

# MONEDA LUXEMBOURG SICAV

*Undertakings for collective investments in transferable securities (UCITS) having segregated liability between its Sub-Funds*

*Société d'Investissement à Capital Variable*

PROSPECTUS

MAY 2018

SUBSCRIPTIONS SHALL ONLY BE VALID IF MADE ON THE BASIS OF THE KEY INVESTOR INFORMATION DOCUMENT OR THE CURRENT PROSPECTUS ACCOMPANIED BY THE MOST RECENT ANNUAL REPORT AS WELL AS BY THE MOST RECENT SEMI-ANNUAL REPORT IF PUBLISHED MORE RECENTLY THAN THE MOST RECENT ANNUAL REPORT. NO ONE IS AUTHORISED TO STATE OTHER INFORMATION THAN THAT CONTAINED IN THE PROSPECTUS AND THE DOCUMENTS REFERRED TO HEREIN, WHICH ARE AVAILABLE TO THE PUBLIC.

**BOARD OF DIRECTORS**

**Chairman:**

Juan Luis Rivera  
CEO  
Moneda USA Inc.  
444, Madison Avenue  
New York NY 10022  
USA

**Directors:**

Hervé Coussement  
Head of Business Development  
Lemanik Asset Management S.A.  
106, route d'Arlon, L-8210 Mamer  
Grand-Duchy of Luxembourg

Antonio Gil Nieves  
CEO  
MONEDA S.A. ADMINISTRADORA GENERAL DE FONDOS.  
Isidora Goyenechea 3621, Floor 8  
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Chile

**REGISTERED OFFICE**

106, route d'Arlon, L-8210 Mamer  
Grand Duchy of Luxembourg

**MANAGEMENT COMPANY**

LEMANIK ASSET MANAGEMENT S.A.  
106, route d'Arlon, L-8210 Mamer  
Grand Duchy of Luxembourg

**Chairman:**

- Mr. Gianluigi SAGRAMOSO

**Directors:**

- Mr. Carlo SAGRAMOSO
- Mr. Philippe MELONI

**Conducting persons of the Management Company:**

- Mr. Philippe MELONI
- Mr. Marco SAGRAMOSO
- Mr. Jean Philippe CLAESSENS
- Mr Alexandre DUMONT
- Mrs Sandrine Puccilli

**DEPOSITARY AND PAYING AGENT**

UBS Europe SE, Luxembourg Branch  
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Grand Duchy of Luxembourg

**DOMICILIARY AGENT**

LEMANIK ASSET MANAGEMENT S.A.  
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**ADMINISTRATIVE AGENT AND REGISTRAR AND TRANSFER AGENT**

Northern Trust Global Services limited, Luxembourg Branch  
6, rue Lou Hemmer, L-1748 Senningerberg  
Grand-Duchy of Luxembourg

**INVESTMENT MANAGER**

MONEDA S.A. ADMINISTRADORA GENERAL DE FONDOS.  
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Las Condes, Santiago  
Chile

**AUDITORS**

KPMG Luxembourg S.à r.l.  
39, Avenue John F. Kennedy, L-1855 Luxembourg  
Grand-Duchy of Luxembourg

**GLOBAL DISTRIBUTOR**

LEMANIK ASSET MANAGEMENT S.A.  
106, route d'Arlon, L-8210 Mamer  
Grand Duchy of Luxembourg

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## DEFINITIONS

“Administrative Agent”	means Northern Trust Global Services Limited, Luxembourg Branch;
“Articles of incorporation”	is the incorporation deed as amended;
“Bank Business Day”	means for each any day when the banks are open for business in Luxembourg;
“Board of Directors” or the “Board”	means the board of directors of the Company;
“Calculation Date”	the Bank Business Day following the relevant Valuation Day;
“Capitalisation Share”	mean a share which do not distribute dividends unless otherwise decided by the Board;
“Class of Share”	class of Shares within each Sub-Fund which may differ, inter alia, in respect of their specific charging structures, specific dividend policies, specific currencies or other specific features or any class of Shares of any Sub-Fund issued by the Company each as described in Section III.1.A;
“Company”	means MONEDA LUXEMBOURG SICAV, an undertaking for collective investment organised under the laws of the Grand Duchy of Luxembourg and established as an "umbrella fund" comprised of a number of Sub-Funds;
“CSSF”	means the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg Supervisory Authority;
“Cut-off Time”	as defined in each Sub-Fund’s relevant data sheet in Appendix IV;
“Depositary”	means UBS Europe SE, Luxembourg Branch, and as from or after 1 November 2016, UBS Europe SE, Luxembourg Branch;
“Depositary Agreement”	means the agreement between the Depositary and the Company;
“Distribution Shares”	means those Shares providing for the payment of net income earned and attributable to the Share at the date on which such income is to be distributed (see Section III.1.B ) and representing one undivided Share in the capital of the Company;
“EU”	means the European Union;
“FATCA”	means Foreign Account Tax Compliance Act;
“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, as amended from time to time;
“KIID”	means Key Investor Information Document;
“Material Contracts”	means the agreements referred to in Section XII.1.;
“Member States”	means the member states of the EU;
“Money Market Instruments”	means instruments normally dealt with on the money markets which are liquid and have a value which can be accurately determined at any time;
“Net Asset Value”	the total assets less the total liabilities of a Sub-Fund or Class of Share where relevant and, if the context requires, divided by the relevant number of Shares to give a net asset value per share;
“OECD”	means the Organisation for Economic Co-operation and Development;

“Paying Agent”	means UBS Europe SE, Luxembourg Branch or such other appointee as may be engaged by the Company to act as a paying agent from time to time;
“Prospectus”	the present document;
“Registrar and Transfer Agent”	means Northern Trust Global Services limited, Luxembourg Branch or such other appointee as is engaged by the Management Company to act as registrar and transfer agent from time to time;
“Regulated Market”	means a regulated market as defined by Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;
“Securities Financing Transaction” or “SFT”	means (i) a repurchase transaction; (ii) securities or commodities lending and securities or commodities borrowing or (iii) a buy-sell back transaction or sell-buy back transaction within the meaning of the SFTR;;
“SFT Agent”	means any person involved in SFT as agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Company’s assets or any Sub-Fund’s assets (which can be the counterparty of a Sub-Fund in an SFT);
“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;
“Shareholder”	means a holder of Shares;
“Shares”	means shares of any Class of Shares of any Sub-Fund issued by the Company;
“Sub-Fund”	means each distinct Sub-Fund of the Company as more particularly described in the Prospectus;
“Subscription Form”	means the subscription form to be completed and signed by an investor in such form as is prescribed by the Company from time to time;
“Transferable Securities”	means <ul style="list-style-type: none"> <li>1. shares and other securities equivalent to shares (“equities”);</li> <li>2. bonds and other debt instruments (“bonds”);</li> <li>3. any other negotiable securities, which carry the right to acquire any such Transferable Securities by subscription or exchange;</li> </ul> excluding those techniques and instruments referred to in Appendix III;
“TRS”	means total return swap, i.e., a derivative contract as defined in point (7) of article 2 of the SFTR in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty;
“UCI”	means an undertaking for collective investment;
“UCITS”	means an Undertaking for Collective Investment in Transferable Securities under the UCITS Directive;
“UCITS Directive”	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU of the European Parliament and of council of 23 July

2014 as regards depositary functions, remuneration policies and sanctions and as amended from time to time;

“US”

means United States of America;

“Valuation Day”

as defined in each Sub-Fund’s relevant data sheet in APPENDIX IV THE SUB-FUNDS;

“VaR”

means value at risk.



## PROSPECTUS

relating to the permanent offer of Shares in the Company  
**MONEDA LUXEMBOURG SICAV**

**MONEDA LUXEMBOURG SICAV** (the "Company") is listed on the official list of undertakings for collective investment pursuant to the law of 17 December 2010 relating to undertakings for collective investment of Luxembourg as it may be amended from time to time (hereafter referred to as the "Law" or the "2010 Law") and submitted to the Law and to the law of 10<sup>th</sup> August 1915 on commercial companies of Luxembourg, as amended (the "1915 Law"). It is subject in particular to the provisions of Part I of the 2010 Law, which relates specifically to undertakings for collective investment in transferable securities ("UCITS"), as defined by the UCITS Directive. However, such listing does not require any Luxembourg authority to approve or disapprove either the adequacy or the accuracy of this Prospectus or the portfolio of securities held by the Company. Any representation to the contrary would be unauthorised and unlawful.

The Company's board of directors (the "Board of Directors") has taken all possible precautions to ensure that the facts indicated in this Prospectus are accurate in all material respects and that no point of any importance has been omitted which could render erroneous any of the statements set forth herein.

Any information or representation not contained herein, in the Appendices to the Prospectus, in the KIIDs or in the reports, which form an integral part hereof, must be regarded as unauthorised. Neither the remittance of this Prospectus, nor the offer, issue or sale of Shares of the Company will constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof. In order to take account of important changes such as the opening of a new Sub-Fund of Shares, this Prospectus, as well as its Appendices will be updated at the appropriate time. Subscribers are therefore advised to contact the Company in order to establish whether any later Prospectus has been published.

References to the terms or abbreviations set out below designate the following currencies:  
EUR: Euro, USD: US Dollars.

# I. GENERAL DESCRIPTION

## 1. INTRODUCTION

**MONEDA LUXEMBOURG SICAV** is an investment company with variable share capital consisting of various Sub-Funds, each relating to a portfolio of specific assets made up of transferable securities and money market instruments within the meaning of the Law and the Grand-ducal regulation of 8<sup>th</sup> February 2008 ("Transferable Securities" and "Money Market Instruments" respectively) as well as other eligible assets in compliance with article 41 of the Law denominated in various currencies. The Company has segregated liability between its Sub-Funds and accordingly any liability incurred on behalf of or attributable to any sub fund shall be discharged solely out of the assets of that Sub-Fund. The characteristics and investment policies of each Sub-Fund are defined in APPENDIX IV THE SUB-FUNDS.

The capital of the Company is divided into several Sub-Funds each of which may offer several Classes of Shares, as defined in Section III below and for each Sub-Fund in accordance with the respective provisions described in the Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS.

The Company may create new Sub-Funds. In such an event, this Prospectus will be amended accordingly and will contain detailed information on the new Sub-Funds in its Sub-Funds' data sheets under APPENDIX IV THE SUB-FUNDS. The actual launch of any new Sub-Fund or Class of Shares within a Sub-Fund mentioned in the Prospectus and in the KIIDs will be decided by the Board of Directors. More particularly, the Board of Directors will determine the initial subscription price and subscription period/day, as well as the payment date of those initial subscriptions.

The Shares of each Sub-Fund of the Company are issued and redeemed at prices calculated for each Sub-Fund with a frequency in accordance with the respective provisions described in the Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS and provided that this day is a Bank Business Day. For the avoidance of doubt, half-closed Bank Business Days in Luxembourg are considered as being closed for business.

The Net Asset Value of each Sub-Fund will be expressed in its reference currency, as stipulated in the Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS.

The reference currency of the Company is expressed in USD.

## 2. THE COMPANY

The Company was incorporated in Luxembourg for an unlimited period of time on 30 April 2015 under the name "**MONEDA LUXEMBOURG SICAV**" as an investment company with variable capital (*société d'investissement à capital variable – SICAV*) under the form of a public limited company (*société anonyme – S.A.*) in accordance with the provisions of the 2010 Law. The registered office of the Company is located at Mamer, 106, route d'Arlon, Grand Duchy of Luxembourg.

The minimum capital as provided by law is set at EUR 1,250,000.- (one million two hundred and fifty thousand Euro) and must be reached within six months of the Company's authorisation. The Company's initial capital as at 30 April 2015 was equal to EUR 31,000. The Company's capital is at all times equal to the sum of the values of the net assets of its Sub-Funds and represented by Shares of no par value.

Variations in the capital are effected "*ipso jure*" (automatically by the effect of law).

The Company is registered with the Luxembourg register of Commerce and Companies (R.C.S. Luxembourg) under number B.016998. The Articles of incorporation have been published on 22 July 2015 in *the Mémorial C, Recueil des Sociétés et Associations*.

## **II. MANAGEMENT AND ADMINISTRATION**

### **1. BOARD OF DIRECTORS**

The Board of Directors is responsible for the administration, management and marketing of the Company and of the assets of each Sub-Fund. It may carry out all acts of management and administration on behalf of the Company; it may in particular purchase, sell, subscribe or exchange any Transferable Securities, Money Market Instruments and other eligible assets and exercise all rights directly or indirectly attached to the Company's assets.

The list of the members of the Board of Directors, as well as of the other administrative bodies in operation may be found in this Prospectus and in the periodic reports.

### **2. DEPOSITARY AND PAYING AGENT**

UBS Europe SE, Luxembourg branch has been appointed as depositary of the Company (the "Depositary"). The Depositary will also provide paying agent services to the Company.

UBS Europe SE, Luxembourg Branch, with place of business at 33A, avenue John F. Kennedy, L-1855 Luxembourg and registered with the Luxembourg Trade and Companies Register under the number B.209123, is a branch of UBS Europe SE, a credit institution constituted under German Law in the form of a Societas Europaea, duly authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, the "BaFin"). UBS Europe SE, Luxembourg Branch is subject to the supervision of the BaFin, the central bank of Germany (the "Deutsche Bundesbank"), as well as of the Luxembourg supervisory authority, CSSF.

The Depositary has been appointed for the safe-keeping of financial instruments that can be held in custody, for the record keeping and verification of ownership of other assets of the Company as well as to ensure for the effective and proper monitoring of the Company's cash flows in accordance with the provisions of the 2010 Law and the Depositary Agreement. Assets held in custody by the Depositary shall not be reused by the Depositary, or any third party to which the custody function has been delegated, for their own account, unless such reuse is expressly allowed by the 2010 Law.

In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law, the Prospectus and the Articles of incorporation, (ii) the value of the Shares is calculated in accordance with Luxembourg law, the Prospectus and the Articles of incorporation, (iii) the instructions of the Management Company or the Company are carried out, unless they conflict with applicable Luxembourg law, the Prospectus and/or the Articles of incorporation, (iv) in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits, and (v) the Company's incomes are applied in accordance with Luxembourg law, the Prospectus and the Articles of incorporation.

In compliance with the provisions of the Depositary Agreement and the 2010 Law, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Company to one or more sub-custodian(s), as they are appointed by the Depositary from time to time. The Depositary does not allow its sub-custodians to make use of sub-delegates which have not been approved by the Depositary in advance.

Prior to the appointment of any sub-custodian and sub-delegate and on an ongoing basis based on applicable laws and regulations as well as its conflict of interests policy the Depositary shall assess potential conflicts of interests that may arise from the delegation of its safekeeping functions. The Depositary is part of the UBS Group, a worldwide, full-service private banking, investment banking, asset management and financial services organization which is a major participant in the global financial markets. As such, potential conflicts of interest from the delegation of its safekeeping functions could arise as the Depositary and its affiliates are active in various business activities and may have differing direct or

indirect interests. Investors may obtain additional information free of charge by addressing their request in writing to the Depositary.

In order to avoid any potential conflicts of interest, the Depositary does not appoint any sub-custodians and does not allow the appointment of any sub-delegate which is part of the UBS Group, unless such appointment is in the interest of the Shareholders and no conflict of interest has been identified at the time of the sub-custodian's or sub-delegate's appointment. Irrespective of whether a given sub-custodian or sub-delegate is part of the UBS Group or not, the Depositary will exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant sub-custodian or sub-delegate. Furthermore, the conditions of any appointment of a sub-custodian or sub-delegate that is member of the UBS Group will be negotiated at arm's length in order to ensure the interests of the Company and its Shareholders. Should a conflict of interest occur and in case such conflict of interest cannot be mitigated, such conflict of interest as well as the decisions taken will be disclosed to Shareholders. An up-to-date description of any safekeeping functions delegated by the Depositary and an up-to-date list of these delegates and sub-delegate(s) can be found on the following webpage: <https://www.ubs.com/global/en/legalinfo2/luxembourg.html>.

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of article 34bis, paragraph 3, lit. b) i) of the 2010 Law, the Depositary may delegate its functions to such local entity to the extent required by the law of that third country for as long as there are no local entities satisfying the aforementioned requirements. In order to ensure that its tasks are only delegated to sub-custodians providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the 2010 Law in the selection and the appointment of any sub-custodian to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-custodian to which it has delegated parts of its tasks as well as of any arrangements of the sub-custodian in respect of the matters delegated to it. In particular, any delegation is only possible when the sub-custodian at all times during the performance of the tasks delegated to it segregates the assets of the Company from the Depositary's own assets and from assets belonging to the sub-custodian in accordance with the 2010 Law. The Depositary's liability shall not be affected by any such delegation, unless otherwise stipulated in the 2010 Law and/or the Depositary Agreement.

The Depositary is liable to the Company or its Shareholders for the loss of a financial instrument held in custody within the meaning of article 35 (1) of the 2010 Law and article 12 of the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries (the "Fund Custodial Assets") by the Depositary and/or a sub-custodian (the "Loss of a Fund Custodial Asset").

In case of Loss of a Fund Custodial Asset, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Company without undue delay. In accordance with the provisions of the 2010 Law, the Depositary will not be liable for the Loss of a Fund Custodial Asset, if such Loss of a Fund Custodial Asset has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable to the Company and to the Shareholders for all other direct losses suffered by them as a result of the Depositary's negligence or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the 2010 Law and the Depositary Agreement.

