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d'argument de publicité

Luxembourg, le 2016-09-22

Commission de Surveillance du Secteur Financier



# Prospectus

**VALUE TREE UMBRELLA SICAV**

UCITS SICAV established in Luxembourg

**VALUE TREE AV, S.A.**

Investment Manager

**KREDIETRUST LUXEMBOURG S.A.**

Management Company

The Fund is composed of several separate Sub-Funds, each having its own investment objectives and policies.

**September 2016**

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## Important Information

### **IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANKER, LAWYER, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

The Fund is a public limited liability company (*société anonyme* – S.A.) qualifying as an investment company with variable capital (*société d'investissement à capital variable* – SICAV) incorporated and authorised under Part I of the UCI Law in accordance with the provisions of the UCITS Directive and listed on the official list of UCITS approved by the CSSF.

However, this listing does not require an approval or disapproval of a Luxembourg authority as to the suitability or accuracy of this Prospectus, the Sub-Funds Fact Sheets or any KIID generally relating to the Fund or specifically relating to any Sub-Fund. Any declaration to the contrary should be considered as unauthorised and illegal.

The members of the Board of Directors, whose names appear in the Directory, accept joint responsibility for the information and statements contained in this Prospectus, the Sub-Funds Fact Sheets and the KIID issued for each Sub-Fund. To the best of the knowledge and belief of the Directors (who have taken all reasonable care possible to ensure that such is the case), the information and statements contained in this Prospectus and the Sub-Funds Fact Sheets are true and accurate in all material respects at the date indicated on this Prospectus and do not contain any material omissions which would render any such statement or information inaccurate or misleading. Neither the delivery of this Prospectus, Sub-Funds Fact Sheets or of any KIID, nor the offer, issue or sale of the Shares constitute a statement by which the information given by this Prospectus, any Sub-Fund Fact Sheet or any KIID will be at all times accurate, subsequently to the date thereof. Any information or representation not contained in this Prospectus, the Sub-Funds Fact Sheets or in the KIID(s), or in the financial reports which form integral part of this Prospectus, must be considered as non-authorised.

In order to take into account any material change in the Fund (including, but not limited to the issue of new Classes of Shares), this Prospectus, the Sub-Funds Fact Sheets and the KIID(s) will be updated when necessary. Therefore, prospective investors should inquire as to whether there is a new version of this Prospectus, the Sub-Funds Fact Sheets and/or the KIID(s).

This Prospectus, any Sub-Fund Fact Sheet and the KIID may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus, Sub-Fund Fact Sheet and the KIID. To the extent that there is any inconsistency between the English version of these documents and the translation of such documents in another language, the English version will prevail, except if required otherwise under the laws of a particular jurisdiction where the Shares are sold.

### **Investor Responsibility**

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the UCITS, in particular the right to participate in general shareholders' meetings if the investor is registered in his own name in the register of Shares. In cases where an investor invests in the Fund through an intermediary investing into the Fund 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 Fund. Investors are advised to take advice on their rights.

The contents of this Prospectus and each KIID should not be treated as advice relating to legal, taxation, investment or any matters. Prospective investors should review this Prospectus and each relevant KIID carefully in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal requirements within their own countries for the subscription, holding, redemption or disposal of Shares; (ii) any foreign exchange restrictions to which they are subject in their own country in relation to the subscription, holding, redemption or disposal of Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, holding, redeeming or disposing of Shares. Prospective investors should seek the advice of their legal, tax and financial advisers if they have any doubts regarding the contents of this Prospectus and each KIID.

This Prospectus may only be issued with one or more Sub-Funds Fact Sheets, each containing information relating to a separate Sub-Fund. The creation of new Sub-Funds requires the prior approval of the CSSF. If there are different classes of Shares representing a Sub-Fund, details relating to the separate classes may be dealt with in the same Sub-Fund Fact Sheet or in a separate Sub-Fund Fact Sheet for each class. The creation of further classes of Shares will be effected in accordance with the requirements of the CSSF. This Prospectus and the relevant Sub-Funds Fact Sheets should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Sub-Fund Fact Sheet, the relevant Sub-Fund Fact Sheet shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Sub-Fund Fact Sheet) and the KIID. The latest semi-annual and annual financial reports of the Fund may be obtained from the offices of the Administrator. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Fund have not changed since the date hereof.

