidelines must meet the following criteria in particular:

Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. This valuation will be done in accordance with section “Calculation and suspension of the net asset value”.

Where there is a title transfer, the collateral received should be held by the Depositary either directly or by one of its agent or third party acting under its control. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral. Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

In accordance with the ESMA’s Guidelines for competent authorities and UCITS management companies (ESMA/2014/937), collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Company receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Company’s net asset value. When the Company is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, the Company may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Company should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Company’s net asset value.

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

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

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

#### D. Total Return Swaps

None of the Sub-Funds has the intention to achieve its investment objective through the sole use of one or several total return swaps.

#### E. Haircut Policy and Stress Test policy

- a) Should a Sub-fund enter into any of the afore-mentioned efficient portfolio management techniques, the Sub-fund will apply its haircut policy in respect of each class of assets received as collateral. Any such haircut policy will take into account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The haircut is a percentage deducted from the market value of the securities received as collateral. It aims to reduce the risk of loss when the borrower defaults.
- b) In the event that the Sub-fund receives collateral for at least 30% of the net assets, a stress testing policy may be implemented to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to the relevant collateral.
- c) Points a) and b) hereinabove will also be applicable to any collateral received by the Sub-fund within the framework of operations relating to financial derivative instruments dealt in over-the-counter (within the meaning and purpose of the Prospectus).

The following haircuts are applied by the Company (the Company reserves the right to vary this policy at any time in which case this Prospectus will be updated accordingly):

Asset class	Minimum rating accepted	Haircut	Maximum by issuer
1. cash, other acceptable forms of liquid assets and Money Market Instruments	/	100%-110%	20%
2. bonds issued and/or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings of a community, regional or worldwide nature	AA-	100%-110%	20 %
3. bonds issued or guaranteed by first-class issuers offering an adequate liquidity	AA-	100%-110%	20%
4. equities admitted to official listing or negotiated on a regulated market of a Member State of the European Union, Switzerland, Canada, Japan or the United States and which are included in a main index	/	100%-110%	20%
5. shares or units of other money-market UCIs, provided that their Net Asset Value is calculated daily and	UCITS - AAA	100%-110%	20%

that such investment funds have a triple-A rating or any other form of rating considered as equivalent,			
6. Shares or units of other UCITS, provided that such investment funds invests primarily in instruments listed under (3) and (4) hereabove	/	100%- 110%	20%

## SCHEDULE 2 – GENERAL 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 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.

### **1.1 General risks**

#### **(a) Effect of performance fees**

The Management Company, Investment Manager or Investment Adviser may be entitled to a performance fee from a Sub-fund based on a percentage of any net realised and unrealised profits. Performance fees may create an incentive for the Management Company, Investment Manager or Investment Adviser to make investments that are riskier or more speculative than would be the case in the absence of such incentive compensation arrangements. In addition, the Management Company, Investment Manager or Investment Adviser's performance fees will be based on unrealised as well as realised gains.

(b) Future returns

No assurance can be given that the strategies employed by the Management Company, Investment Manager or Investment Adviser in the past to achieve attractive returns will continue to be successful or that the return on the Sub-funds' investments will be similar to that achieved by the Management Company, Investment Manager or Investment Adviser in the past.

(c) Effects of redemptions

Large redemptions of Shares within a limited period of time could require the Company to liquidate positions more rapidly than would otherwise be desirable, adversely affecting the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time over which redemptions occur, the resulting reduction in a Sub-fund's Net Asset Value could make it more difficult for the Management Company, Investment Manager or Investment Adviser to generate profits or recover losses. Redemption proceeds paid by the Company to a redeeming Shareholder may be less than the Net Asset Value of such Shares at the time a redemption request is made due to fluctuations in the Net Asset Value between the date of the request and the applicable dealing day.

(d) Concentration risks

Certain Sub-funds may concentrate their investments on certain geographical areas or sectors. Concentration of the investments of Sub-funds in any particular countries will mean that those Sub-funds may be more greatly impacted by adverse social, political or economic events which may occur in such countries. Similarly, Sub-funds concentrating their investments in companies of certain sectors will be subject to the risks associated with such concentration.

(e) Credit risk

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

(f) 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 of the Shareholders. 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.



## 1.2 Market-related risks

### (a) General economic conditions

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the liquidity of the markets for both equities and interest-rate-sensitive securities. Certain market conditions, including unexpected volatility or illiquidity in the market in which the Company directly or indirectly holds positions, could impair the Company's ability to achieve its objectives and/or cause it to incur losses.