The Company and the Depositary may terminate the Depositary Agreement at any time by giving three (3) months' notice by registered letter. In case of a voluntary withdrawal of the Depositary or of its removal by the Company, the Depositary must be replaced before maturity of such notice period by a successor depositary to whom the Company's assets are to be delivered and who will take over the functions and responsibilities of the Depositary. If the Company does not name such successor depositary in time the Depositary may notify the CSSF of the situation.

### **3. ADMINISTRATIVE AGENT AND REGISTRAR AND TRANSFER AGENT**

The Management Company has delegated under its control and responsibility its registrar and transfer agent and administrative agent duties to Northern Trust Global Services Limited, Luxembourg Branch, pursuant to a central administration agreement (hereafter referred to as the "Administration Agency

Agreement") effective as of 30 April 2015. This Administration Agency Agreement, initially entered into between the Company, the Management Company and UBS Fund Services (Luxembourg) S.A., was afterwards novated in favour of Northern Trust Global Services Limited, Luxembourg Branch, on 21<sup>st</sup> August 2017 (the "Novation Agreement"). Further to the Novation Agreement, Northern Trust Global Services Limited, Luxembourg Branch acts, as from 1<sup>st</sup> October 2017 as Administrative Agent and as Registrar and Transfer Agent (hereafter referred to as the "Registrar and Transfer Agent" or "Administrative Agent").

As the Administration Agent, Northern Trust Global Services Limited, will assume all administrative duties that arise in connection with the administration of the Company.

As Administrative Agent, Northern Trust Global Services Limited is responsible for the calculation of the Net Asset Value per share, the maintenance of records and other general administrative functions.

As Registrar and Transfer Agent, Northern Trust Global Services Limited is responsible for processing the issue (registration), redemption and conversion of Shares in the Company, for the settlement arrangements thereof, as well as for keeping official records of the Shareholders' register (the "Register").

#### **4. MANAGEMENT COMPANY**

Lemanik Asset Management S.A. (the "Management Company"), is appointed as management company, global distributor and domiciliary agent pursuant to the agreement signed on 30 April 2015 between the Company and the Management Company.

As Domiciliary Agent, the Management Company shall grant the Company the right to establish its registered office at its address at 106, route d'Arlon, L-8210 Mamer, Grand-Duchy of Luxembourg.

The Management Company is a company incorporated under Luxembourg law with registered office situated at 106, route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg. The Management Company was incorporated for an indeterminate period in Luxembourg on 1<sup>st</sup> September 1993 in the form of a joint stock company (i.e., a *société anonyme*), in accordance with the 1915 Law, as subsequently amended. Its capital is actually in the amount of EUR 2,000,000.- (two million Euro).

The Management Company is governed by Chapter 15 of the 2010 Law and, in this capacity, is responsible for the collective management of the Company's portfolio. As provided in Appendix II to the Law, these duties encompass the following tasks:

- (I) asset management, the Management Company may:
  - provide all advice and recommendations as to the investments to be made,
  - enter into contracts, buy, sell, exchange and deliver all Transferable Securities and any other assets,
  - exercise, on behalf of the Company, all voting rights attaching to the Transferable Securities constituting the Company's assets.
- (II) administration, which encompasses:
  - a) legal services and accounts management for the Company,
  - b) follow-up of requests for information from clients,
  - c) valuation of portfolios and calculation of the value of Shares (including all tax issues),
  - d) verifying compliance with regulations,
  - e) keeping the Register,
  - f) allocating Company income,
  - g) issue and redemption of Shares (Registrar and Transfer Agent's duties),
  - h) winding-up of contracts (including sending certificates),
  - i) recording and keeping records of transactions.

(III) marketing the Shares.

The rights and obligations of the Management Company are governed by contracts entered into for an indefinite period. At the date of the present Prospectus the Management Company manages also other undertakings for collective investment. The names of all other undertakings for collective investment managed by the Management Company from time to time are available at the registered office of the Management Company. The Company may terminate the agreement with the Management Company upon 3 (three) months' written notice. The Management Company may resign from its duties provided it gives the Company 3 (three) months' written notice.

In accordance with the laws and regulations currently in force and with the prior approval of the Board of Directors, the Management Company is authorised to delegate, unless otherwise provided herein, all or part of its duties and powers to any person or company, which it may consider appropriate, it being understood that the Prospectus will be amended prior thereto and that the Management Company will remain entirely liable for the actions of such representative(s).

The management duties and the duties of administrative agent and registrar and transfer agent are currently delegated, as described above.

As consideration for the above services the Management Company shall be paid a commission as stipulated under Section VI below.

Additional information which the Management Company must make available to investors in accordance with Luxembourg laws and regulations such as but not limited to Shareholder complaints handling procedures, management of activities giving rise to detrimental conflict of interest, voting rights policy of the Management Company etc., shall be available at the registered office of the Management Company.

The Management Company has a remuneration policy in place which seeks to comply with Article 111 *ter* of the 2010 Law.

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

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

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [http://www.lemanikgroup.com/management-company-service\\_substance\\_governance.cfm](http://www.lemanikgroup.com/management-company-service_substance_governance.cfm)

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

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

In particular, the Remuneration Policy will ensure that:

- a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- b) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;

- c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks.

In context of delegation, the Remuneration Policy will ensure that the Delegate comply with the following:

- a) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- b) if at any point of time, the management of the Company were to account for 50 % or more of the total portfolio managed by the Delegate, at least 50 % of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (b); and
- c) a substantial portion, and in any event at least 40 % of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Company.

## 5. INVESTMENT MANAGER

For the definition of the investment policy and the day-to-day management of each of the Company's Sub-Funds, the board of directors of the Management Company may be assisted under its overall control and responsibility by one or several investment manager(s) (the "Investment Manager(s)"), it being understood that the Prospectus will be amended accordingly and will contain detailed information.

Pursuant to an Investment Management Agreement dated 19 May 2017, MONEDA S.A. ADMINISTRADORA GENERAL DE FONDOS (the "Investment Manager", the "Manager" or "Moneda") has been appointed Investment Manager and put in charge by the Management Company of the investment management of the Company with regard to its choice of investments and the trend of its investment policy.

The Investment Manager was incorporated under Chilean law on September 07 1993, as a privately held corporation, in the form of a joint stock company (*sociedad anónima especial*) and subject to the regulatory supervision of the Chilean Superintendence of Securities and Insurance (SVS). Moneda is governed by the Stock Corporation Act (*Ley de Sociedades Anonimas*) its rules and administrative regulations.

The Investment Manager holds a license to carry out activities as investment manager for investment funds. As of November 2014, it manages 9 investment funds supervised by the Chilean Securities Regulator, SVS, 7 of those funds are listed on the Santiago Stock Exchange. In addition, and subject to regulation 2108 of the SVS, the Investment Manager is allowed to perform activities as adviser and manager of different portfolio of assets. There have been no changes to such license during the last 24 months.

The Investment Manager's registered office is located at 3621 Isidora Goyenechea Street, 8<sup>th</sup> floor, Las Condes, Santiago, Chile.

Supervision of the activities of the Investment Manager is the sole responsibility of the Management Company. However, the Board of Directors assumes ultimate responsibility for the investment management.

The Investment Manager is entitled to receive out of the total net assets of each Sub-Fund per annum an investment management fee payable quarterly in arrears and calculated on the average total net assets of each Class of Shares for the relevant quarter.

In addition the Investment Manager may be entitled to receive a performance fee from the Company in accordance with the provision for each Sub-Fund, as described in the Sub-Fund's relevant data sheet under  
APPENDIX  
THE SUB-FUNDS. IV

The Investment Manager may be assisted, subject to the prior approval of the CSSF and under its overall control and responsibility by one or more Sub-Investment Manager(s) for each Sub-Fund.

At the date of this Prospectus, no Sub-Investment Manager has been appointed.

The Investment Manager may be assisted, under its overall control and responsibility and at its own fees, by one or more Investment Advisor(s) for each Sub-Fund.

Any change in the investment management or in the sub-investment management delegation by the Management Company or by the Investment Managers will be reflected in the next updated version of the Prospectus or its Appendices.

## **6. NOMINEES**

The Company and the Management Company in its capacity as global distributor, may decide to appoint distributors and local paying agents to act as nominees (hereinafter the "Nominees").

In such capacity the distributor or local paying agent may effect subscriptions, switches and redemptions of Shares in the nominee name on behalf of individual investors and request the registration of such transactions on the register of Shareholders of the Company in the nominee name.

Nominees must be professionals of the financial sector, domiciled in countries in which financial intermediaries are subject to similar obligations of identification as those which are provided for under Luxembourg law and under Section III 2. C. "Fight against money laundering" below. Such Nominees may be appointed for the purpose of assisting it in the distribution of the Shares of the Company in the countries in which they are marketed. Certain distributors and local paying agents may not offer all of the Sub-Funds/Classes of Shares or all of the subscription/redemption currencies to their customers. Customers are invited to consult their distributor or local paying agent for further details.

Nominee contracts will be signed between the Company or the Management Company, and the various distributors and/or local paying agents.

Copies of the various Nominee contracts, if any, are available to Shareholders during normal office hours at the Management Company's registered office and at the registered office of the Company.

In accordance with the Nominee contracts, the Nominee will be recorded in the Register of Shareholders instead of the clients who have invested in the Company. The terms and conditions of the Nominee contracts will stipulate, amongst other things, that a client who has invested in the Company via a Nominee may at all times require that the Shares thus subscribed be transferred to his/her name, as a result of which the client will be registered under his/her own name in the Register of Shareholders with effect from the date on which the transfer instructions are received from the Nominee.

The Shares may be subscribed directly at the head office of the Registrar and Transfer Agent or through the intermediary of Distributors appointed by the Management Company in countries where the Shares are distributed.

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

A list of the distributors and local paying agents, if any, shall be at disposal at the Management Company's and the Company's registered office.

## **7. AUDITORS**

The Company's accounts and annual reports are independently audited by KPMG.



### **III. THE SHARES**

#### **1. GENERAL PRINCIPLES**

The Company's capital is represented by the assets of its various Sub-Funds, each Sub-Fund having its own investment policy. Subscriptions are invested in the assets of the relevant Sub-Fund.

##### **A. CLASSES OF SHARES**

Pursuant to the Articles of incorporation, the Board of Directors may decide to issue, within each Sub-Fund, one or several Class(es) of Shares, the assets of which will be commonly invested but subject to specific features which are defined hereunder for the different Classes of Shares such as, but not limited to, sales and/or redemption charge structures, currency structures, marketing target or hedging policies. Where different Classes of Shares are issued within a Sub-Fund, the details of each Class of Shares are described in the Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS. References herein to Shares of a Sub-Fund should be construed as being to Shares of a Class of Shares of a Sub-Fund also, if the context so requires.

Should it become apparent that Shares reserved to institutional investors within the meaning of article 174 of the 2010 Law, are held by individuals other than those authorised, the Board of Directors will have the said Shares converted, at the cost of the relevant Shareholder, into Shares of another Class of Shares, if available, or redeemed, at the cost of the relevant Shareholder.

Before subscribing, investors are invited to check in each Sub-Fund's data sheet under APPENDIX IV THE SUB-FUNDS which Classes of Shares are available in each Sub-Fund. Any minimum initial subscription amount, minimum further subscription amount and minimum holding amount, if any, are also mentioned in each Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS.

The Shares will be issued at the subscription prices calculated on the Bank Business Day following each Valuation Day as stated under each Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS.

The assets of the various Classes of Shares of a Sub-Fund are combined into one single portfolio.

The Company may, in the interests of the Shareholders, split or consolidate the Shares of any Sub-Fund or Class of Shares, in accordance with the Articles of incorporation.

The Company may open further Sub-Funds and thus create new Shares of each Class of Shares representing the assets of these Sub-Funds.

Any individual or corporate entity may acquire Shares in the various Sub-Funds making up the net assets of the Company by following the procedures defined in this section.

The Shares of each Sub-Fund are of no par value and carry no preferential subscription rights upon the issue of new Shares. Each share carries one vote at the general meetings of Shareholders, regardless of its Net Asset Value.

All Shares in the Company must be fully paid up.

##### **B. DIVIDENDS**

The Board of Directors does not currently intend to cause the Company to make distributions of income and capital gains to Shareholders, save as may be required to meet the requirements for distributing fund status in respect of the USD denominated Classes of Shares. The income resulting from the investments realised by every Sub-Fund shall be fully capitalised.

If the Board of Directors decides to authorize the Company to make distributions of income and capital gains, details of the distribution policy will be disclosed in the Sub-Fund's relevant data sheet under

No distribution may be made which would result in the net assets of the Company falling below the minimum provided for by Luxembourg law.

Dividends not claimed within five years from their payment date will lapse and revert to the relevant Sub-Fund.

### **C. REGISTERED SHARES**

The Shares of each Sub-Fund are, as determined by the Board of Directors, issued in registered form.

### **D. FRACTIONS OF SHARES**

Shareholders can receive confirmations of subscriptions in the Register, at the Shareholder's requests.

Fractions of Shares with up to 3 decimal places will be issued.

Share transfer forms for the transfer of registered Shares are available at the registered office of the Registrar and Transfer Agent.

## **2. SHARE ISSUE AND SUBSCRIPTION PRICE**

### **A. CONTINUOUS OFFERING**

After the close of the initial offering period (the "Initial Offering Period") (as stipulated in each Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS) each Sub-Fund's share may be subscribed at the registered office of the Registrar and Transfer Agent on any Valuation Day as stipulated in each Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS at a price per share equal to the Net Asset Value per share on the Valuation Day calculated on the Calculation Date for the relevant Sub-Fund plus an eventual maximum subscription fee in accordance with the provision described in the Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS.

This eventual subscription fee may be retroceded to the various financial intermediaries involved in the marketing of the Shares.

A prospective investor may, at any time and prior to the Cut-off Time preceding the applicable Valuation Day, request such subscription by sending a written instruction to the Registrar and Transfer Agent. Any application received within the Company's Cut-off Time will be considered as irrevocable.

Any form of application must contain the following information: the exact name and address of the person making the subscription request and the amount to be subscribed (all subscriptions should exclusively be done in amount and not in Shares), the Sub-Fund to which such subscription applies as well as the Class of Shares concerned, and instruction of payments to be used in cases of future redemptions.

Payment of the subscription price must be received within three (3) Bank Business Days following the applicable Valuation Day (unless otherwise specified in respect of a Sub-Fund in the Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS).

The Company reserves the right to reject any application in whole or in part. Prospective investors may apply for Shares by facsimile or letter at the registered office of the Registrar and Transfer Agent. The Board of Directors may moreover reserve the right to discontinue without notice both the issue and the sale of the Shares of the Company.

The Board of Directors may, at its discretion and in accordance with this Prospectus accept subscriptions by way of *in specie* transfer of assets. In exercising its discretion, the Board of Directors will take into account the investment objective, philosophy and approach of the Sub-Fund and whether the proposed *in specie* assets comply with those criteria including the permitted investments of the Sub-Fund.

In order for Shares in the Company to be issued further to an *in specie* subscription, the transfer of the legal ownership of the assets to Company must have been completed and the assets in question must have already been valued. In the specific case of an *in specie* transfer of shares or units of a UCITS or other UCI, Shares will only be issued once the name of the Company has been entered into in the register of shareholders or unit holders of the relevant UCITS or other UCI and the shares or units of the UCITS or other UCI have been valued on the basis of the next Net Asset Value to be calculated after the aforementioned entry.

For any *in specie* subscription, a valuation report will be drawn up by the Company's auditors giving in particular the quantity, denomination and method of valuation adopted for these assets. Such special valuation report will also specify the total value of the assets expressed in the currency of the Sub-Fund in relation to this contribution. Upon receipt of the special valuation report and a properly completed application form, the Registrar and Transfer Agent will allot the requisite number of Shares in the normal manner. The Board of Directors reserves the right to decline to register any person on the Register until the subscriber has been able to prove title to the assets in question. The subscriber shall be responsible for all custody and other costs involved in changing the ownership of the relevant assets unless the Board of Directors otherwise agrees. The specific costs for such subscriptions *in specie*, in particular the cost of the said special valuation report will be borne by the subscriber.

Taxes or brokerage fees that may be due on a subscription are payable by the subscriber. Under no circumstances may these costs exceed the maximum authorised by the laws, regulations and general banking practices of the countries in which the Shares are acquired.

The Board of Directors has resolved to only accept Shareholders' initial applications for ownership in any Sub-Fund Class of Shares for a minimum initial subscription amount stipulated in each Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS.

The Board of Directors may set for each Sub-Fund or Class of Shares different minimum initial subscription amounts, minimum further subscription amounts, eligibility requirements and minimum holding amounts, in accordance with the provision described in each Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS.

No Shares will be issued by the Company in a Sub-Fund during any period when the calculation of the Net Asset Value per share of such Sub-Fund is suspended by the Board of Directors pursuant to the power reserved to it by the Articles of incorporation and described under Section IV "Net Asset Value" hereafter. Notice of any such suspension shall be given to the persons having applied for subscription, and any application either presented or suspended along such suspension may be withdrawn by way of a written notice to be received by the Company (which will inform the Registrar and Transfer Agent) prior to the termination of the relevant suspension. Unless so withdrawn, any application shall be taken into consideration on the first Valuation Day following such suspension.