The provisions of the Articles are binding on the Shareholders (who are considered to have notice of them).

#### **Targeted investors**

The Fund targets both Retail and Institutional Investors. The profile of the typical investor for each Sub-Fund is described in each KIID and in each Sub-Fund Fact Sheet.

#### **Distribution and Selling Restrictions**

**SHARES ARE NOT BEING OFFERED OR SOLD IN ANY JURISDICTION WHERE THE OFFER OR SALE IS PROHIBITED BY LAW OR TO ANY PERSON NOT QUALIFIED FOR THAT PURPOSE.**

No persons receiving a copy of this Prospectus in any jurisdiction may treat this Prospectus as constituting an invitation, offer or solicitation to them to subscribe for Shares unless such an invitation could lawfully be made without having to comply with any registration or other legal requirements in the relevant jurisdiction.

It is the responsibility of any recipient of this Prospectus to confirm and observe all applicable laws and regulations. The following information is provided as a general guide only:

#### **United States**

The Shares have not been, and will not be, registered under the 1933 Act, or qualified under any applicable state statutes and may not be offered, sold or transferred in the United States (including its territories and possessions) or to or for the benefit of, directly or indirectly, any U.S. Person, except pursuant to registration or an exemption. Neither the Fund nor any Sub-Fund has been, and nor will it be, registered under the 1940 Act, and investors will not be entitled to the benefits of such registration. Pursuant to an exemption from registration under the 1940 Act, the Fund may make a private placement of the Shares to a limited category of U.S. Persons. The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable State securities laws, pursuant to registration or exemption there from. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time. Each U.S. Person subscribing for Shares must agree that the Directors may reject, accept or condition any proposed transfer, assignment or exchange of those Shares. All investors in the Fund have redemption rights and such rights may be suspended under the circumstances described in this Prospectus and each Sub-Fund Fact Sheet.

#### **Qualified holders**

The Directors may determine whether or not any particular person or class of persons should become or remain the holder of Shares should they be of the opinion that the holdings of Shares by such person may be in breach of any governmental regulation or announcement or would otherwise render the respective Sub-Fund liable to taxation for which it would otherwise not be liable.

#### **Reliance on this Prospectus and on the KIID(s)**

**Shares in any Sub-Fund described in this Prospectus, the Sub-Funds Fact Sheets as well as in the KIID(s) are offered only on the basis of the information contained therein and (if applicable) any addendum hereto and the latest audited annual financial report and any subsequent semi-annual financial report of the Fund.**

Any further information or representations given or made by any distributor, intermediary, dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus, the Sub-Funds Fact Sheets, the KIID(s) and (if applicable) any addendum hereto and in any subsequent semi-annual or annual financial reports for the Fund and, if given or made, such information or representations must not be relied upon as having been authorised by the Directors, the Management Company, the Investment Manager, the Depositary or the Administrator. Statements in this Prospectus, the Sub-Funds Fact Sheets and in the different KIID(s) are based on the law and practice currently in force in Luxembourg at the date hereof and are subject to change. Neither the delivery of this Prospectus, the Sub-Funds Fact Sheets or of the KIID(s) nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Fund have not changed since the date hereof.

Upon request, investors may obtain free of charge a copy of this Prospectus, the Sub-Funds Fact Sheets and the KIID(s) relating to the Sub-Fund(s) in which they invest, the annual and semi-annual financial reports of the Fund and the Articles. These documents are available at the registered office of the Fund or the Depositary. The KIID will also be available on the following website [www.valuetree.es](http://www.valuetree.es).