### (b) Market risks

The success of a significant portion of each Sub-funds' investment program will depend, to a great extent, upon correctly assessing the future course of the price movements of stocks, bonds, financial instruments and foreign currencies. There can be no assurance that the Management Company, Investment Manager or Investment Adviser will be able to predict accurately these price movements.

### (c) Investing in fixed income securities

Even though interest-bearing securities are investments which promise a defined stream of income, the prices of such securities generally are inversely correlated to changes in interest rates and, therefore, are subject to the risk of market price fluctuations. The values of fixed-income securities also may be affected by changes in the credit rating, liquidity or financial conditions of the issuer. Certain securities that may be purchased by the Company may be subject to such risk with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated fixed-income securities.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets. Accordingly, a Sub-fund's investments in such markets may be less liquid and their prices may be more volatile than comparable investments in securities traded in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

### (d) Risks in transactions in currencies

In general, foreign exchange rates can be extremely volatile and difficult to predict. Foreign exchange rates may be influenced by, among other factors: changing supply and demand for a particular currency; trade, fiscal and monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries); political events; changes in balances of payments and trade; domestic and foreign rates of inflation; domestic and foreign rates of interest; international trade restrictions; and currency devaluations and revaluations. In addition, governments from time to time intervene, directly and by regulation, in the currency markets to influence prices directly. Variance in the degree of volatility of the market from the Management Company, Investment Manager and Investment Adviser's expectations may produce significant losses to a Sub-fund, particularly in the case of transactions entered into pursuant to non-directional strategies.

(e) Lack of liquidity in markets

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Sub-funds, both in the realisation of the prices which are quoted and in the execution of orders at desired prices.

(f) Investments in emerging markets

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

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

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

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

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by

or to be transferred to the Sub-funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Company's claims in any of these events.

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

Furthermore, investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary). No certificates representing ownership of Russian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of the effective state regulation and enforcement, the Company could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight. In addition, Russian securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian institutions which may not have adequate insurance coverage to cover loss due to theft, destruction or default whilst such assets are in its custody.

Some Sub-funds may invest a significant portion of their net assets in securities or corporate bonds issued by companies domiciled, established or operating in Russia as well as, as the case may be, in debt securities issued by the Russian government as more fully described for each relevant Sub-fund in its investment policy.

(g) Investments in small capitalisation companies

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

(h) Investments in specific sectors

Certain Sub-funds may concentrate their investments in assets belonging to certain specific sectors of the economy, and they will consequently be subject to the risks associated with the concentration of investments in the sectors in question. More particularly, investments in certain specific sectors of the economy such as natural resources may have negative consequences in the event of the devaluation of the sectors involved, and most particularly in the case of climatic events, natural catastrophes, economic difficulties, or political or social instability on a regional or international level.

### **1.3 Use of financial derivative instruments**

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

(a) Market risk

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

(b) Control and monitoring

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

(c) Liquidity risk

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

(d) Counterparty risk

The Sub-funds 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, the Sub-funds may enter into swap arrangements or other derivative techniques as specified in the relevant Special Sections, each of which expose the Sub-funds 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, the Sub-funds 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 Schedule 1.

Certain markets in which the Sub-funds held by the Sub-funds may effect their transactions are over-the-counter or interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. To the extent a Sub-fund invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, such Sub-fund may take credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections. This exposes the Sub-funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because

of a credit or liquidity problem, thus causing the Sub-fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Company has concentrated its transactions with a single or small group of counterparties. In addition, in the case of a default, the respective Sub-fund could become subject to adverse market movements while replacement transactions are executed. The Sub-funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, the Sub-funds have no internal credit function which evaluates the creditworthiness of their counterparties. The ability of the Sub-funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Sub-funds.

(e) Lack of availability

Because the markets for certain derivative instruments (including markets located in foreign countries) are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, the Company, the Management Company or an Investment Manager may wish to retain the respective Sub-fund's position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Sub-funds will engage in derivatives transactions at any time or from time to time. The Sub-funds' ability to use derivatives may also be limited by certain regulatory and tax considerations.