The issue price of Shares in the Sub-Fund is available at the registered office of the Company, of the Management Company and of the Administrative Agent.

## **B. REFUSAL OF SUBSCRIPTIONS AND COMPULSORY REDEMPTIONS**

The Company may restrict or prevent the ownership of Shares by any person, firm or company. More specifically, Shares of the Company have not been registered under the US Securities Act of 1933, as amended (the US Securities Act). Therefore the Company represents and warrants that Shares will not be offered from within the United States or to Investors who are US Persons. A US Person is any person who: (i) is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder; (ii) is a US person within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR § 230.902(k)); (iii) is not a Non-

United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv)); (iv) is in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended; or (v) any trust, entity or other structure formed for the purpose of allowing US Persons to invest in the Fund.

This definition shall be amended to the extent required to comply with the FATCA rules so as to cover any U.S. person as defined under FATCA.

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

The Company may also compulsorily redeem all Shares held by any person, if in the opinion of the Board of Directors, the ownership of such person might result in the Company incurring any liability or taxation or suffering any other disadvantage which the Company may not otherwise have incurred or suffered and, in particular, by any US Person as referred to above and by any persons due which the Company fails to comply with FATCA (please refer to section entitled "Taxation").

Such persons, firms or companies (including US Persons and/or persons in breach of FATCA requirements) are herein referred to as "Prohibited Persons".

The Company does not allow investments which are associated with market timing or late trading as described in Section III.5.

In any case of or suspicion of such market timing or late trading practice, the Board of Directors reserves the right to:

- refuse any subscription;
- redeem at any time Shares in the Company.

Such actions do not need to be justified.

### **C. FIGHT AGAINST MONEY LAUNDERING**

Pursuant to the Luxembourg laws of 19<sup>th</sup> February 1973 to combat drug addiction, as amended, of 5<sup>th</sup> April 1993, relating to the financial sector, as amended, and of 12<sup>th</sup> November 2004 on the fight against money laundering and terrorist financing, as amended, and to the relevant circulars of the supervisory authority, obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment such as the Company for money laundering purposes. Within this context measures to ensure the identification of investors have been imposed.

Within the context of the fight against money laundering, application forms must be accompanied by a true copy certified by a competent authority (such as an embassy, consulate, notary or police commissioner) of the subscriber's identity card, for individuals, or by a true copy certified by a competent authority (such as an embassy, consulate, notary or police commissioner) of the Articles of incorporation and extract of the trade register for corporate entities, in the following cases:

1. if the application is made directly to the Registrar and Transfer Agent;
2. if the application is made via a professional of the financial sector residing in a country which is not required to follow an identification procedure equivalent to the standards applied in Luxembourg relating to the prevention of the use of the financial system for money-laundering purposes;
3. if the application is made via a subsidiary or branch whose parent company is required to follow an identification procedure equivalent to that required by Luxembourg law, if the law governing the parent company does not oblige it to ensure that the said procedure is followed by its subsidiaries and branches.

Moreover, the Company is legally responsible for identifying the origin of monies transferred. Subscriptions and payment of redemption proceeds may be suspended until such monies or the identity of the relevant Shareholder has been correctly identified.

It is generally accepted that investment professionals and financial sector institutions regulated in countries adhering to the conclusions of the FATF report (Financial Action Task Force on Money Laundering) are considered to enforce an identification procedure equal to the one required by Luxembourg law. According to Luxembourg law, documentation in addition to that described above may be requested upon cases and risk based approach.

### **3. REDEMPTION OF SHARES**

Shareholders may place redemption orders on a Bank Business Day for all or part of their shareholdings. Redemption requests, considered irrevocable, should be sent at the registered office of the Registrar and Transfer Agent. Requests must contain the following information: the exact name and address of the person making the redemption request and the number of Shares to be redeemed, the Sub-Fund to which such Shares belong, as well as the Class of Shares and instruction of payments to be used in cases to credit the investor.

Provided the redemption request together with any required anti-money laundering documentation is received prior to the Company's Cut-off Time preceding the applicable Valuation Day, the Shares will be redeemed based on the Net Asset Value per Share calculated for such Valuation Day. If received thereafter, the application will be deferred to the following Valuation Day.

In case of reimbursement it shall be assumed that Shares first subscribed are first redeemed.

A redemption fee (for the benefit of the relevant Class of Shares) at a maximum rate in accordance with the provision described in the Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS may be deducted from this amount. The same redemption fee will apply to any and all orders received on the same Valuation Day.

The redemption value may be higher than, equal to, or lower than the initial purchase price.

The redemption proceeds will be paid on the third Bank Business Day after the relevant Valuation Day by bank transfer.

Redemption orders will not actually be processed, and the redemption proceeds will not actually be paid until the redemption form for registered Shares has been received.

Neither the Board of Directors, nor the Registrar and Transfer Agent will be held responsible for any lack of payment of whatever form resulting from the application of possible exchange controls or other circumstances beyond its/their control which may limit or render impossible the transfer of the redemption proceeds to other countries.

In relation to an application for redemption, or transfer of Shares, the Company and/or Registrar and Transfer Agent may require at any time such documentation as it/they deem appropriate. Failure to provide such information in a form which is satisfactory to the Company and/or Registrar and Transfer Agent may result in an application for redemption or transfer not being processed. Should documentation not be forthcoming with regard to the return of payments or the redemption of Shares, then such payment may not proceed.

No payments of Share redemption proceeds will be made to third parties.

In addition to the suspension of the issue of Shares, a suspension of the calculation of the Net Asset Value of a Sub-Fund entails also the suspension of redemptions of that Sub-Fund as set out in Section IV: 2. below. Any suspension of redemptions will be notified in accordance with Section IV "Net Asset Value" by all appropriate means to the Shareholders having submitted a redemption request, the execution of which has been differed or suspended. The Board of Directors may decide to delay the payment of redemption proceeds, in circumstances where the Company is unable to repatriate cash proceeds or during any period where the calculation of the Net Asset Value has been suspended.

The payment of redemption proceeds that has been delayed will occur as soon as reasonably practicable after the relevant Valuation Day.

If the total net redemption requests received for one Sub-Fund or one Class of Shares on any Valuation Day exceed 10% of the Net Asset Value thereof, the redemption requests received may be reduced and differed proportionally so as to reduce the number of Shares redeemed on such day to 10% of the Net Asset Value of the Sub-Fund or Class of Shares in question. Any redemption request thus differed will have priority over the redemption requests received on the following Valuation Day, but always subject to the limit of 10% mentioned above.

In normal circumstances the Board of Directors will maintain adequate level of liquid assets in order to meet redemption requests.

### **Redemption in specie**

The Board of Directors may at the request of a Shareholder elect to satisfy a redemption in whole or in part by way of the transfer *in specie* of assets of the Company. The Board of Directors will ensure that the transfer of assets *in specie* in cases of such redemptions will not be detrimental to the remaining Shareholders of the Company by pro-rating the redemption *in specie* as far as possible across the entire portfolio of securities. Such *in specie* redemptions will be subject to a special report from the Auditor of the Company, confirming the number, the denomination and the value of the assets which the Board of Directors will have determined to be transferred in counterpart of the redeemed Shares. This special report will also confirm the way of determining the value of the assets which will have to be identical to the procedure for determining the Net Asset Value of the Shares. The specific costs for such redemptions *in specie*, in particular the cost of the special report will be borne by the redeeming Shareholder.

## **4. CONVERSION OF SHARES**

A conversion can be analyzed as a simultaneous transaction of redemption and subscription of Shares.

Consequently, such a transaction may only be processed on the first Valuation Day on which both the Net Asset Values of the Sub-Funds involved in the said transaction are calculated.

Shareholders of one Class of Shares in a Sub-Fund may request at any time the conversion of all or part of their holdings into Shares of another Class of Shares in the same or another Sub-Fund. Only institutional investors within the meaning of article 174 of the 2010 Law may convert their Shares into a Class of Shares that is reserved to institutional investors.

A conversion request will be considered irrevocable and must be sent at the registered office of the Registrar and Transfer Agent by letter or facsimile, and by indicating the name of the Sub-Fund into which the Shares are to be converted and specifying the Class of Shares of the Shares to be converted, the Class of Shares of the new Sub-Fund to be issued. If this information is not given, the conversion will be made into Shares of the same Class of Shares.

Provided the conversion request together with the required documentation is received prior to the Company's Cut-off Time for a Valuation Day, the Shares will be converted based on the Net Asset Value per Share calculated for such Valuation Day. If received thereafter, the application will be deferred to the following Valuation Day.

The conversion proceeds will be settled on the third Bank Business Day after the relevant Valuation Day.

Subject to a suspension of the calculation of the Net Asset Value, Shares may be converted on any Valuation Day following receipt of the conversion request, by reference to the Net Asset Value of the Shares of the Sub-Funds concerned as established on such Valuation Day.

The rate at which all or part of the holding of a given Sub-Fund or Class of Shares (the "original Sub-Fund") is converted into Shares of another Sub-Fund or Class of Shares (the "new Sub-Fund") is determined as precisely as possible in accordance with the following formula:

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

*D*

- A being the number of Shares of the new Sub-Fund to be attributed;
- B being the number of Shares of the original Sub-Fund to be converted;
- C being the prevailing Net Asset Value per Share of the original Sub-Fund on the day in question;
- D being the prevailing Net Asset Value per Share of the new Sub-Fund on the day in question; and
- E being the exchange rate applicable at the time of the transaction between the currency of the Sub-Fund to be converted and the currency of the Sub-Fund to be attributed;
- F being a conversion fee payable to the original Sub-Fund, at a maximum rate in accordance with the provision described in the Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS.

A conversion fee (for the benefit of the original Class of Shares) at a maximum rate in accordance with the provision described in the Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS may be deducted from the prevailing Net Asset Value per Share of the original Sub-Fund used for the conversion. This maximum rate should be the same applicable rate for all the conversion order executed on the same Valuation Day.

After conversion, the Registrar and Transfer Agent will inform the Shareholders of the number of Shares obtained of the new Sub-Fund and their cost.

In converting Shares of a Sub-Fund into Shares of another Class of Shares or Sub-Fund, a Shareholder must meet the applicable minimum initial subscription amount requirements of this Class of Shares or Sub-Fund, if any.

If, as a result of any request for conversion, the number of Shares held by any Shareholder in a Sub-Fund or Class of Shares would fall below the value of minimum initial subscription amount indicated in the old Sub-Fund, the Company may treat such request as a request to convert the entire shareholding of such Shareholder. In addition, the Shareholder must comply with the minimum holding requirements, if any, with respect to the new Sub-Fund, as stipulated in each Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS.

No conversion of Shares may be carried out whenever the calculation of the Net Asset Value of one of the Sub-Funds involved in the conversion operation is suspended.

Any suspension of conversions will be notified in accordance with Section IV "Net Asset Value" by all appropriate means to the Shareholders having presented their requests, the execution of which has been differed or suspended.

## **5. PREVENTION OF MARKET TIMING AND LATE TRADING PRACTICES**

The Company does not allow investments which are associated with late trading or market timing practices, as such practices may adversely affect the interests of the Shareholders.

### **A. MARKET TIMING**

In general, Market Timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts Shares of the same UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the UCI.

Accordingly, the Board of Directors may, whenever it deems it appropriate, cause the Registrar and Transfer Agent to reject an application for subscription and/or switching of Shares from investors whom the Directors consider market timer and may, if necessary, take appropriate measures in order to protect the

interests of the other investors. For these purposes, the Board of Directors may consider an investor's trading history and the Registrar and Transfer Agent may combine Shares which are under common ownership or control.

#### **B. LATE TRADING**

In general, Late Trading is to be understood as 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.

Therefore, the subscriptions, conversions or redemptions are dealt with at an unknown Net Asset Value.

### **6. STOCK EXCHANGE LISTING**

The Shares of the Company are not listed on the Luxembourg Stock Exchange. However, the Directors of the Company reserve the right to list later on Shares of any Class of Shares on the Luxembourg or other Stock Exchange.



## **IV. NET ASSET VALUE**

### **1. GENERAL PRINCIPLES**

#### **A. DEFINITION AND CALCULATION OF THE NET ASSET VALUE**

The Net Asset Value per Share of each Sub-Fund and Class of Shares of the Company is determined in Luxembourg by the Administrative Agent, under the responsibility of the Management Company, on each Valuation Day on a frequency as defined in the Sub-Funds' relevant data sheets under APPENDIX IV THE SUB-FUNDS, provided this day is a Bank Business Day.

The Net Asset Value dated on the Valuation Day "D" is calculated on the Bank Business Day following this Valuation Day "D+1" (the "Calculation Date") on the basis of the closing prices of the Valuation Day "D".

The Net Asset Values are expressed in the Sub-Fund's and Class of Shares' respective reference currency, as stated in the Sub-Funds' relevant data sheets under APPENDIX IV THE SUB-FUNDS.

The value of the Shares of each Sub-Fund and Class of Shares is obtained by dividing the Net Asset Value of the assets of the Sub-Fund and Class of Shares considered by the number of outstanding Shares of these Sub-Funds and Classes of Shares. The number of decimals for the calculation of the Net Asset Value will be rounded up to 2 decimals.

If the Board of Directors considers that the Net Asset Value calculated on a given Valuation Day is not representative of the true value of the Company's Shares, or if, since the calculation of the Net Asset Value, there have been significant fluctuations on the stock exchanges concerned, the Board of Directors may decide to amend the Net Asset Value on that same day. In these circumstances, all subscription, redemption and conversion requests received for that day will be handled on the basis of the amended Net Asset Value with due care and good faith.

#### **B. DEFINITION OF THE PORTFOLIOS OF ASSETS**

The Board of Directors will establish procedures to ensure that the assets and liabilities of each Sub-Fund and Class of Shares thereof are properly recorded and segregated as a distinct portfolio of assets and liabilities for each Sub-Fund and Class of Shares thereof.

In order to establish these different portfolios of net assets:

1. if a Sub-Fund has two or more Classes of Shares, the assets allocated to such Classes of Shares will be invested together according to the investment policy of the relevant Sub-Fund subject to the specific features of said Classes of Shares;
2. the proceeds resulting from the issue of the Shares of a Class of Shares of a given Sub-Fund will be attributed in the Company's accounts to the relevant Class of Shares of this Sub-Fund and the assets, liabilities, income and expenses relating to this Sub-Fund/ Class of Shares will also be attributed thereto;
3. the assets, liabilities, income and expenses relating to this Sub-Fund/ Class of Shares will also be attributed thereto;
4. where any asset derives from another asset, such derivative asset will be applied in the books of the Company to the same Sub-Fund from which it was derived, and on each subsequent revaluation of an asset, the increase or decrease in value will be attributed to the Sub-Fund to which it belongs;
5. if the Company bears a liability associated with an asset of a particular Sub-Fund or Class of Shares this liability will be attributed to that particular Sub-Fund or Class of Shares (for example: hedging transactions). In the case where any asset or liability of the Company cannot be considered as being attributable to a particular Class of Shares, such asset or liability shall be allocated to all the Classes of Shares pro rata to their respective Net Asset Values or in such other manner as determined by the Board of Directors acting in good faith. With reference to the relations between Shareholders and third parties, each Sub-Fund will be treated as a separate entity.

### C. VALUATION OF ASSETS

The assets of each Sub-Fund of the Company will be valued by the Administrative Agent in accordance with the following principles:

1. The value of any cash at hand or on deposit, bills, demand notes and accounts receivable, prepaid expenses, dividends and interests matured but not yet received shall be valued at the par-value of the assets, except if it appears that such value is unlikely to be received. In such a case, subject to the approval of the Board of Directors, the value shall be determined by deducting a certain amount to reflect the true value of the assets.
2. The value of Transferable Securities, Money Market Instruments and/or financial derivative instruments listed on an official Stock Exchange or dealt in on a regulated market which operates regularly and is recognised and open to the public (a "Regulated Market"), as defined by laws and regulations in force, is based on the latest available price and if such Transferable Securities are dealt in on several markets, on the basis of the latest known price on the stock exchange which is normally the principal market for such securities. If the latest known price is not representative, the value shall be determined, based on a reasonably foreseeable sales price to be determined prudently and in good faith.
3. In the event that any Transferable Securities or/and Money Market Instruments are not listed or dealt in on any stock exchange or any other Regulated Market operating regularly, recognised and open to the public, as defined by the laws and regulations in force, the value of such assets shall be assessed on the basis of their foreseeable sales price estimated prudently and in good faith.
4. The liquidating value of derivative contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined by the Administrative Agent, in a fair and reasonable manner, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Company; provided that if a futures, forward and options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.
5. Credit default swaps will be valued at their present value of future cash flows by reference to standard market conventions, where the cash flows are adjusted for default probability. Interest rate swaps will be valued at their market value established by reference to the applicable interest rates' curve. Other swaps will be valued at fair market value as determined in good faith pursuant to the procedures established by the board of directors and recognised by the auditor of the Company.
6. The value of Money Market Instruments not listed or dealt in on any stock exchange or any other Regulated Market and with remaining maturity of less than 12 (twelve) months and of more than 90 (ninety) days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 (ninety) days or less will be valued by the amortised cost method, which approximates market value.
7. Units of UCITS and/or other UCI will be valued at their last determined and available Net Asset Value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value.

8. All other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.

The value of all assets and liabilities not expressed in the reference currency of a Sub-Fund will be converted into the reference currency of such Sub-Fund at rates last quoted by major banks. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board of Directors.

The Board of Directors, at its sole discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Company.

Every other asset shall be assessed on the basis of the foreseeable realisation value which shall be estimated prudently and in good faith.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Company is authorised, prudently and in good faith, to follow other rules in order to achieve a fair valuation of its assets.

All and any assets not expressed in the currency of the Sub-Fund to which they belong shall be converted into the currency of that Sub-Fund at the exchange rate applying on the concerned Bank Business Day or at such exchange rate as may be agreed in the relevant forward contracts.

The value of the net assets per Share of each Class of Shares, as well as their issue, redemption and conversion prices shall be made available at the registered office of the Company every Bank Business Day.

Adequate deductions will be made for expenses to be borne by the Company and account will be taken of the Company's liabilities according to fair and prudent criteria. Adequate provisions will be made for the expenses to be borne by the Company and account may be taken of the Company's off balance sheet liabilities according to fair and prudent criteria.

## **2. SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE, OF ISSUES, CONVERSIONS AND REDEMPTIONS OF SHARES**

- A. The Board of Directors is authorised to suspend temporarily the calculation of the Net Asset Value of the assets of one or more Sub-Fund(s) or Class(es) of Shares of the Company and the Net Asset Value per Share of such Sub-Fund(s) or Class(es) of Shares, as well as the issue, redemption and conversion of the Shares of these Sub-Funds or Classes of Shares, in the following cases:
- a) when any of the principal stock exchanges, on which a substantial portion of the assets of one or more Sub-Funds of the Company is quoted, is closed other than for ordinary holidays, or during which dealings therein are suspended or restricted;
  - b) when the market of a currency, in which a substantial portion of the assets of one or more Sub-Fund(s) or Class(es) of Shares of the Company is denominated, is closed other than for ordinary holidays, or during which dealings therein are suspended or restricted;
  - c) when any breakdown arises in the means of communication normally employed in determining the value of the assets of one or more Sub-Fund(s) or Class(es) of Shares of the Company or when for whatever reason the value of one of the Company's investments cannot be rapidly and accurately determined;
  - d) when exchange restrictions or restrictions on the transfer of capital render the execution of transactions on behalf of the Company impossible, or when purchases or sales made on behalf of the Company cannot be carried out at normal exchange rates;
  - e) when political, economic, military, monetary or fiscal circumstances which are beyond the control, responsibility and influence of the Company prevent the Company from disposing of the assets, or from determining the Net Asset Value, of one or more Sub-Fund(s) or Class(es) of Shares of the Company in a normal and reasonable manner;
  - f) as a consequence of any decision to liquidate or dissolve the Company or one or several Sub-Fund(s);

- g) In the event of the publication (i) of the convening notice to a general meeting of Shareholders at which a resolution to wind up the Fund, any Sub-Fund or Class of Shares is to be proposed, or of the decision of the Board of Directors to wind up one or more Sub-Funds or Classes of Shares, or (ii) to the extent that such a suspension is justified for the protection of the Shareholders, of the notice of the general meeting of Shareholders at which the merger of the Fund, a Sub-Fund or a Class of Shares is to be proposed, or of the decision of the Board of Directors to merge one or more Sub-Funds or Classes of Shares; or
  - h) Where the Master UCITS of a Feeder Sub-Fund temporarily suspends the calculation of its Net Asset Value, whether on its own initiative or at the request of its competent authorities; or
  - i) any other circumstances beyond the control of the Board of Directors as determined by the Directors in their discretion.
- B. Any suspension of the calculation of the Net Asset Value of the Shares of one or more Sub-Fund(s) or Class(es) of Shares will be announced by all appropriate means, and in particular by publication, if appropriate, in the newspapers in which these values are usually published. The Company will inform the Shareholders having requested the subscription, redemption or conversion of the Shares of these Sub-Funds or Classes of Shares of any suspension of calculation in the appropriate manner.

Such suspension with regard to any Sub-Fund or Classes of Shares shall have no effect on the calculation of the Net Asset Value of another Sub-Fund or Class of Shares.

During the suspension period, Shareholders may cancel any subscription, redemption or conversion orders they have placed. If orders are not cancelled, Shares will be issued, redeemed or converted on the basis of the first Net Asset Value calculated after the suspension period.

- C. In exceptional circumstances which may be detrimental to the Shareholders' interests (for example large numbers of redemption, subscription or conversion requests, strong volatility on one or more market(s) in which the Sub-Fund(s) or Class(es) of Shares is (are) invested), the Board of Directors reserves the right to suspend the determination of the value of this (these) Sub-Fund(s) or Class(es) of Shares until the disappearance of these exceptional circumstances and, if the case arises, until any essential sales of securities on behalf of the Company have been completed.

In such cases, subscriptions, redemption requests and conversions of Shares, which were suspended simultaneously, will be satisfied on the basis of the first Net Asset Value calculated thereafter.

## V. CHARGES AND EXPENSES

### 1. FEES TO BE BORNE BY THE COMPANY

The following costs will be charged to the Company:

- costs incurred in connection with the formation of the Company, and the launch of new sub-funds, including the cost of services rendered in the incorporation of the Company and in obtaining approval by the competent authorities;
- remuneration of the Investment Manager, the Depositary, the Principal Paying Agent, the Registrar and Transfer Agent, the Administrative Agent and, the Management Company and, if any, the remuneration of correspondents;
- Administrative and Domiciliary Agency fees;
- expenses for legal and other professional services relating to the management, regulatory requirements and/ or investments of the Company and its Sub-Funds;
- Auditors' costs and audit fees;
- remuneration of the Directors and reimbursement of their reasonable expenses, if any;
- costs of printing and publishing information for the Shareholders and in particular the costs of printing and distributing the periodic reports, as well as the Prospectuses, brochures and other marketing material;
- brokerage fees and any other fees arising from transactions involving securities in the Company's portfolio;
- all taxes and duties which may be payable on the Company's income;
- the annual registration fee (cf. Section VII 1), as well as taxes or other fees payable to the supervisory authorities and costs relating to the distribution of dividends;
- extraordinary expenses, in particular those relating to the consultation of experts in connection with the investments of the Company or other such proceedings as may protect the Shareholders' interests;
- annual fees payable for stock exchange listing, if any;
- subscriptions to professional associations and other organisations in Luxembourg, which the Company will decide to join in its own interest and in that of its Shareholders;
- risk and compliance management and fund reports.

In consideration of its services, the Administrative Agent, and Registrar and Transfer Agent will be entitled to receive from the Company customary fees of maximum 0.045% per annum (Luxembourg tax not included). The central administration fees will be calculated by reference to the monthly average net asset value with a minimum annual fee of the equivalent in USD of EUR 30,000 per Sub-Fund. They will accrue on each Valuation Day and will be payable monthly in arrears.

In consideration of its services, the Depositary will be entitled to receive from the Company customary fees of maximum 0.05% per annum (Luxembourg tax not included) with a minimum annual fee of the equivalent in USD of EUR 20,000 per Sub-Fund (reduced for the first year after launch to the equivalent in USD of EUR 10,000 per Sub-Fund). The Depositary fees will be calculated by reference to the monthly average net asset value. They will accrue on each Valuation Day and will be payable monthly in arrears.

In addition, the Depositary will be entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and to receive reimbursement for the fees charged to it by any correspondent bank or other agent (including any clearing system).

The amount paid by the Company to the Depositary, Principal Paying Agent, Administrative Agent and Registrar and Transfer Agent will be stated in the annual report of the Company.

As remuneration for its services, the Domiciliary Agent will receive from the Company an annual fee of EUR 5,000.- p.a. for the whole Company and EUR 1,000 p.a. per Sub-Fund.

As remuneration for its management company services, the Management Company is entitled to receive out of the assets of each Class of Shares within each Sub-Fund a recurring Management Fee of up to 0.10% p.a that is payable monthly and based on the average net assets of each Sub-Fund during the relevant month with a minimum of up to EUR 45,000 p.a. per Sub-Fund.

In addition the Management Company will charge an annual fixed fee of up to EUR 5,000 per annum per sub-fund.

In addition, the Management Company is entitled to receive a flat fee of EUR 1,000 per month. per Sub-Fund using the VaR methodology.

This fee is payable monthly in arrears during the relevant month. The exact amount paid annually can be deferred from the Company's relevant annual report.

In respect of the global distributor duties, the Company will pay a fee of up to EUR 4,000 per annum per distribution agreement.

In addition, any reasonable disbursements and out-of-pocket expenses, including telephone, facsimile, electronic transmission and postage expenses etc. incurred by the Management Company, the Depositary, the Administrative Agent or the Registrar and Transfer Agent within the framework of their mandates, as well as correspondents' costs, will be borne by the relevant Sub-Fund of the Company. In its capacity as Principal Paying Agent, the Depositary may charge the usual fee charged in the Grand Duchy of Luxembourg.

Under the terms of the agreement entered into by the Company and the Management Company, the Company will pay fees appearing in each Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS.

All recurring general costs will be charged first against investment income, then, should this not be sufficient, against realised capital gains.

Costs related to the establishment of any new Sub-Fund will be borne by such new Sub-Fund and amortised over a period of 1 (one) year from the date of establishment of such Sub-Fund or over any other period as the Board of Directors may determine, with a maximum of 5 (five) years starting on the date of the Sub-Fund's establishment.

When a Sub-Fund is liquidated, any setting-up costs that have not yet been amortised will be charged to the Sub-Fund being liquidated.

All expenses will be accrued in each Sub-Fund at each net asset value calculation.

## **2. FEES TO BE BORNE BY THE SHAREHOLDER**

The fees paid by Shareholders are described in each relevant Sub-Fund's data sheet under APPENDIX IV THE SUB-FUNDS.

## **VI. TAX STATUS - APPLICABLE LAW - OFFICIAL LANGUAGE**

### **1. TAX STATUS**

#### **A. TAXATION OF THE COMPANY**

The Company is governed by Luxembourg tax laws.

Under current law and practice, the Company is liable, at the date of this Prospectus, to an annual subscription tax of 0,05% (except those Sub-Funds or Classes of Shares, which may benefit from the lower rate of 0,01% as more fully described in article 174 of the 2010 Law). No subscription tax is due on the portion of the assets of the Company invested in other Luxembourg UCITS or UCIs (if any) provided that such assets have already been subject to the subscription tax. This tax is payable quarterly and calculated on the basis of the Company's net assets at the end of the relevant quarter.

No duty or other tax will be paid in Luxembourg on the issue of Shares of the Company except for a fixed registration duty of EUR 75 paid by the Company payable at the time of incorporation or in the event of an amendment of the Articles of incorporation.

Income received by the Company may be liable to withholding taxes in the country of origin and is thus collected by the Company after deduction of such tax. This is neither chargeable nor recoverable. Provided certain conditions for the application of the relevant double tax convention are fulfilled, the Company may obtain a reduction of the withholding tax rate in the country of the source. This should be further determined on a case by case basis.

#### **B. TAXATION OF THE SHAREHOLDERS OF THE COMPANY**

A Shareholder will not become tax resident, nor be deemed to be tax resident, in Luxembourg by reason only of the holding and/or disposing of the Shares in the Company or the execution, performance or enforcement of their rights hereunder.

Under current tax rules, non-resident Shareholders are not subject in Luxembourg to any taxation of or withholding tax on their income, on realised or unrealised capital gains, on transfers of Shares for cause of death or on amounts received subsequent to dissolution.

Tax resident individuals and certain former tax resident individuals, should be subject to income tax on any income received and capital gains (more than 10% of the shareholding of the Company) obtained in relation with their participation in the Company.

Tax resident companies or a non-resident companies having a permanent establishment in Luxembourg to which the Shares in the Company are attributable, should be generally subject to Luxembourg corporate income taxes (at a 29.22% global corporate tax rate in Luxembourg City), except if the Shareholder is a regulated investment vehicle, a family wealth management company governed by the law of 11 May 2007 on family wealth management companies, or a reserved alternative fund subject to the law of 23 July 2016 on reserved alternative investment fund which does not invest in risk capital.

A Luxembourg company or a non-resident company having a permanent establishment in Luxembourg to which the Shares in the Company are attributable, is subject to Luxembourg net wealth tax calculated on its net asset value (taking into account their Shares in the Company) except if the Shareholder is a regulated investment vehicle; a family wealth management company governed by the law of 11 May 2007 on family wealth management companies; or a reserved alternative fund subject to the law of 23 July 2016 on reserved alternative investment funds which does not invest in risk capital.

Nevertheless, further to the law of 18 December 2015 on net wealth tax aspects, securitisation corporations governed by the law of 22 March 2004 (as amended); venture capital corporations governed by the law of 15 June 2004 (as amended); or reserved alternative investment funds, subject to the law of 23 July 2016 which invests in risk capital, should be in the scope of the minimum net wealth tax, which may vary depending on the total amount of its balance sheet, and ranging from EUR 535 to EUR 32,100.

Potential Shareholders are advised to make inquiries and, if necessary, to take advice on the subject of the laws and rulings (such as those concerning taxation and exchange control) which apply to the subscription, purchase, holding and disposal of shares in their country of origin, residence and/or domicile.

## **FATCA**

The attention of the Shareholders is also drawn to the FATCA provisions of the Hiring Incentives to Restore Employment Act ("HIRE Act") which generally impose a reporting regime and potentially a 30% withholding tax with respect to certain United States source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce United States source interest or dividends (the "Withholdable Payments"). As a general matter, the rules are designed to require United States persons' direct and indirect ownership of non-United States accounts and non-United States entities to be reported to the United States Inland Revenue Service ("IRS"). To discourage non-US financial institutions from staying outside this regime, all US securities held by a financial institution that does not enter and comply with the regime should be subject to a 30% US withholding tax on Withholdable Payments.

On 28 March 2014, the Grand Duchy of Luxembourg signed a Model 1 Inter-governmental Agreement (the "IGA") with the US to implement FATCA. Such IGA was approved by the Luxembourg law of 24 July 2015 on FATCA. The IGA is based on domestic reporting and reciprocal automatic exchange pursuant to the Convention between the government of the US and the government of the Grand Duchy of Luxembourg for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital done on 3 April 1996 (the "Convention") as amended by the protocol amending the Convention done on 20 May 2009. Such protocol includes a provision prohibiting a contracting state to decline to supply information solely because the information is held by a bank or other financial institution, nominee or person acting in an agency or fiduciary capacity or because it relates to ownership interests in a person.

All foreign financial institutions (*i.e.* all non-US financial organisations – hereafter "FFI's") worldwide should take steps to become compliant with FATCA regardless of whether they have any US income, investments or investors. Luxembourg Investment Vehicles such as SICAV and FCP under the UCITS or SIF regime fall under the Foreign Financial Institution definition.

To ensure the Company's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the SICAV, the Management Company, in its capacity as the Company's management company, the Administrative Agent and/or any of their respective agents or representatives may:

- a. request information or documentation, including withholding certificate (e.g. W-9 or W-8 tax forms), a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
- b. report information concerning a Shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a U.S. reportable account under the Luxembourg IGA; and/or
- c. divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

An infringement of the obligations derived from FATCA may generate sanctions at the level of the FI ranging from EUR 1,500 to zero point five per cent (0.5%) of the amount object of the reporting.

All prospective investors and Shareholders are advised to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Company.

## **Organisation for Economic Co-operation and Development ("OECD") Common Reporting Standard ("CRS")**

The Luxembourg law of 18 December 2015 (the "AEI Law") introduced automatic exchange of information requirements by transposing European Council Directive 2014/107/EU of 9 December 2014 which adopted the OECD CRS.



Definitions have hereinafter the meaning given to them in the AEI Law.

Further to the AEI Law, Financial Institutions (including, amongst others, and under certain conditions, investment funds) are required to undertake new on-boarding and due diligence procedures and report to the Luxembourg tax administration certain information about Account Holders who are tax resident in other CRS Participating Jurisdictions. This information will be exchanged by the Luxembourg tax administration with the tax authorities of the country of residence of the reportable Account Holder.

Under the AEI Law, Reporting Financial Institutions are obliged to report information on account balances and financial income defined in a broad way (including, amongst others, distributions made by investment funds, and redemptions of fund units or shares), paid or credited to certain persons, which, broadly speaking, are tax residents of another EU Member State or of certain third countries that have signed a bilateral convention allowing such exchange.

The automatic exchange of information provisions covered in the AEI Law are based on the OECD CRS, which has been developed by the OECD in the context of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters of 1 June 2011 (as amended). More than 100 jurisdictions have signed this OECD Multilateral Convention, or announced its intention to sign it. It is expected that additional multilateral and/or bilateral conventions will be concluded between a growing number of jurisdictions in order to impose similar automatic exchange of information obligations in the field of taxation.

An infringement of the obligations derived from the AEI Law may generate sanctions at the level of the Reporting Financial Institution, ranging from EUR 1,500 to zero point five per cent (0.5%) of the amount object of the reporting.

Prospective holders of the Shares are advised to seek their own professional advice in relation to OECD CRS on exchange of information.

## **2. APPLICABLE LAW**

Any disputes between Shareholders and the Company will be settled in accordance with Luxembourg law.

## **3. OFFICIAL LANGUAGE**

The official language of this Prospectus and of the Articles of incorporation is English. However, the Board of Directors and the Management Company may, personally and on behalf of the Company, consider that these documents must be translated into the languages of the countries in which the Shares are offered and sold. In case of any discrepancies between the English text and any other language into which the Prospectus is translated, the English text will prevail.