(f) Synthetic short selling

Sub-funds may utilise synthetic short exposures through the use of cash settled derivatives such as swaps, futures and forwards in order to enhance their overall performance. A synthetic short sale position replicates the economic effect of a transaction in which a fund sells a security it does not own but has borrowed, in anticipation that the market price of that security will decline. When a Sub-fund initiates such a synthetic short position in a security that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. A Sub-fund may be required to pay a fee to synthetically short particular securities and is often obligated to pay over any payments received on such securities. Each Sub-fund maintains sufficiently liquid long positions in order to cover any obligations arising from its short positions. If the price of the security on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-fund will incur a loss; conversely, if the price declines, the Sub-fund will realise a short-term capital gain. Any gain will be decreased and any loss increased by the transactional costs described above. Although a Sub-fund's gain is limited to the price at which it opened the synthetic short position, its potential loss is theoretically unlimited. Stop loss policies are typically employed to limit actual losses, which would otherwise have to be covered by closing long positions.

(g) Synthetic leverage

A Sub-fund's portfolio may be leveraged by using derivative instruments (including OTC Derivatives) i.e. as a result of its transactions in the futures, options and swaps markets. A low margin deposit is required in futures trading and the low cost of carrying cash positions permit a degree of leverage, which may result in exaggerated profits or losses to an investor. A relatively small price movement in a futures position or the underlying

instrument may result in substantial losses to the Sub-fund resulting in a similar decline to the Net Asset Value per Share. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contract or security underlying the option which the writer must purchase or deliver upon exercise of the option. Contracts for differences and swaps may also be used to provide synthetic short exposure to a stock - the risks associated with using swaps and contract for differences are more fully disclosed in Section 1.4 below.

#### **1.4 Use of specific derivative contracts**

The following only represents a limited choice of risks associated with derivatives the Sub-funds may elect to invest in. The Sub-funds are substantially unrestricted in their use of derivatives and may decide to use various other derivatives contracts associated with much higher or different risks, as the case may be.

##### **(a) Swap agreements**

Sub-funds may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Sub-funds' exposure to long-term or short-term interest rates, different currency values, corporate borrowing rates, or other factors such as without limitation security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Sub-funds are not limited to any particular form of swap agreement if consistent with the respective Sub-fund's investment objective and policies. Swap agreements tend to shift the respective Sub-fund's investment exposure from one type of investment to another. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Sub-funds' portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Sub-funds.

Inter alia, in order to seek to reduce the interest rate risk inherent in the Sub-funds underlying investments especially associated with bonds and other fixed income investments, the Sub-funds may employ interest rate swaps or option transactions. Interest rate swaps involve the Sub-funds' agreement with the swap counterparty to pay a variable rate payment on a notional amount in exchange for the counterparty paying the Sub-funds a fixed rate payment on a notional amount that is intended to approximate the Sub-funds income on variable interest rates.

The use of interest rate swaps and options is a highly specialised activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. Depending on the state of interest rates, the respective Sub-fund's use of interest rate instruments could enhance or harm the overall performance on the Shares in the respective Sub-fund. To the extent there is an increase in interest rates, the value of the interest rate swap or option could go down, and could result in a decline in the Net Asset Value of the Shares. If interest rates are higher than the respective Sub-fund's fixed rate of payment on the interest rate swap, the swap will reduce the net earnings. If, on the other hand, interest rates are lower than the fixed rate of payment on the interest rate swap, the swap will enhance net earnings.

Interest rate swaps and options generally do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to interest rate swaps or options is limited to the net amount of interest payments that the Sub-funds are contractually obligated to make.

In addition, at the time the interest rate swap or option transaction reaches its scheduled termination date, there is a risk that the Sub-funds will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favourable as the terms of the expiring transactions. If this occurs, it could have a negative impact on the performance of the Shares in the respective Sub-fund.

(b) Call options

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option that is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security offset by the gain by the premium received if the option expires out of the money, and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security (if the market price of the underlying security declines).

(c) Put options

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option that is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price of the short position of the underlying security offset by the premium if the option expires out of the money, and thus the gain in the premium, and the option seller gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged put option assumes the risk of a decline in the market price of the underlying security to zero.

The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

(d) Forward trading

Each Sub-fund may invest in forward contracts and options thereon, which, unlike futures contracts, are not traded on exchanges, and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. For example, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank traded instruments rely on the fulfilment by the dealer or counterparty of its contract. As a result, trading in unregulated exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which the respective Sub-fund has forward contracts. Although the Company seeks to trade with responsible counterparties, failure by

a counterparty to fulfil its contractual obligation could expose the Company to unanticipated losses. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Sub-funds due to unusually high or low trading volume, political intervention or other factors. The imposition of credit controls by government authorities might also limit such forward trading to less than that which the Company, the Management Company or an Investment Manager would otherwise recommend, to the possible detriment of the Sub-funds.