## **VII. FINANCIAL YEAR - MEETINGS - REPORTS**

### **1. FINANCIAL YEAR**

The financial year of the Company starts each year on 1<sup>st</sup> January and ends on the last day of December of each year.

### **2. MEETINGS**

The annual general meeting of Shareholders will be held in Luxembourg, at the registered office of the Company or at any other place in the municipality of the registered office of the Company which will be specified in the convening notice to the meeting, on the second Tuesday of May at 2 pm. (CET). If this day is not a Bank Business Day, the annual general meeting will be held on the next following Bank Business Day.

Shareholders will meet upon the call of the Board of Directors in accordance with the provisions of Luxembourg law.

The Company may decline to accept the vote of any Prohibited Person at any meeting of Shareholders of the Company.

### **3. PERIODIC REPORTS**

The audited annual reports will be prepared as at 31<sup>st</sup> December each year.

The unaudited semi-annual accounts will be prepared as at 30<sup>th</sup> June each year.

The audited annual report will be available at the registered office of the Company and to Shareholders upon request within four months after the end of the financial year and at least fifteen (15) days before the Annual General Meeting. The unaudited semi-annual accounts will be available upon request within two months after the end of the half-year.

The Company is authorised to publish an abridged version of the financial reports. However, a complete version of the financial reports may be obtained free of charge at the registered office of the Company, or the Management Company, as well as from the establishments designated by the Company. These reports will contain information concerning each Sub-Fund as well as the assets of the Company as a whole.

The financial statements of each Sub-Fund are expressed in its respective reference currency, whereas the consolidated accounts will be expressed in USD.

## **VIII. LIQUIDATION OF THE COMPANY - MERGER OF SUB-FUNDS OR CLASSES**

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

The Company will be liquidated in accordance with the provisions of the 2010 Law.

#### **A. MINIMUM ASSETS**

If the capital of the Company falls below two thirds of the required minimum, the Board of Directors must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum will be prescribed and which will decide by a simple majority of the Shares represented at the meeting.

If the capital of the Company falls below one quarter of the required minimum, the Board of Directors must submit the question of the Company's dissolution to the general meeting of Shareholders for which no quorum will be prescribed; dissolution may be decided by the Shareholders holding one quarter of the Shares represented at the meeting.

The meeting will be convened so as to be held within 40 (forty) days from the date on which the net assets are recorded as having fallen below either two thirds or one quarter of the legal minimum.

Moreover, the Company may be dissolved by a decision of a general meeting of Shareholders ruling in accordance with the relevant statutory provisions.

#### **B. VOLUNTARY LIQUIDATION**

Where the Company is to be dissolved, its liquidation will be carried out by one or more liquidators appointed in accordance with the Articles of incorporation and with the 2010 Law, which specifies the manner in which the net proceeds of liquidation, after deduction of expenses, is to be distributed amongst the Shareholders.

Amounts that have not been distributed by the close of the liquidation procedure will be consigned to the "*Caisse de Consignation*" in Luxembourg for the duration of the limitation period in favour of the Shareholders entitled thereto.

Shares will cease to be issued, redeemed and converted as soon as the decision to dissolve the Company is taken.

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

#### **A. CLOSURE OF SUB-FUNDS OR CLASSES OF SHARES**

If the assets of any one Sub-Fund or Class of Shares fall below a level at which the Board of Directors considers that its management may not be easily ensured or in the event of changes taking place in the economic and/or political environment, the Board of Directors may decide to close this Sub-Fund or Class of Shares. The Board of Directors may also decide to close Sub-Funds or Classes of Shares within the framework of down-sizing the range of products offered to clients.

A notice relating to the closure of the Sub-Fund or Class of Shares will be sent to the Shareholders of the Sub-Fund or Class of Shares concerned.

Barring contrary decision on the part of the Board of Directors, the Company may, prior to the implementation of the liquidation, pursue its redemption of the Shares of the relevant Sub-Fund or Class of Shares to be liquidated. The Company shall, with regard to such redemption, calculate the Net Asset Value so as to take into account of the costs of liquidation, but without any deduction of a redemption commission or any other deduction. Establishment expenses shall be wholly written off as of the time the decision to liquidate is reached.

The net assets of the Sub-Fund or Class of Shares concerned will be divided amongst the remaining Shareholders of the Sub-Fund or Class of Shares. Amounts which have not been distributed by the closure of the liquidation procedure of the Sub-Fund will be deposited in escrow at the "*Caisse de Consignation*" in Luxembourg for the limitation period in favour of the Shareholders entitled thereto.

The annual report relating to the financial year in which the decision to liquidate has been taken shall expressly state such decision and supply details regarding the implementation of the liquidation.

## **B. MERGER OF SUB-FUNDS OR CLASSES OF SHARES**

The Board of Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Company (the "new Sub-Fund") and to redesignate the Shares of the Class(es) of Shares concerned as Shares of the new Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders).

The Board of Directors may also decide to allocate the assets of any Sub-Fund to another undertaking for collective investment organised under the provisions of Part I of the 2010 Law or under the legislation of a Member State of the European Union, or of the European Economic Area, implementing the UCITS Directive or to a Sub-Fund within such other undertaking for collective investment.

The mergers will be undertaken within the framework of the 2010 Law.

Any merger shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger to a meeting of Shareholders of the Sub-Fund concerned. No quorum is required for such a meeting and decisions are taken by a simple majority of the votes cast. In case of a merger of a Sub-Fund where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of Shareholders resolving in accordance with the quorum and majority requirements for changing the Articles of incorporation.

In the event that the Board of Directors believes it is required for the interests of the Shareholders of the relevant Sub-Fund or that a change in the economic or political situation relating to the Sub-Fund concerned has occurred which would justify it, the reorganisation of one Sub-Fund or Class of Shares, by means of a division into two or more Sub-Funds or Classes of Shares, may be decided by the Board of Directors.

A notice relating to the merger or division of the Sub-Fund or Class of Shares will be sent in advance to the Shareholders of the Sub-Fund or Class of Shares concerned. The Shareholders will have the option to redeem their Shares free of charge prior to the merger or division of the Sub-Fund or Class of Shares. Any applicable contingent deferred sales charges are not to be considered as redemption charges and shall therefore be due.

The Company's auditors will produce a report on the merger.

These mergers may be justified by various economic circumstances.

## IX. CONFLICTS OF INTEREST

The Board of Directors, the Management Company, the Investment Manager, the Depositary, the Administrative Agent and the other service providers of the Company, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Company.

The Management Company, the Company, the Investment Manager, the Administrative Agent and the Depositary have adopted and implemented a conflicts of interest policy and have made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Company's interests being prejudiced, and if they cannot be avoided, ensure that the Company's investors are treated fairly.

The Depositary is part of the UBS Group (the "Affiliated Person").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Company invests.

The Affiliated Person including its subsidiaries and branches may act as counterparty and in respect of financial derivative contracts or SFTs entered into by the Company. A potential conflict may further arise as the Depositary is related to a legal entity of the Affiliated Person which provides other products or services to the Company.

In the conduct of its business, the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Company or its investors. The Affiliated Person strives to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, the Affiliated Person has implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Company or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly.

## **X. DATA PROTECTION**

The Company collects stores and processes by electronic or other means the data supplied by Shareholders at the time of their subscription (the "Personal Data"). Personal Data will be used by the Company for maintaining the Register, processing shareholder transactions and dividends, and complying with its legal and regulatory obligations. The Company will delegate the processing of Personal Data to various entities located either in the European Union or in countries outside the European Union including the Management Company, the Depositary, the Administrative Agent, the Registrar and Transfer Agent and the Distributor. Communication of Personal Data in countries outside the European Union implies the transfer of data to a country that may not provide legal protection of Personal Data equivalent to that of Luxembourg. The Shareholder has a right to access and correct its Personal Data. The Company will maintain Personal Data for such periods as may be required by law.

By the subscription or repurchase of Shares, the Shareholder accepts that the entries in the Register may be used by the Investment Manager, distributors, or other Company service providers for the purpose of shareholder servicing.

The Company and/or the Transfer Agent, for the purpose of FATCA compliance, may be required to disclose personal data relating to US persons and /or non-participant FFIs to the Internal revenue Service in the United State of America.

The Shareholders accept the aforementioned processing of their Personal Data implying the transfer and the disclosure of their Personal Data between the parties above including entities in countries outside the European Union (including the United States of America).

# XI. INFORMATION - DOCUMENTS AVAILABLE TO THE PUBLIC

## 1. INFORMATION FOR SHAREHOLDERS

### a) Net Asset Value

The Net Asset Values of the Shares of each Sub-Fund will be available on each Bank Business Day following a Valuation Day at the registered office of the Company, and of the Administrative Agent. The Board of Directors may subsequently decide to publish these net values in newspapers of the countries in which the Shares of the Company are offered or sold.

### b) Issue and redemption prices

The issue and redemption prices of the Shares of each Sub-Fund of the Company are made public on each Bank Business Day following a Valuation Day at the offices of the Administrative Agent.

### c) Notices to Shareholders

Notices to Shareholders will be sent for their attention at their address as indicated in the Shareholder register and shall be made available at the registered office of the Company, free of charge. Furthermore, they may be published in Luxembourg and in the countries where the Company is marketed as well as in the *Recueil électronique des sociétés et associations* if such publications are required by the applicable law or by the Articles of incorporation.

### d) Material contracts

The following contracts are executed by the Company:

- the Depositary Agreement dated 13 October 2016 between the Company and UBS;
- the Administration Agency Agreement between the Management Company, the Company and UBS and the novation Agreement dated 21<sup>st</sup> August 2017 between the same and Northern Trust Global Services Limited, Luxembourg Branch;
- the Management Company Services Agreement between the Management Company and the Company;
- the Investment Management Agreement between the Management Company, Moneda SA and the Company.

### e) Rights of the investors

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

f) Additional information which the Management Company must make available to investors in accordance with Luxembourg laws and regulations such as but not limited to Shareholder complaints handling procedures, management of activities giving rise to detrimental conflict of interest, voting rights policy of the Management Company etc., shall be available at the registered office of the Management Company.

g) Any Shareholder can lodge a complaint in writing; such complaint shall be sent to the registered office of the Management Company.

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

The Prospectus, the KIIDs, copies of the Articles of incorporation, of the latest annual and semi-annual reports of the Company and of the material contracts referred to above are available for inspection at the registered office of the Company where a copy may be obtained free of charge.

Subscription forms may be obtained upon request at the registered office of the Registrar and Transfer Agent.



## **XII. SPECIAL CONSIDERATION ON RISKS**

With regard to each Sub-Fund, prospective investors are recommended to consult their professional advisors to evaluate the suitability of an investment in a specific Sub-Fund, in view of their personal financial situation.

The number and allocation of portfolio assets in each Sub-Fund should reduce the Sub-Fund's sensitivity to risks associated with a particular investment. Nevertheless, potential investors should be aware of the fact that there can be no assurance that their initial investment will be preserved.

Past performance is not indicative of future results. Each Sub-Fund is subject to the risk of common stock investment. The price of the Shares and the income from them may fall as well as rise. There can be no assurance that each Sub-Fund will achieve its objectives. There is no guarantee that investors will recover the total amount initially invested.

In addition, prospective investors should give careful consideration to the following risks linked to an investment in certain Sub-Funds and to the specific risks for each Sub-Fund in accordance with the respective provisions described in the Sub-Fund's relevant data sheet under APPENDIX IV THE SUB-FUNDS:

### **Global Macro Risk**

Global macro risk refers to financial risk of global macroeconomic or political factors worldwide which can have impact on volatility, asset portfolios and the intrinsic value of companies. The global economy may be at risk due to weaknesses in major economies such as, for example, China, the European Union or the United States of America. It also may be at risk due to geopolitical developments that have an impact on global energy prices.

### **Global Financial Developments**

Global financial markets have experienced significant volatility in recent years. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as global governments are attempting to restore much needed liquidity to the global economies, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world. No assurance can be given that this stimulus will continue or that if it continues, that it will be successful or, that these economies will not be adversely affected by the inflationary pressures resulting from such stimulus or central banks' efforts to slow inflation. Some of these economies have experienced significantly diminished growth and some are experiencing or have experienced a recession. These market conditions and further volatility or illiquidity in capital markets may also adversely affect the prospects of the Sub-Funds and the value of the Sub-Funds. A substantial drop in the markets in which the Sub-Funds will invest could be expected to have a negative effect on the value of the Shares of the Sub-Funds.

### **Monetary Policy Risk**

Since the 2008-2009 global financial crisis, unconventional monetary policies such as Quantitative Easing (QE) have become an important part of central banks' toolbox. There is still uncertainty with regard to the effects of these policies on the economy in general and asset prices in particular. There is debate as to whether those measures create distortions in foreign exchange rates, interest rates, commodity prices and capital allocation which could result in inflation, increased volatility, speculation and asset bubbles.

In addition to Quantitative Easing, many central banks and other government bodies around the world have engaged in unprecedented intervention in the financial and banking sectors. Such interventions include increased regulation and the creation of "Too Big to Fail" entities, among other regulations and policies. These policies may increase moral hazard and result in an increase of the systematic risk of the financial sector.

## **Market Disruptions; Illiquid Markets; Suspension of Net Asset Value**

A Sub-Fund may incur major losses in the event of disrupted markets and other extraordinary events. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Sub-Funds from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to a sub-fund. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the Sub-Funds to value securities or to liquidate affected positions. Where the Board of Directors deem it necessary to suspend the Net Asset Value calculations of the Sub-Fund in accordance with this Prospectus which may in turn impair the Sub-Fund's ability to make distributions to a withdrawing or redeeming Shareholder in a timely manner.

## **Currency Risks**

Certain Sub-Funds, investing in securities denominated in currencies other than their reference currency, may be subject to fluctuations in exchange rates resulting in a reduction in the Sub-Fund's Net Asset Value. Changes in the exchange rate between the base currency of the Sub-Fund and the currency of its underlying assets may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Sub-Fund's base currency. The Sub-Funds may attempt to mitigate this loss by the use of hedging but only on the terms approved of in the Prospectus.

## **Volatility**

Price movements are volatile and are affected by a wide variety of factors, including changing supply and demand relationships, credit spread fluctuations, interest rate and exchange rate fluctuations, the accuracy of implied correlations and implied volatilities of investments, international events and government policies and actions with respect to economic, exchange control, trade, monetary, military and other issues. These price movements could result in significant losses to a sub fund. Conversely, the absence or a low degree of volatility may reduce the opportunities for potentially profitable transactions and adversely affect the performance of the Sub-Fund.

## **Acceptable Markets**

Some markets, on which securities are listed, may not qualify as acceptable markets under Article 41(1) of the 2010 Law. Investments in securities on these markets will be considered as investments in unlisted securities.

## **Investing in Emerging Markets/Latin America**

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty including war, terrorism and natural disasters; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (v) increased likelihood of governmental involvement in and control over the economies; and (vi) governmental decisions to cease support of economic reform programs or to impose centrally planned economies, among others.

The Sub-Fund will invest in a portfolio primarily consisting of securities of companies in Latin America. The Sub-Fund may be adversely affected by the performance of those securities, may be subject to increased price volatility, and may be more susceptible to the risks associated with these particular issuers or to a single economic, political, or regulatory occurrence affecting these issuers or the economies of Latin America. An overview of the general risks entailed by investments in the emerging markets includes:

- Emerging markets are at an early stage of development and suffer from increased risk of war, terrorism, natural disasters, expropriation, nationalization and social, political and economic insecurity.

- Counterfeit securities – with the weakness in supervisory structures, it is possible for securities purchased by a Sub-Fund to be counterfeited. Hence it is possible to suffer losses.
- Liquidity difficulties – the buying and selling of securities can be costlier, lengthier and in general more difficult than is the case in the more developed markets. Difficulties with liquidity can also increase price volatility. Many emerging markets are small, have low trading volumes and suffer from low liquidity and high price volatility. The resulting lack of liquidity may adversely affect the price at which the securities held by a Sub-Fund can be sold.
- Currency fluctuations – the currencies of countries in which a Sub-Fund invests, compared with the accounting currency of that Sub-Fund, can undergo substantial fluctuations once the Sub-Fund has invested in these currencies. Such fluctuations may have a significant effect on the Sub-Fund's income. It is not possible to apply currency risk hedging techniques to all currencies in emerging market countries.
- Currency export restrictions –emerging market governments may limit or temporarily suspend the export of their currencies. Consequently, it may not be possible for a Sub-Fund to draw any sales proceeds without delay. To minimise the possible impact on redemption applications, a Sub-Fund may invest in a large number of markets.
- Settlement and custody risks – the settlement and custody systems in emerging markets countries are not as well developed as those in developed markets. Standards may not be so high and the supervisory authorities may not have the same amount of experience. Consequently, it is possible for settlement of emerging market securities to be delayed, which may reduce liquidity.
- Restrictions on buying and selling – in some cases, emerging markets can place restrictions on the buying of securities by foreign investors. Some equities are thus not available to a Sub-Fund because the maximum number allowed to be held by foreign shareholders has been exceeded. As well as this, the participation of foreign investors in the net income, capital and distributions may be subject to restrictions or government approval. Emerging markets may also limit the sale of securities by foreign investors. Should a Sub-Fund be restricted from selling its securities in an emerging market, it will try to obtain an exceptional approval from the authorities responsible or to counter the negative impact of this restriction through its investments in other markets. A Sub-Fund will only invest in markets in which the restrictions are acceptable to the Board of Directors. However, it is not possible to prevent additional restrictions from being imposed.
- Accounting – the accounting, auditing and reporting standards, methods, practices and disclosures required by companies in emerging markets differ from those in developed markets in respect of content, quality and the deadlines for providing information to investors. It may thus be difficult to correctly evaluate the investment options. Consequently, there is generally less publicly available information about such companies than about companies in developed countries. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the statistics being reported.
- General market conditions –emerging market economies and legal systems may differ favorably or unfavorably from the U.S. or other developed economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, emerging market economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trades. Such markets may be subject to higher inflation.
- Volatility - Emerging markets may be more likely than developed markets to experience periods of extreme volatility. Such volatility could result in substantial losses for the Sub-Fund. Governmental risks/taxation - emerging markets may have a higher possibility of nationalization, expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Sub-Fund, political changes, government regulation, social instability or diplomatic developments, any of which could affect adversely economies of emerging markets or the value of the Sub-Fund's investments, or both.

- Reduced diversification - Where Sub-Fund assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments and by potentially adverse developments within those markets or sectors.
- Security Risk — Some geographic areas in which the Sub-Fund will invest have experienced acts of terrorism or strained international relations due to territorial disputes, historical animosities, or other defense concerns. These situations may cause uncertainty in the markets of these geographic areas and may adversely affect the performance of the economies of the region.

For the reasons mentioned, Sub-Funds that invest in Emerging Markets are especially suitable for investors who are aware of the risks.

### **Sensitivity to Interest Rates**

A rise in interest rates may cause a decline in the market value of the fixed income debt securities and equities held by a Sub-Fund, thereby having a negative effect on the value of the relevant Sub-Fund. Shareholders will therefore be exposed to the risk that the Net Asset Value per Shares or the market price of the Shares may be negatively affected by interest rate fluctuations. When a Sub-Fund invests in or is otherwise exposed to the interest bearing securities, it is exposed to the risk of interest rate changes and fluctuations.

### **Investment in Small and Medium-capitalised Companies (small and medium cap)**

Investment in small and medium-sized companies can involve more risks than those normally associated with investment in larger and better established companies. Smaller companies, in particular, often have limits as regards product range, markets or financial resources, and there may be only one or two key manager(s).

### **Investing in Equity Securities**

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

### **Investments in Debt Securities**

Among the principal risks of investing in debt securities are the following:

- interest rate risk (the risk that the value of the relevant Sub-Fund's investments will fall, if interest rates rise); interest rate risk generally is greater for Sub-Funds that invest in fixed income securities with relatively long maturities than for Sub-Funds that invest in fixed income securities with shorter maturities;
- credit risk (the risk that companies in which the relevant Sub-Fund invests, or with which it does business, will fail financially, and be unwilling or unable to meet their obligations to the Sub-Fund).

### **Securities Lending**

The Sub-Funds may engage in securities lending. Although it will receive collateral for the loans and such collateral will be marked-to-market, the Sub-Funds will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

### **Risks Relating to Fluctuations in Value of Securities and Performance of the Sub-Funds**

The Net Asset Value will vary according to the value of the relevant Sub-Fund. The Sub-Funds and the Investment Manager have no control over the factors that affect the value of the Portfolio, including both

factors that affect the equity and debt markets generally, such as general economic and market conditions, political conditions and fluctuations in interest rates, and factors unique to the issuers of the securities and their business, such as liquidity and sub-funding conditions, legal and compliance risks, operational risks, tax-related risks, changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, materials and other commodity prices, operational risks relating to the specific business activities of the issuers, industry competition, uncertainty and costs of sub-funding capital projects, development of new technology, protection of intellectual property, environmental, health and safety risks, issues relating to government regulation and other events that may affect the value of their securities.

### **Unrated Debt Securities**

Unrated debt securities are subject to additional risks as compared to rated debt securities. Unrated debt securities may be less liquid than rated debt securities. While the Manager may perform analysis on unrated debt securities in order to determine its risk based on its analysis of rated securities issued by the same company and credit metric analysis of issuers in the same region and industry, among other things, that analysis may not accurately evaluate the security's comparative credit rating.

### **Use of Derivatives and Other Investment Techniques**

Certain Sub-Funds may also invest in financial derivative instruments, which may entail additional risks for Shareholders. Derivative financial instruments are not in themselves investment instruments but rights whose valuation mainly derives from the price and the price fluctuations and expectations of an underlying instrument. Investments in derivatives are subject to general market risk, management risk, credit and liquidity risk. Depending on the specific characteristics of derivative financial instruments, however, the aforementioned risks may be different in nature and magnitude than the risks with an investment in the underlying instruments. The risk of counterparty default in the case of derivatives traded on an exchange is generally lower than the risk associated with derivatives that are traded over-the-counter on the open market. This is because the clearing agents assume the function of issuer or counterparty in relation to each derivative traded on an exchange. In the case of derivatives traded over-the-counter on the open market, there is no comparable clearing agent guarantee and in assessing the potential risk of default, the Management Company must take account of the creditworthiness of each counterparty. There are also liquidity risks since it may be difficult to buy or sell certain instruments. Additional risks associated with the employment of derivatives lie in the incorrect determination of prices or valuation of derivatives.

Furthermore the value of derivatives may not directly correlate with the value of their underlying assets, interest rates or indices. Inappropriate valuations can result in higher demands for cash by counterparties or in a loss of value for a Sub-Fund. There is not always a direct or parallel relationship between a derivative and the value of the assets, interest rates or indices from which it is derived. In addition, investing in derivatives may require ISDA Master Agreements, which implies additional risks. For these reasons, as a result the use of derivatives by a Sub-Fund is not always an effective means of attaining the Sub-Fund's investment objective and can at times have the opposite effect.

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves counterparty risk. If the Sub-Fund engages in OTC derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the Company and any of its Sub-Funds enters into TRS on a net basis, the two payment streams are netted out, with the Company or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. TRS entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRS is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Company's or relevant Sub-Fund's risk of loss consists of the net amount of total return payments that the Company or Sub-Fund is contractually entitled to receive.

### **Highly Volatile Derivative Instruments**

The prices of derivative instruments, including options, can be highly volatile. Price movements of forward contracts and other derivative contracts in which a Sub Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. A Sub-Fund may also be subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

### **Emerging Market Debt Securities**

In addition to the risks related to investments in emerging markets generally, emerging market debt securities are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal, and may be subject to greater risk of loss of principal and interest than higher rated securities. They are also generally subject to greater risk than securities with higher credit ratings in the case of deterioration of general economic conditions. Additionally, evaluating credit risk for non-US debt securities involves great uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Because investors generally perceive that there are greater risks associated with lower rated securities, the yields or prices of such securities may tend to fluctuate more than those for higher rated securities. The market for emerging market debt securities is thinner and less active than that for developed country debt securities, which can adversely affect the prices at which securities are sold. In addition, adverse publicity and investor perceptions about emerging market debt securities, whether or not based on Sub-Fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities.

### **Investment in Unlisted Securities**

Sub-Funds may purchase securities issued by privately held issuers. There is generally little or no publicly available information about such issuers and the Sub-Funds must rely on the diligence of the Investment Manager to obtain the information necessary for its decision to invest in them. There can be no assurance that the diligence efforts of the Investment Manager will uncover all material information about the privately held business necessary for the Investment Manager to make a fully informed investment decision. Furthermore, Sub-Funds may purchase fixed income securities that are not listed or publicly-traded on an exchange.

### **Distressed Securities Risk**

Certain Sub-Funds may invest in distressed securities. These securities may be the subject of bankruptcy proceedings or otherwise in default as to the repayment of principal and/ or payment of interest at the time of acquisition by a Sub-Fund or are rated in the lower rating categories.

These securities may be subject to greater levels of credit and liquidity risk than a fund that does not invest in such securities. If the issuer of a security is in default with respect to interest or principal payments, a Sub-Fund may lose its entire investment or may be required to accept cash with a value less than its original investment.

A Sub-Fund may also have to incur certain expenses to protect its own interests during negotiations regarding the exchange offer or restructuring plan. Furthermore, while participating in any such negotiations, a Sub-Fund may be prohibited from disposing of said securities, depending on the exchange offer or restructuring plan and the issuer of the distressed securities.

### **Investments in Specific Sectors**

Certain Sub-Funds may concentrate their investments in companies of certain sectors of the economy and therefore will be subject to the risks associated with concentrating investments in such sectors. More specifically, investments in specific sectors of the economy may lead to adverse consequences when such sectors become less valued.

### **Warrants**

Investment in warrants on Transferable Securities can lead to increased portfolio volatility. Thus, the nature of the warrants will involve Shareholders in a greater degree of risk than is the case with conventional securities.

### **Potential Conflicts of Interest**

The Manager, its directors and officers and their respective affiliates and associates may engage in the promotion, management or investment management of other accounts, sub-funds or trusts which invest primarily in the securities held by the Sub-Funds. Although officers, directors and professional staff of the Manager will devote as much time to the Sub-Fund as is deemed appropriate to perform their duties, the staff of the Manager may have conflicts in allocating their time and services among the Sub-Fund, on the one hand, and the other sub-funds managed by the Manager, on the other hand.

### **Reliance on the Investment Manager**

The value of the Sub-Funds is dependent on the ability of the Manager/Sub-Advisor to manage the Sub-Funds effectively in a manner consistent with its investment objectives, strategy and restrictions. There is no certainty that the individuals who are principally responsible for providing investment advisory and portfolio management services in respect of the Sub-Funds will continue to be employed by the Sub-Advisor.

The Investment Manager is resident outside the European Union and all or a substantial portion of its assets are situated outside the European Union. As a result, anyone seeking to enforce legal rights against it may find it difficult to do so.

### **Pricing of the Securities in the Sub-Funds**

There may be no exchange on which Latin American fixed income securities in which the Sub-Funds will invest are listed. As a result, pricing of the fixed income securities comprising the Sub-Funds may be dependent on input from fixed income trading desks or price providers, reducing the transparency of pricing. Generally, the value of any fixed income security is calculated as the average mid prices from investment dealers who provide such prices subject to exclusions of outliers and other sources based on best judgment. In addition, some of the fixed income securities held by the Sub-Funds are not rated and accordingly it may be more difficult to determine pricing.

### **Risks Relating to Redemptions**

If a significant number of Shares are redeemed, the trading liquidity of the Shares could be significantly reduced. In addition, the expenses of the Sub-Funds would be spread among fewer Shares resulting in a potentially lower distribution per Shares. The Manager has the ability to terminate the Sub-Funds if, in its opinion, it would be in the best interests of the Shareholders to do so. The Manager may also suspend the redemption of Shares in the circumstances described under "Redemption of Shares — Suspension of Redemptions".

### **Investments in other Undertakings for Collective Investment (UCI)s**

Certain Sub-Funds may invest in other UCIs. Both the Company and the underlying UCIs will have costs and impose fees and commissions, which will cause a higher level of fees than if the investors invested directly in the underlying UCIs.

When a Sub-Fund of the Company invests in the units of other UCITS and/or UCI that are managed, directly or by delegation, by the Management Company by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the 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.

### **Investments in Funds Managed by Affiliates of the Company**

The Sub-Funds may invest funds managed by international affiliates of the Company which may create additional risk. Such funds are not domiciled in Luxembourg and there may be potential conflict of interests because such transactions may benefit the affiliated manager and/or the fund. Such transactions may also be carried out through affiliate intermediaries who may also benefit from the transaction. Finally, Directors of the Company may also be Directors or key executives of such affiliated managers.

### **Risks Relating to the Nature of the Shares**

The Shares represent a fractional interest in the net assets of the Sub-Funds. Shares are dissimilar to debt instruments in that there is no principal amount owing to Shareholders. Shareholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions.

### **Leverage**

Any Sub-Fund may borrow up to 10 % of the net assets of the Sub-Fund, provided that such borrowing is on a temporary basis. Such borrowing may be used for liquidity purposes (e.g., to cover a cash shortfall caused by mismatched settlement dates on purchase and sale transactions, finance, repurchases or pay fees to a service provider) and for investment purposes. The assets of the Sub-Fund may be charged as security for any such borrowings in accordance with the principle of segregation of assets and liabilities provide by Article 181(5) of the 2010 Law.

The use of leverage creates special risks and may significantly increase the Sub-Fund’s investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of the Sub-Fund to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the value of the Sub-Fund to increase more rapidly than would otherwise be the case.

### **Withholding Tax Risks**

As the Sub-Funds will consist of securities issued by foreign issuers, distributions received by the Sub-Fund on the securities in their portfolio and gains realized on dispositions of securities may be subject to foreign withholding tax. The return on the Sub-Funds will be net of such foreign withholding tax unless the terms of the securities in the portfolio require the issuers of such securities to “gross-up” distributions and gains, as applicable, so that a holder of such securities receives the amount that it would have received in the absence of such withholding tax. There can be no assurances that (i) distributions and gains on securities held in the Sub-Fund will not be subject to foreign withholding tax or (ii) the terms of securities held in the Sub-Fund will provide for the gross-up referred to above.

### **Loss of Investment Risk**

No Assurances of Achieving Investment Objectives and No Guaranteed Rate of Return.

There is no assurance that the Sub-Fund will be able to achieve its investment objectives. There is no assurance that the Sub-Fund will pay distributions. The Sub-Funds available for distribution to Shareholders will vary according to, among other things, the return on the assets in the Portfolio and the value of the assets in the Portfolio. There is no assurance that the Portfolio will earn any return. It is possible that, due to declines in the market value of the assets in the Portfolio, the Sub-Fund will have insufficient assets to achieve its capital appreciation and distribution investment objectives.

An investment in the Sub-Fund is appropriate only for investors who have the capacity to absorb a loss.



## APPENDIX I INVESTMENT RESTRICTIONS

The Board of Directors shall, while exercising the principle of risk spreading, have the power to determine the corporate and investment policy for each Sub-Fund, the benchmark where relevant, the reference currency and the Company's management strategy.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund under APPENDIX IV  
THE SUB-FUNDS, the investment policy shall comply with the rules and restrictions laid down hereafter:

### A. The Company may invest in:

- (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 another market in a Member State of the EU, which is regulated, operates regularly and is recognised and open to the public;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non Member State of the EU or dealt in on another market in a non Member State of the EU, which is regulated, operates regularly and is recognised and open to the public;
- (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, stock exchange or on another Regulated Market as described under (1)-(3) above;
  - such admission is secured within one year of the first issue.
- (5) units of UCITS and/or other UCIs within the meaning of the first and the second indent of Article 1(2) of the UCITS Directive, whether situated in a Member State of the EU or in a non Member State of the EU, 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 guaranteed to unitholders in such 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 requirement of the UCITS Directive;
  - the business of the other UCIs is reported in half-yearly and annual report to enable an assessment of the assets and liabilities, income and operation over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can be, according to their constitutional documents, invested in aggregate in units of other UCITS or other UCIs.
- (6) deposits with credit institutions and time deposits, which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 (twelve) months, provided that the credit institution has its registered office in a Member State of the EU or, if the registered office of the credit institution is situated in a non Member State of the EU, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- (7) derivatives financial instrument within the meaning of the Grand-ducal regulation of 8th February 2008, in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or other market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivative"), provided that:

- (i) the underlying assets consist of instruments covered by the present Section A, of financial indices within the meaning of the Grand-ducal regulation of 8<sup>th</sup> February 2008, interest rates, foreign exchange rates or currencies, in which the Company may invest in accordance with its investment objectives:
    - the counterparties to OTC derivatives transactions are institutions subject to prudential supervision and belonging to the categories, and
    - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can, at the Company's initiative, be sold, liquidated or closed at fair value at any time by means of an offsetting transaction;
  - (ii) under no circumstances shall these operations cause the Company to diverge from its investment objectives.
- (8) Money Market Instruments other than those dealt in on a Regulated Market, as described under points (1) to (4), to the extent that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and saving, 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 of the EU, the European Central Bank, the EU or the European Investment Bank, a non Member State of the EU 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 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 EU law, or by an establishment, which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law within the meaning of the Grand-ducal regulation of 8th February 2008; or
  - issued by other bodies belonging to the categories provided that investments in such instruments are subject to investor protection rules, within the meaning of the Grand-ducal regulation of 8th February 2008, equivalent that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10.000.000.- (ten million Euro) 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 company(ies), is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles, which benefit from a banking liquidity line within the meaning of the Grand-ducal regulation of 8th February 2008.

**B. Moreover, each Sub-Fund of the Company may:**

- (1) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under Section A point (1) to (4) and (8);
- (2) hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the Shareholders;
- (3) borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Commitments in connection with options and the purchase and sale of futures are not taken into consideration when calculating the investment limit;
- (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.