(e) Performance swaps, interest rate swaps, currency swaps, credit default swaps and interest rate swaptions

The Company, the Management Company or an Investment Manager may, as a part of the investment strategy of a Sub-fund, enter into performance swaps, interest rate swaps, currency swaps, credit default swaps and interest rate swaptions agreements. Interest rate swaps involve the exchange by a Sub-fund with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies.

Where a Sub-fund enters into interest rate 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 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. If the other party to an interest rate swap defaults, in normal circumstances the Sub-fund's risk of loss consists of the net amount of interest that the Sub-fund is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

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

A Sub-fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, a Sub-fund may buy protection under credit default swaps without holding the underlying assets.

A Sub-fund may also sell protection under credit default swaps in order to acquire a specific credit exposure.

A Sub-fund may also purchase a receiver or payer interest rate swaption contract. Swaptions are options on interest rate swaps. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified



period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

The use of interest rate swaps, currency 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 Management Company or an Investment Manager is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Sub-fund would be less favourable than it would have been if these investment techniques were not used.

(f) Contracts for differences

The Sub-funds may have an exposure in Contracts For Difference (**CFDs**). CFD's are synthetic instruments which mirror the profit (or loss) effect of holding (or selling) equities directly without buying the actual securities themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and the share price when the contract is closed. Accordingly, under such an instrument the relevant Sub-fund will make a profit if it has a purchase position and the price of the underlying security rises (and make a loss if the price of the underlying security falls). Conversely if the Sub-fund has a sale position, it will make a profit if the price of the underlying security falls (and make a loss if the price of the underlying security rises). As part of the normal market terms of trade the Company must comply with market participants terms and conditions and in particular initial margin has to be paid to cover potential losses (on set up) and variation margin on adverse price movements (during the term of the CFD). In addition, it should be noted the relevant Sub-fund could suffer losses in event of the CFD issuer's default or insolvency.

(g) Other derivative instruments

The Sub-funds may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Sub-funds and legally permissible. Special risks may apply to instruments that are invested in by the Company in the future that cannot be determined at this time or until such instruments are developed or invested in by the Sub-funds. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

(h) Risks of options trading

In seeking to enhance performance or hedge assets, the Sub-fund may use options. Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price.

(i) Investing in futures is volatile and involves a high degree of leverage

Futures markets are highly volatile markets. The profitability of the Sub-fund will partially depend on the ability of the Company, the Management Company or an Investment Manager to make a correct analysis of the market trends, influenced by governmental policies and plans, international political and economical events, changing supply and demand relationships, acts of governments and changes in interest rates. In addition, governments may from time to time intervene on certain markets, particularly currency markets. Such interventions may directly or indirectly influence the market. Given that only a small amount of margin is required to trade on futures markets, the operations of the managed futures portion of the Sub-fund will be characterised by a high degree of leverage. As a consequence, a relatively small variation of the price of a futures contract may result in substantial losses for the Sub-fund and a correlated reduction of the Net Asset Value of the Shares of the Sub-fund.

(j) Futures markets may be illiquid

Most futures markets limit fluctuation in futures contracts prices during a single day. When the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions can be neither taken nor liquidated unless the Board or an Investment Manager are willing to trade at or within the limit. In the past futures contracts prices have exceeded the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Sub-fund from promptly liquidating unfavourable positions and thus subject the Sub-fund to substantial losses. In addition, even if the prices do not get close to such limits, the Sub-fund may be in a position not to obtain satisfying prices if the volumes traded on the market are insufficient to meet liquidation requests. It is also possible that a stock exchange, the Commodity Futures Trading Commission in the United States or another similar institution in another country suspends the listing of a particular contract, instructs the immediate liquidation of the contract or limits transactions on a contract to the sole transactions against delivery.

(k) Options on futures

The Company may engage in the management of options, in particular options on futures contracts. Such management carries risks similar to the risks inherent to the uncovered management of futures contracts on commodities as far as such options are volatile and imply a high degree of leverage. The specific movements of the commodities and futures contracts markets, which represent the underlying assets of the options may not be predicted with precision. The buyer of an option may lose the entire purchase price of the option. The seller of an option may lose the difference between the premium received for the option and the price of the commodity or of the futures contract underlying the option that the seller must buy or deliver, upon the exercise of the option.