▪ **Transferable Securities and Money Market Instruments**

- (1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
  - (i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of such 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) The limit of 10% stipulated in point (1)(i) is raised to 20% if the Transferable Securities and Money Market Instruments are issued by companies belonging to the same group, that are not required to consolidate their financial statements, pursuant to Council Directive 83/349/EEC of 13th June 1983, with regard to consolidated accounts or pursuant to accepted international accounting rules.
- (3) The limit of 10% stipulated in point (1)(i) is raised up to 35% if the Transferable Securities and Money Market Instruments are issued or guaranteed by an EU Member State, by its regional authorities, by any third State or by international public organisations of which several EU Member States are a member.
- (4) The limit of 10% set forth above under (1)(i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution, which has its registered office in an EU Member State, and which, under applicable law, is submitted to specific public control, in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities, the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.
- (5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).
- (6) **Notwithstanding the ceilings set forth above, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State, by its local authorities, by any other Member State of the Organisation for Economic Cooperation and Development ("OECD") such as the U.S. or by international public organisations of which several EU Member States are members, provided that (i) such securities are part of at least 6 (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 Section (b), the limits set forth in (1) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body, when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index within the meaning of the Grand-ducal regulation of 8th February 2008, based, among others, 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% is raised to 35% where that proves to be justified by exceptional market conditions, in particular in Regulated Markets where certain Transferable Securities and Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

▪ **Bank deposits**

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

▪ **Derivatives**

- (9) The counterparty risk connected with OTC derivatives transactions may not exceed 10% of the net assets of a Sub-Fund, when the counterparty is one of the credit institutions referred to under Section A (6) above or 5% of its net assets in all other cases.

- (10) Investments in derivatives may be made insofar as the overall risks, to which the underlying assets are exposed, do not exceed the investment limits stipulated under points (1) to (5),(8),(9),(13) and (14). When the Company invests in derivatives pegged to an index, such investments are not necessarily combined with the limits set forth under points (1) to (5), (8), (9), (13) and (14).

- (11) When a Transferable Security or a Money Market Instrument includes a derivative financial instrument within the meaning of the Grand-ducal regulation of 8th February 2008, this derivative must be taken into account for the purpose of applying the provisions set out in Section C, point (14) and in Section D, point (1), and for the purpose of evaluating the risks connected with derivatives transactions, in such a way that the aggregate risk connected with the derivatives does not exceed the total Net Asset Value.

▪ **Units of Open-Ended Funds**

- (12) The Company may not invest more than 20% of the net assets of each Sub-Fund in units of any one UCITS or other UCIs as defined in Section A, point (5).

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

When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in points (13) and (14).

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

Any Sub-Fund, that invests a substantial proportion of its assets in other UCITS and/or other UCIs, shall disclose the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the UCITS, and/or other UCIs in which it intends to invest. In the annual report, it shall be indicated the maximum proportion of management fees charged both to each such Sub-Fund and to the UCITS and/or other UCIs, in which they invest.

▪ **Combined limits**

- (13) Notwithstanding the individual limits stipulated under Section C, points (1), (8) and (9) above, a Sub-Fund may not combine:
- investments in Transferable Securities or Money Market Instruments issued by the same entity and/or,
  - deposits made with the same entity, and/or,
  - risks inherent in OTC derivatives transactions with the same entity, exceeding 20% of its net assets.
- (14) The limits set out under Section C, points (1), (3), (4), (8), (9) and (13) above may not be combined, and thus the aggregate investments of each Sub-Fund 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 points (1), (3), (4), (8), (9) and (13) under Section C above may not exceed a total of 35% of the assets of the of said Sub-Fund.

**(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 UCITs or other UCI.

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

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

- Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any other State, which is not an EU Member State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more EU Member State(s) is (are) member(s);
- shares in the capital of a company, which is incorporated under or organised pursuant to the laws of a State, which is not an EU Member 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 Section C, points (1) to (5), (8), (9) and (12) to (16) and Section D, point (2);
- 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:**

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

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

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

No Sub-Fund may acquire commodities or precious metals or certificates representative thereof.

- (1) 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.
- (2) No Sub-Fund may use its assets to underwrite any securities.
- (3) No Sub-Fund may issue warrants or other rights to subscribe for Shares in such Sub-Fund.
- (4) 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 and Money Market Instruments or other financial instruments, as mentioned under Section A, points (5), (7) and (8).
- (5) The Company may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial Instruments as listed under Section A, points (5), (7) and (8).
- (6) No Sub-Fund may invest in private equity securities.

**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 Transferable Securities or Money Market Instruments in such Sub-Fund's portfolio. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraph C. for a period of six months following the date of their creation.
- (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 a priority, in its sale transactions the remedying such situation, taking due account of the interests of its Shareholders.

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. Investments between Sub-Funds:**

A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds (each, a "Target Sub-Fund") without the Company being subject to the requirements of the Law of 1915, with respect to the subscription, acquisition and/or the holding by a company of its own Shares, under the condition however that:

- (1) the Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund(s); and
- (2) no more than 10% of the assets that the Target Sub-Fund(s) whose acquisition is contemplated may be invested in Shares of other Target Sub-Funds; and
- (3) voting rights, if any, attaching to the Shares of the Target Sub-Fund(s) are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- (4) 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 Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

## **H. Master-Feeder Structures:**

Under the conditions and within the limits laid down by the 2010 Law, the Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Sub-Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

- (1) A Feeder UCITS shall invest at least 85% of its assets in the units/shares of another Master UCITS.
- (2) A Feeder UCITS may hold up to 15% of its assets in one or more of the following:
  - ancillary liquid assets in accordance with article 41 (2) of the 2010 Law;
  - financial derivative instruments, which may be used only for hedging purposes;
  - movable and immovable property which is essential for the direct pursuit of its business, if the Feeder UCITS is an investment company.
- (3) For the purposes of compliance with paragraph (D) above, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure to financial derivatives used for hedging purposes with either:
  - the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
  - the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.

## **APPENDIX II RISK MANAGEMENT PROCESS**

The Company will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio. It will also employ a process for accurate and independent assessment of the value of OTC derivative instruments of each sub fund's portfolio.

Each Sub-Fund using the commitment approach shall ensure that its global exposure relating to derivative instruments does not exceed the total net asset value of its portfolio.

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

**The global exposure relating to financial derivative instruments may be calculated through the VaR methodology or the commitment approach. The methodology will be specified in the relevant appendix for each Sub-Fund.**

**For Sub-Funds that use the commitment approach methodology:** the commitment conversion methodology for standard derivatives is always the market value of the equivalent position in the underlying asset. This may be replaced by the notional value or the price of the futures contract where this is more conservative.

For non-standard derivatives, an alternative approach may be used provided that the total amount of the derivatives represents a negligible portion of the Sub-Fund's portfolio.

For structured Sub-Funds, the calculation method is described in the ESMA/2011/112 guidelines.

A financial derivative instrument is not taken into account when calculating the commitment if it meets both of the following conditions: (a) the combined holding by the Sub-Fund of a financial derivative instrument relating to a financial asset and cash which is invested in risk free assets is equivalent to holding a cash position in the given financial asset. (b) the financial derivative instrument is not considered to generate any incremental exposure and leverage or market risk.

The Sub-Fund's total commitment to derivative financial instruments limited to 100 % of the Sub-Fund's total net value is quantified as the sum, as an absolute value, of the individual commitments, after possible netting and hedging arrangements.

**For Sub-Funds that use the VaR (Value at Risk) methodology,** the global exposure is determined on a daily basis by calculating the maximum potential loss at a given confidence level over a specific time period under normal market conditions. Given the Sub-Fund's risk profile and investment strategy, the relative VaR approach or the absolute VaR approach can be used.

In the relative VaR approach, a leverage free reference Sub-Fund reflecting the investment strategy is defined and the Sub-Fund's VaR cannot be greater than twice the reference Sub-Fund VaR.

The absolute VaR approach concerns Sub-Funds investing in multi-asset classes and that do not define any investment target in relation to a benchmark but rather as an absolute return target; the level of the absolute VaR is strictly limited to 20%. The VaR limits should always be set according to the defined risk profile. To calculate VaR, the following parameters must be used: a 99% degree of confidence, a holding period of one month (20 days), an actual (historical) observation period for risk factors of at least 1 year (250 days).

Each Sub-Fund may invest, according to its investment policy and within the limits in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits as stipulated in Appendix I "Investment Restrictions".



When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in (1) to (5), (8), (9), (13) and (14) of Appendix I “Investment Restrictions”.

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) of Appendix I “Investment Restrictions” as well as with the risk exposure and information requirements laid down in the present Prospectus.

## **APPENDIX III FINANCIAL TECHNIQUES AND INSTRUMENTS**

Subject to the following conditions A, B and C, the Company is authorised for each Sub-Fund to utilise techniques and instruments bearing on Transferable Securities, Money Market Instruments, currencies and other eligible assets, on the condition that any use of such techniques and instruments be carried out for the purpose of hedging and/or efficient management of the portfolio, altogether within the meaning of the Grand-ducal regulation of 8<sup>th</sup> February 2008.

### **A. Techniques and Instruments relating to Transferable Securities, Money Market Instruments and other eligible assets**

#### **(1) General**

To optimise portfolio management and/or to protect its assets and liabilities, the Company may utilise techniques and instruments involving Transferable Securities, Money Market Instruments, currencies and other eligible assets within the meaning of the Grand-ducal regulation of 8<sup>th</sup> February 2008 for each Sub-Fund.

Furthermore, each Sub-Fund is notably authorised for the purpose of efficient portfolio management to carry out transactions intended to sell or buy foreign exchange rate futures, to sell or buy currency futures and to sell call options or to buy put options on currencies, in order to protect its assets against currency fluctuations or to optimise yield.

The efficient portfolio management techniques ("EPM Techniques") that may be employed by the Sub-Funds in accordance with the above include SFTs securities lending, repurchase agreements and reverse repurchase agreements as further described below in sections B and C and are subject to the conditions under (5) below.

The Company's annual report should contain details of the following:

- the exposure obtained through EPM Techniques;
- the identity of the counterparty(ies) to these EPM Techniques;
- the type and amount of collateral received by the Company to reduce counterparty exposure;
- the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred;
- where collateral received from an issuer has exceeded 20% of the Net Asset Value of a Sub-Fund, the identity of that issuer; and
- whether a Sub-Fund has been fully collateralised in securities issued or guaranteed by a Member State.

The Company's semi-annual and annual reports will further contain additional information on the use of SFT and TRS in line with Section A of the Annex of the SFTR.

#### **(2) Limitation**

When transactions involve the use of derivatives, the Company must comply with the terms and limits stipulated above in Appendix I, Section A, point (7), Section C, points (9), (10), (11), (13) and (14) and Section D, point (1).

The use of transactions involving derivatives or other financial techniques and instruments must be in accordance with the investment objectives set out for each Sub-Fund in the Prospectus.

#### **(3) Risks - Notice**

In order to optimise their portfolio yield, all Sub-Funds are authorised to use the derivatives techniques and instruments described in this Appendix and Appendix I (particularly swaps of rates, currencies and other financial instruments, futures, and securities, rate or futures options), on the terms and conditions set out in said Appendices.

The investor's attention is drawn to the fact that market conditions and applicable regulations may restrict the use of these instruments. The success of these strategies cannot be guaranteed. Sub-Funds using these techniques and instruments assume risks and incur costs they would not have assumed or incurred if they had not used such techniques. The investor's attention is further drawn to the increased risk of volatility generated by Sub-Funds using these techniques for other purposes than hedging. If the Investment Manager forecast incorrect trends for securities, currency and interest rate markets, the affected Sub-Fund may be worse off than if no such strategy had been used.

In using derivatives, each Sub-Fund may carry out over-the-counter futures or spot transactions on indices or other financial instruments and swaps on indices or other financial instruments with highly-rated banks or brokers specialised in this area, acting as counterparties. Although the corresponding markets are not necessarily considered more volatile than other futures markets, operators have less protection against defaults on these markets since the contracts traded on them are not guaranteed by a clearing house.

#### **(4) Collateral policy for EPM Techniques**

Collateral received by a Sub-Fund must comply at all times with the following principles:

- (i) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.
- (ii) Valuation – collateral received should be valued at least daily on a mark-to-market basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (iii) Issuer credit quality – collateral received should be of high quality.
- (iv) Correlation – the collateral received by the Sub-Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- (v) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of OTC Derivative or EPM Techniques transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong, provided the Sub-Fund receives securities from at least six different issues and any single issue does not account for more than 30% of the Sub-Fund's Net Asset Value. If a Sub-Fund intends to make use of this possibility, this will be set out in relevant Appendix.
- (vi) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- (vii) Collateral received should be capable of being fully enforced by the Company for the account of the Sub-Fund at any time without reference to or approval from the counterparty.
- (viii) Where there is a title transfer, the collateral received should be held by the Depositary of the Company. 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.
- (ix) Collateral received should be capable of being fully enforced by the Company for the account of the Sub-Fund at any time without reference to or approval from the counterparty.

The Sub-Funds will only accept the following assets as collateral:

- (i) Liquid assets. Liquid assets include cash, short term bank certificates and money market instruments as defined within the UCITS Directive. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets.
- (ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
- (iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
- (iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items (v) and (vi) below.
- (v) Bonds issued or guaranteed by first class issuers offering an adequate liquidity.
- (vi) Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

For the purpose of the above paragraph, all assets received by a Sub-Fund in the context of EPM Techniques should be considered as collateral.

Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged.

Cash collateral received by a Sub-Fund can only be:

- (i) placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- (ii) invested in high-quality government bonds;
- (iii) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- (iv) invested in Short-Term Money Market Funds as defined in the CESR Guidelines 10-049 on a Common Definition of European Money Market Funds.

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

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

Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depositary. Such collateral may be held on behalf of the relevant Sub-fund by one of the Depositary's correspondents or sub-custodians on behalf of the Depositary provided that the Depositary has delegated the custody of the collateral to such correspondent or sub-custodian. Collateral posted in favour of a Sub-Fund under a security interest arrangement (e.g., a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

The collateral eligibility requirements set out above stem from the ESMA Guidelines 2014/937 and CSSF circular 14/592.

Where collateral is taken in the nature of equity securities, the market value of the equity collateral should represent at least 105% of the related gross counterparty exposure.

Where collateral is taken in the natures of bonds issued or guaranteed by a Member State of the OECD or their local authorities; or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope; or bonds issued or guaranteed by first class issuers offering an adequate liquidity, the market value of the collateral should represent at least 102% of the related gross counterparty exposure.

No haircut will generally be applied to cash collateral.

The collateral received for securities lending transactions must be at least equal to 100% of the global valuation of the securities lent; collateral obtained in respect of OTC derivative transactions and EPM Techniques must be at least 100% of the value of the relevant financial derivative.

#### **(5) Conditions for use of EPM techniques**

The counterparty risk arising from OTC Derivatives and EPM Techniques may not exceed 10% of the assets of a Sub-Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.

All the revenues arising from EPM Techniques will be returned in full to the Company after deduction of the direct and indirect operational costs/fees of SFT Agents and of the Management Company/Investment Manager and disclosed in the annual reports of the Company. The revenues (if any) linked to the EPM Techniques will be fully allocated to the relevant Sub-Fund and will be included in the valuation of any associated positions. There will neither be any costs nor fees specific to EPM Techniques charged to any Sub-Fund that would constitute revenue for the Management Company/Investment Manager. The identity of the counterparties that will charge operational costs and the amount of such costs will also be disclosed in the annual report of the Company. These operational costs may reach a maximum of 50% of revenues arising from EPM Techniques and do not include hidden revenues. The remaining income will accrue to the relevant Sub-Fund. SFT Agents or counterparties to OTC Derivatives (including TRS) may be affiliated with the Company, the Management Company or the Investment Manager.

The counterparties to SFT and TRS will be selected and approved through a robust selection process in accordance with the Management Company's policy and will be established in OECD Member States. Approved counterparties to SFT and TRS are required to have a minimum rating of investment grade for OTC derivative counterparties provided however that credit quality assessment of counterparties does not rely only on external credit ratings. Alternative quality parameters will be taken into account. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, the Management Company's risk management team will assess the creditworthiness of the proposed counterparties, their expertise in the relevant transactions, the costs of service and others factors related to best execution in line with the Management Company's execution policy. The following criteria will be used to select the counterparties: leading financial institutions, sound financial situation, ability to offer a range of products and services corresponding to the requirements of the Management Company, ability to offer reactivity for operational and legal points, ability to offer competitive price and quality of the execution.

Assets subject to SFT and TRS will be safe-kept by the Depositary as set out (4) above..

When entering into a securities lending agreement, the Company should ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement.

When entering into a reverse repurchase agreement, the Company should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the relevant Sub-Fund.

When entering into a repurchase agreement, the Company should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

The maximum and expected proportion of assets that may be subject to SFT or TRS, as well as the types of assets that are subject to SFT or TRS will be set out for each Sub-Fund in APPENDIX IV THE SUB-FUNDS. Notwithstanding the percentage described in APPENDIX IV THE SUB-FUNDS, at the time of issue of this Prospectus, the Sub Funds have not used SFT or TRS which fall under the scope of SFTR.

### **B. Securities Lending**

The Company may enter into securities lending transactions in accordance with the provisions of CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments ("Circular 08/356") CSSF circular 14/592 and CSSF circular 11/512.

### **C. Repurchase Agreement Transactions**

The Company may enter into sale with right of repurchases transactions as well as reverse repurchase and repurchase agreement transactions in accordance with the provisions of Circular 08/356, CSSF circular 14/592 and CSSF circular 11/512.