(l) Other risks

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

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

## **1.5 Use of structured finance securities**

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

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

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

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

Accordingly, in the event that (a) in relation to securitised credit, the underlying assets do not perform and/or (b) in relation to portfolio credit-linked notes, any one of the specified credit events occurs with respect to one or more of the underlying assets or reference credits, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share. In addition the value of structured finance securities from time to time, and consequently the Net Asset Value per Share, may be adversely affected by macro-economic factors such as adverse changes affecting the sector to which the underlying assets or reference credits belong (including industry sectors, services and real estate), economic downturns in the respective countries or globally, as well as circumstances related to the nature of the individual assets (for example, project finance loans are subject to risks connected to the respective project). The implications of such negative effects thus depend heavily on the geographic, sector-specific and type-related concentration of the underlying assets or reference credits. The degree to which any particular asset-backed security or portfolio credit-linked note is affected by such events will depend on the tranche to which such security relates; junior tranches, even having received investment grade rating, can therefore be subject to substantial risks.

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

## **1.6 Fixed-interest securities**

Investment in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in currency exchange rates and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the reference currency of the Company would reduce the value of certain portfolio securities that are denominated in the former currency. The following risks may also be associated with fixed-interest securities:

Issuers are generally subject to different accounting, auditing and financial reporting standards in different countries throughout the world. The volume of trading, volatility of prices and liquidity of issuers may differ between the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies differs from one country to another. The laws of some countries may limit the Company's ability to invest in securities of certain issuers.

Different markets also have different clearing and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of a Sub-fund is uninvested and no return is earned thereon. The inability of the Company to make intended security purchases due to settlement problems could cause a Sub-fund to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Sub-fund due to subsequent declines in value of the portfolio security or, if a Sub-fund has entered into a contract to sell the security, could result in possible liability to the purchaser.

An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.

## **1.7 Structured products**

Investments in structured products may involve additional risks than those resulting from direct investments in underlying assets. Sub-funds investing in structured products are exposed not only to movements in the value of the underlying asset including but not limited to currency (or basket of currencies), equity, bond, commodity index or any other eligible index, but also to the risk that the issuer of the structured product defaults or becomes bankrupt. The Sub-fund may bear the risk of the loss of its principal investment and periodic payments expected to be received for the duration of its investment in the structured products. In addition, a liquid secondary market may not exist for the structured products, and there can be no assurance that one will develop. The lack of a liquid secondary market may make it difficult for the Sub-fund to sell the structured products it holds. Structured products may also embed leverage which can cause their prices to be more volatile and their value to fall below the value of the underlying asset.

## **1.8 High-yield securities**

Sub-funds may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, each Sub-fund may invest in bonds of issuers that do

not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments (neither Sub-fund is required to hedge, and may choose not to do so). High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

## **1.9 Equities**

The risks associated with investments in equity (and equity-type) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company. Potential investors should also consider the risk attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

## **1.10 Financial failure of intermediaries**

There is always the possibility that the institutions, including brokerage firms and banks, with which the Sub-funds do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair their operational capabilities or result in losses to the Company.

## **1.11 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 Subscription Amount or due to the fact that certain Sub-funds may be closed to additional subscriptions after the Initial Subscription Period or Initial Subscription Date.

## **1.12 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.

### **1.13 Lack of operating history**

The Company will be a newly formed entity, with no operating history upon which to evaluate the Company (or its Sub-funds') likely performance. There is no guarantee that the Company or any Sub-fund will realise its investment objectives, that the Investments will have low correlation with each other or that Shareholders will receive any return on, or the return of, their invested capital.

### **1.14 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.

### **1.15 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 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.

### **1.16 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.

### **1.17 Investments in underlying undertakings for collective investment**

A Sub-fund may, subject to the conditions set out in Schedule 1, invest in other undertakings for collective investment. Shareholders in those Sub-funds will, in addition to the fees, costs and expenses payable by a Shareholder in the Sub-funds, 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. However, when a Sub-fund invests in underlying undertakings for collective investment 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 underlying undertakings for collective investment.

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

#### **1.18 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.

#### **1.19 General economic conditions**

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the liquidity of the markets for both equities and interest-rate-sensitive securities. Certain market conditions, including unexpected volatility or illiquidity in the market in which the Company directly or indirectly holds positions, could impair the Company's ability to achieve its objectives and/or cause it to incur losses.