## **APPENDIX IV THE SUB-FUNDS**

The Company's primary objective is to offer its Shareholders the possibility of participating in the professional management of portfolios of Transferable Securities, Money Market Instruments or other eligible assets, as defined by Article 41 of the 2010 Law and within the limits set forth by the relevant articles of such law and as defined in the investment policy of each Sub-Fund of the Company.

### **A. GENERAL PROVISIONS APPLICABLE TO EACH SUB-FUND'S INVESTMENT POLICY**

Each Sub-Fund's investment policy, as it appears in this Appendix, has been defined by the Board of Directors.

In each Sub-Fund, the aim is to maximise the value of the invested assets. The Company takes such risks as it considers reasonable, in order to achieve the objective it sets itself. However, given market fluctuations and other risks to which investments in Transferable Securities, Money Market Instruments or other eligible assets are subject, there can be no guarantee that this objective shall be achieved.

Each Sub-Fund may use all the financial techniques and instruments permitted within Appendix II, unless the Sub-Fund and/or Class of Shares clearly stipulate the contrary on particular financial techniques and instruments.

### **B. INVESTMENT POLICIES OF THE SUB-FUNDS**

The different Sub-Funds' investments shall be made according to the restrictions imposed by the Law and by this Prospectus.

The Company needs not comply with the limits set out in Appendix I, when exercising subscription rights attached to Transferable Securities, Money Market Instruments or other eligible assets that form part of its assets.

If the limits referred to above are exceeded for reasons beyond the Company's control or as a result of the exercise of subscription rights, the Company must, as a priority enter into transactions to remedy such situation, taking due account of the interests of its Shareholders.

## C. LIST OF THE SUB-FUNDS

### 1. MONEDA LUXEMBOURG SICAV-LATIN AMERICA CORPORATE CREDIT (the “Sub-Fund”)

The Initial Offering Period of the Sub-Fund started on 14 September 2015 and ended on 25 September 2015.

The first Net Asset Value was dated 29 September 2015.

The Reference Currency of the Sub-Fund is USD.

This section should be read together with the Investment Restrictions section in Appendix I and the corresponding regulation. In case of doubt the strictest restriction will apply.

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#### INVESTMENT STRATEGIES AND POLICY:

The Sub-Fund’s investment objective is to seek capital appreciation and income in the mid to long-term by investing in Latin American corporate credit.

The Sub-Fund will invest a minimum of 70% of its assets in Latin American corporate bonds (including zero coupon bonds), short-term debt securities and in similar debt instruments (the “Investment Instruments”). Investment instruments are issued by corporate issuers with their registered office in a Latin American’s countries or with significant operations in Latin American’s countries. This restriction may exceptionally and temporarily be exceeded until the thirtieth calendar day following the date that the Sub-Fund receives an expected large subscription which represents more than 50% of the relevant Sub-Fund’s total net assets, provided that every regulatory limit will be strictly complied with.

The majority of Investment Instruments will have high grade ratings. The Sub-Fund may also invest in Investment Instruments which are not rated by any credit rating agencies up to 10% of its assets.

The Sub-Fund may invest a maximum of 5% of its assets in equity securities and a maximum of 70% of this limit in American Depositary Receipts (“ADR securities”), provided that the issuer of such equities or ADR securities issues financial statements audited by a globally-recognized external audit firm. Such ADR securities may be acquired by the Sub-Fund (i) in lieu of payment to the Sub-Fund, (ii) as a result of conversion of a convertible instrument, (iii) when received in a debt renegotiation process with issuers of instruments in which the Sub-Fund invested, or (iv) otherwise, in furtherance of the Sub-Fund’s investment objectives.

The Sub-Fund may, for a maximum of 10% of its assets: invest in instruments that are in receivership, default or rated D by Standard & Poor’s or an equivalent rating by an approved credit rating organization (also known as distressed securities) and/or participate in restructuring processes of companies in financial insolvency and/or in default.

On an ancillary basis the Sub-Fund can hold cash and cash equivalent. Such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the Shareholders or, in any case, for thirty calendar days following an expected large subscription for any of the Sub-Funds which represents more than 35% of the relevant Sub-Fund’s total net assets.

The Sub-Fund may not invest in instruments issued or guaranteed by entities related to the Investment Manager.

The Sub-Fund may hold a maximum of 10% of its assets in units of UCITS or other eligible UCI with an investment objective similar to that of the Sub-Fund. including UCITS or UCIs that may be managed by the Investment Manager or by any associate of the Investment Manager, with a comparable investment objective to that of the Sub-Fund, provided in that latter case that the amount of any fees, up to an annual rate of 1.5%, payable to the manager of such investment funds will be rebated or offset by the Investment Manager to the Sub-Fund.

There will not be any subscription/redemption charges for investment in UCITS or UCIs managed by the Investment Manager or any of its associates.

Investment instruments will be mainly denominated in USD.



Investment instruments which are not denominated in USD might be hedged against exchange rate risks, through the use of forward exchange instruments.

The Sub-Fund may borrow provided that such borrowing is on a temporary basis and represent a maximum of 10% of its net assets.

In addition, for hedging purposes and for efficient portfolio management, the Sub-Fund can, at any time, invest in derivative financial instruments and use all other techniques and instruments for efficient portfolio management purposes within the meaning of Appendix III of the Prospectus. In particular, the Sub-Fund may use EPM Techniques and TRS within the limits described below as percentages of the Sub-Fund's net assets:

	Expected percentage	Maximum percentage
Securities Lending	30%	50%
TRS	0%	0%
Repurchase Transactions	0%	0%
Reverse Repurchase Transactions	0%	0%

The Sub-Fund will employ securities lending transactions in order to maximise the yield of the relevant securities.

SFTs, TRS and other financial derivative instruments that display the same characteristics may have as underlying assets any financial instrument in which the Sub-Fund may invest in accordance with its investment strategy and policy.

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**GLOBAL EXPOSURE CALCULATION METHODOLOGY:**

The Sub-Fund will use the commitment approach to monitor its global exposure.

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**PROFILE OF THE TYPICAL INVESTOR:**

The Sub-Fund is suitable for investors who plan to maintain their investment over a medium to long term period and who can bear economic risks.

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**FREQUENCY OF THE NET ASSET VALUE CALCULATION AND VALUATION DAY**

The Net Asset Value per Share will be determined daily, provided that this day is a Bank Business Day, or, if it is not a Bank Business Day, the following Bank Business Day shall be applicable, (each such day being considered as a Valuation Day in the context of the Sub-Fund).

The calculation of the Net Asset Value will take place on the Bank Business Day immediately following the Valuation Day.

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**AVAILABLE CLASSES OF SHARES:**

Class of Shares	Class A	Class I	Class C
Eligible Investors	Retail	Institutional	(i) financial intermediaries investing on behalf of any investor under investment advisory or discretionary management mandates that is not a Prohibited Person; (ii) others at the discretion of the Global Distributor.
Type of Shares	Capitalization	Capitalization	Capitalization
Reference currency	USD	USD	USD
Minimum initial subscription amount	5.000	5.000.000	5.000
Minimum Holding Amount	5.000	100.000	5.000
Initial issue price	100	100	100
Minimum subsequent subscription	1.000	100.000	1.000
Cut-off time for subscription	5.00 pm CET on any day preceding the applicable Valuation Day	5.00 pm CET on any day preceding the applicable Valuation Day	5.00 pm CET on any day preceding the applicable Valuation Day
Cut-off time for redemption	5.00 pm CET on any day preceding the applicable Valuation Day	5.00 pm CET on any day preceding the applicable Valuation Day	5.00 pm CET on any day preceding the applicable Valuation Day
Cut-off time for conversion	5.00 pm CET on any day preceding the applicable Valuation Day	5.00 pm CET on any day preceding the applicable Valuation Day	5.00 pm CET on any day preceding the applicable Valuation Day
Subscription fee	0% Up to 3%	None	None
Redemption fee	0% Up to 1% if redemption before 1 year of holding	None	None
Conversion fee	none	none	none
Investment management fee	Up to 1.25% p.a.	Up to 0.80% p.a.	Up to 1.10% p.a.
Performance fee	none	none	none

Payment for subscribed Shares has to be made no later than 3 business days after the relevant valuation day.

## **2. MONEDA LUXEMBOURG SICAV-LATIN AMERICA EQUITIES FUND (the “Sub-Fund”)**

The Initial Offering Period of the Sub-Fund started on 14 September 2015 and ended on 25 September 2015.

The first Net Asset Value was dated 29 September 2015.

The Reference Currency of the Sub-Fund is USD.

This section should be read together with the Investment Restrictions section in Appendix I and the corresponding regulation. In case of doubt, the strictest restriction will apply.

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### **INVESTMENT STRATEGIES AND POLICY:**

The Sub-Fund’s investment objective is to seek benefit from the long-term growth opportunities in the Latin American region.

The Sub-Fund will invest a minimum of 80% of its net assets in equities or equity-linked securities from companies domiciled or with significant operations in Latin America (“Investment Instruments”). The Sub-Fund will invest up to 70% (and as from 29 May 2018, up to 100%) of its net assets in ADRs from companies domiciled or with significant operations in Latin America (also deemed as “Investment Instruments”). Those Investment Instruments will generally be denominated in local currencies and USD in the case of ADRs.

The Sub-Fund may invest up to 20% of its net assets in fixed income securities issued by companies domiciled or with significant operations in Latin America, with a minimum rating of B- by Standard & Poor’s (or equivalent rating from another agency).

The afore mentioned restrictions may exceptionally and temporarily be exceeded until the thirtieth calendar day following the date that the Sub-Fund receives an expected large subscription which represents more than 50% of the relevant Sub-Fund’s total net assets, provided that every regulatory limit will be strictly complied with.

On an ancillary basis the Sub-Fund can hold cash and cash equivalent. Such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the best interest of the Shareholders or, in any case, for thirty calendar days following an expected large subscription for any of the Sub-Funds which represents more than 35% of the relevant Sub-Fund’s total net assets.

The Sub-Fund may not invest in instruments issued or guaranteed by entities related to the Investment Manager.

The Sub-Fund may invest a maximum of 10% of its assets in units of UCITS or other eligible UCI with an investment objective similar to that of the Sub-Fund including UCITS or UCIs that may be managed by the Investment Manager or by any associate of the Investment Manager, with a comparable investment objective to that of the Sub-Fund, provided in that latter case that (i) the amount of any fees, up to an annual rate of 1.5%, payable to the manager of such investment funds will be rebated or offset by the Investment Manager to the Sub-Fund.

There will not be any subscription/redemption charges for investment in UCITS or UCIs managed by the Investment Manager or any of its associates.

Investment Instruments which are not denominated in USD might be hedged against exchange rate risks, through the use of forward exchange instruments.

The Sub-Fund may borrow provided that such borrowing is on a temporary basis and represent a maximum of 10% of its net assets.

In addition, for hedging purposes and for efficient portfolio management, the Sub-Fund can, at any time, invest in derivative financial instruments and use all other techniques and instruments for efficient portfolio

management purposes within the meaning of Appendix III of the Prospectus. In particular, the Sub-Fund may use EPM Techniques and TRS within the limits described below as percentages of the Sub-Fund's net assets:

	Expected percentage	Maximum percentage
Securities Lending	30%	50%
TRS	0%	0%
Repurchase Transactions	0%	0%
Reverse Repurchase Transactions	0%	0%

The Sub-Fund will employ securities lending transactions in order to maximise the yield of the relevant securities.

SFTs, TRS and other financial derivative instruments that display the same characteristics may have as underlying assets any financial instrument in which the Sub-Fund may invest in accordance with its investment strategy and policy.

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#### **GLOBAL EXPOSURE CALCULATION METHODOLOGY:**

The Sub-Fund will use the commitment approach to monitor its global exposure.

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#### **PROFILE OF THE TYPICAL INVESTOR:**

The Sub-Fund is suitable for investors who plan to maintain their investment over a medium to long term period and who can bear economic risks

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#### **FREQUENCY OF THE NET ASSET VALUE CALCULATION AND VALUATION DAY**

The Net Asset Value per Share will be determined daily, provided that this day is a Bank Business Day, or, if it is not a Bank Business Day, the following Bank Business Day shall be applicable, (each such day being considered as a Valuation Day in the context of the Sub-Fund).

The calculation of the Net Asset Value will take place on the Bank Business Day immediately following the Valuation Day.

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#### **PERFORMANCE FEE**

##### ***Performance Fee***

In addition to the investment management fee, the Investment Manager will receive out of the assets of the Sub-Fund attributable to Class P Shares a performance fee, calculated and accrued on each Valuation Day as an expense of the Class P Shares over the relevant Measurement Period and payable annually in arrears.

The performance fee will be equivalent to 12% of the outperformance of the return of the Net Asset Value per Share over the return of the Benchmark Index (as defined below), calculated as indicated below.

The Benchmark Index ("BI") is the MSCI EM Latin America 10/40 Index. As of the date of the present Prospectus, the administrator of the Benchmark Index is not on the list of administrators held with ESMA in accordance with Regulation (EU) 2016/1011.

Measurement Period is the calendar year in which fees are calculated, except for the first measurement period. The first Measurement Period will be from the Performance Commencement Date "PCD", (PCD is the first settlement date of the subscription for the Class P shares) to the last Valuation Day of 2018.

##### ***Performance Fee Calculation***

The Performance Fee will be calculated in the reference currency of the Sub-Fund and shall be calculated in accordance with the following formulas and definitions:

Daily Performance Fee Calculation = DPFC = (12% \* (RA - RAA) \* NO

RA= the daily Net Asset Value per share for the Class P Shares on the Valuation Day.

RB = the daily rate of return for the Benchmark for the Valuation Day, it will be the result on dividing the (BI on D) / (BI on D-1).

RAA = the daily D-1 Net Asset Value per share for the Class P Shares multiplied by the RB

NO = the number of shares in the Class P shares for the relevant DPFC on Valuation Day.

HWMD = High Water Mark Day is defined as the PCD or the last Valuation Day of the last year that Class P shares accrued Performance Fee.

APF =Accumulated Performance Fee is the sum of the DPFC since the last HWMD until the Valuation Day.

In addition, the following points should be noted:

The performance fee is calculated on the basis of the Net Asset Value per share of Class P Shares after deduction of all expenses, liabilities (but not the performance fee), and is adjusted to take account of all subscriptions, redemptions, dividends and distributions.

The Accumulated Performance Fee will only become payable if cumulative return of Class P shares is above the cumulative return of benchmark over both (a) the period since the Performance Commencement Date or the period from last accumulated performance fee and b) the relevant Measurement Period.

Provisions will be made for the performance fee on each Valuation Day. If the Net Asset Value per share of Class P Share decreases during the Measurement Period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable. No provision for the performance fee will be made if the Net Asset Value is lower than the high water mark. Any underperformance of the at the end of the Measurement Period quarter is carried forward to the following Measurement Period and shall be recovered. In any case, the High Water Mark rule ensures the Investment Manager may only charge a performance fee if all the losses of the previous Measurement Periods, carried forward to the following Measurement Periods, have been completely recovered.

If Shares are redeemed or exchanged into another class and a provision has been made for performance fees, the performance fees for which a provision has been made and which are attributable to the Shares redeemed or exchanged will be completely due even if a provision for performance fees is no longer made at that date. This performance fee will be paid at the same time of the rest of the payment of the management fee. This performance fee will be deducted from the Accumulated performance fee.

Accumulated Performance Fee (both related to and not related to fees accrued and due for shares redeemed or exchanged) is payable five business days after audited financial statements are released following the end of the relevant Financial Year.

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**AVAILABLE CLASSES OF SHARES:**

Class of Shares	Class A	Class I	Class C	Class P
Eligible Investors	Retail	Institutional	(i) financial intermediaries investing on behalf of any investor under investment advisory or discretionary management mandates that is not a Prohibited Person; (ii) others at the discretion of the Global Distributor.	Institutional
Type of Shares	Capitalization	Capitalization	Capitalization	Capitalization
Reference currency	USD	USD	USD	USD
Minimum initial subscription amount	5.000	2.000.000	5.000	2.000.000
Minimum Holding Amount	5.000	100.000	5.000	100.000
Initial issue price	100	100	100	100
Minimum subsequent subscription	1.000	100.000	1.000	100
Cut-off time for subscription	5 :00 pm CET on any day preceding the applicable Valuation Day	5 :00 pm CET on any day preceding the applicable Valuation Day	5 :00 pm CET on any day preceding the applicable Valuation Day	5 :00 pm CET on any day preceding the applicable Valuation Day
Cut-off time for redemption	5 :00 pm CET on any day preceding the applicable Valuation Day	5 :00 pm CET on any day preceding the applicable Valuation Day	5 :00 pm CET on any day preceding the applicable Valuation Day	5 :00 pm CET on any day preceding the applicable Valuation Day
Cut-off time for conversion	5 :00 pm CET on any day preceding the applicable Valuation Day	5 :00 pm CET on any day preceding the applicable Valuation Day	5 :00 pm CET on any day preceding the applicable Valuation Day	5 :00 pm CET on any day preceding the applicable Valuation Day
Subscription fee	0% up to 3%	None	None	None
Redemption fee	0% up to 1% if redemption before 1 year of holding	None	None	None
Conversion fee	none	none	none	None
Investment management fee	Up to 1.50%	Up to 1.00%	Up to 1.25%	Up to 0.80%
Performance fee	none	none	none	12% over the return of a Benchmark Index

Payment for subscribed Shares has to be made no later than 3 business days after the relevant valuation day.