#### **1.20 Indemnities**

Certain Service Providers of a Sub-fund and their directors, managers, officers and employees may benefit from an indemnification under the relevant Service Agreement and could therefore, in certain circumstances, be indemnified out of the relevant Sub-fund's assets against liabilities, costs, expenses (including, e.g., legal expenses) incurred by reason of such person or entity providing services to the relevant Sub-fund. In principle, however, indemnification clauses will generally contain carve outs in relation to acts or omissions that incur, e.g., gross negligence, fraud, wilful default or reckless disregard.

#### **1.21 Exchange rates**

Investors in the Shares should be aware that an investment in the Shares may involve exchange rate risks. For example (i) a Sub-fund may have direct or indirect exposure to a number of different currencies of emerging market or developed countries; (ii) a Sub-fund may invest in securities or other eligible assets denominated in currencies other than the Sub-fund's Reference Currency; (iii) the Shares may be denominated in a currency other than the currency of the investor's home jurisdiction; and/or (iv) the Shares may be denominated in a currency other than the currency in which an investor wishes to receive his monies. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets, which are influenced by macro economic factors (such as the economic development in the different currency areas, interest rates and international capital movements), speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Shares.

#### **1.22 Interest rate**

Investors in the Shares should be aware that an investment in the Shares may involve interest rate risk in that there may be fluctuations in the currency of denomination of securities or other eligible assets in which a Sub-fund invests the Shares.

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may

affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the securities or other eligible assets in which a Sub-fund invests are denominated may affect the value of the Shares.

### **1.23 Market volatility**

Market volatility reflects the degree of instability and expected instability of the securities or other eligible assets in which a Sub-fund invests, the performance of the Shares, or the techniques used to link the net proceeds of any issue of Shares to OTC Derivatives underlying asset(s), where applicable. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

### **1.24 Credit risk**

Investors in the Shares should be aware that such an investment may involve credit risk. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, 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.



## INFORMATION FOR INVESTORS IN SWITZERLAND

### **1) Representative in Switzerland**

The representative is 1741 Fund Solutions AG, Burggraben 16, CH-9000 St.Gallen.

### **2) Paying agent in Switzerland**

The paying agent is Tellco AG, Bahnhofstrasse 4, 6430 Schwyz.

### **3) Location where the relevant documents may be obtained**

The prospectus, the key information documents or the key investor information documents, the articles of association, as well as the annual and semi-annual reports may be obtained free of charge from the representative.

### **4) Publications**

Publications relating to the fund shall be made in Switzerland on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).

The issue and the redemption prices or the net asset value together with the reference “excluding commissions” shall be published for each issue and redemption of units on the electronic platform [www.fundinfo.com](http://www.fundinfo.com). The prices shall be published weekly.

### **5) Payment of retrocessions and rebates**

1. The fund management company and its agents may pay retrocessions to compensate the distribution activity of fund units in Switzerland. This compensation may be used in particular to cover the following services:

- Offering of fund units and the associated advisory and support activities vis-à-vis investors;
- Advertising of fund units by including the product in the product range of the distributor;
- Advertising with the help of third parties (e.g. platforms, banks);
- Taking administrative actions of all kinds in connection with the offering of fund units;
- Production and offering of advertising materials and legal documents;
- Organisation of information events and, in general, all other activities with the intention of promoting the distribution of fund units;
- Training of sales staff;
- Performing due diligence delegated by the provider in areas such as money laundering and terrorist financing, clarifying client needs and distribution restrictions;

Retrocessions are not considered rebates even if they are ultimately passed on to investors in whole or in part.

The disclosure of the receipt of retrocessions is governed by the relevant provisions of the FinSA.

2. The fund management company and its agents may pay rebates directly to investors upon request in distribution in Switzerland. Rebates serve to reduce the fees or costs attributable to the investors concerned. Discounts are permissible provided that they

- are paid from fees of the fund management company and thus do not place an additional burden on the fund assets;
- are granted on the basis of objective criteria;

- are granted to all investors who fulfil the objective criteria and request, under the same time conditions and to the same extent.

The objective criteria for the granting of rebates by the fund management are:

- the volume subscribed by the investor or the total volume held by the investor in the collective investment scheme or, where applicable, in the promoter's product range;
- the amount of the fees generated by the investor;
- the investment behaviour practised by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

Upon request by the investor, the fund management company shall disclose the corresponding amounts of the rebates free of charge.

## **6) Place of performance and jurisdiction**

For units offered in Switzerland, the place of performance is at the registered office of the representative. The place of jurisdiction shall be at the registered office of the representative or at the registered office or domicile of the investor.