## Warning

**Investment in any Sub-Fund carries with it a degree of financial risk, which may vary among Sub-Funds, if several. The value of Shares and the return generated from them may go up or down, and investors may not recover the amount initially invested. Investment risk factors for an investor to consider are set out under the “Principal Risks” Section as well as in each Sub-Fund Fact Sheet.**

**The Fund does not represent an obligation of, nor is it guaranteed by the Investment Manager, the Depositary, the Management Company, any government or any other person or entity.**

The following statements are required to be made under applicable regulations of the CFTC. As the Fund is a collective investment vehicle that may, in limited circumstances to the extent permitted under the UCITS Directive, make transactions in “commodity interests” (as defined in the U.S. Commodity Exchange Act of 1936, as amended), it is considered to be a “commodity pool”. The Investment Manager is the commodity pool operator (CPO) with respect to the Fund and each Sub-Fund.

Pursuant to CFTC Rule 4.13(a)(3), the Investment Manager is exempt from registration with the CFTC as a commodity pool operator. Therefore, unlike a registered CPO, the Investment Manager is not required to deliver a disclosure document and a certified annual report to a shareholder in the Fund. The Investment Manager qualifies for such exemption based on the following criteria: (i) the Shares are exempt from registration under the 1933 Act and are offered and sold without marketing to the public in the United States; (ii) each Sub-Fund meets the trading limitations of either CFTC Rule 4.13(a)(3)(ii)(A) or (B); (iii) the CPO reasonably believes, at the time a U.S. Person investor makes his investment in the Sub-Fund (or at the time the CPO began to rely on Rule 4.13(a)(3)), that each U.S. Person investor in the Sub-Fund is (a) an “accredited investor,” as defined in Rule 501(a) of Regulation D under the 1933 Act, (b) a trust that is not an accredited investor but that was formed by an accredited investor for the benefit of a family member, (c) a “knowledgeable employee,” as defined in Rule 3c-5 under the 1940 Act, or (d) a “qualified eligible person,” as defined in CFTC Rule 4.7(a)(2)(viii)(A); and (iv) Shares in the Sub-Fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets.

### **Investors’ Reliance on U.S. Federal Tax Advice in this Prospectus**

**The discussion contained in this Prospectus as to U.S. federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed in this Prospectus. Each taxpayer should seek U.S. federal tax advice based on the taxpayer’s particular circumstances from an independent tax adviser.**

Complaints concerning the operation or marketing of the Fund may be referred to the Administrator. Complaints should be addressed to: Kredietrust Luxembourg S.A. by email to: [complaints@ktl.lu](mailto:complaints@ktl.lu) or by sending a letter to Kredietrust Luxembourg S.A. Service Réclamations 11, rue Aldringen, L-2960 Luxembourg, Grand Duchy of Luxembourg.

## Directory

<b>Registered office</b>	c/o Kredietrust Luxembourg S.A. 11, rue Aldringen L-1118 Luxembourg Grand Duchy of Luxembourg
<b>Board of Directors of the Fund</b>	<ul style="list-style-type: none"> <li>• Eric Ollinger, chairman;</li> <li>• Santiago Antón Casteleiro, vice-chairman;</li> <li>• Philippe Esser; and</li> <li>• Alain Léonard.</li> </ul>
<b>Management Company</b>	Kredietrust Luxembourg S.A. 11, rue Aldringen L-2960 Luxembourg Grand Duchy of Luxembourg
<b>Board of Directors of the Management Company</b>	<ul style="list-style-type: none"> <li>• Olivier de Jamblinne de Meux, chairman;</li> <li>• Stefan van Geyt;</li> <li>• Rafik Fischer; and</li> <li>• Franck Sarre</li> </ul>
<b>Investment Manager</b>	Value Tree A.V., S.A. Paseo Eduardo Dato, 21, Bajo Izda 28010 Madrid Spain
<b>Depository and Paying Agent</b>	KBL European Private Bankers S.A. 43, Boulevard Royal L-2955 Luxembourg Grand Duchy of Luxembourg
<b>Administrator, Domiciliary, Registrar and Transfer Agent</b>	Kredietrust Luxembourg S.A. 11, rue Aldringen L-2960 Luxembourg Grand Duchy of Luxembourg
<b>Auditor</b>	KPMG Luxembourg, <i>société coopérative</i> 39, Avenue John F. Kennedy 1855 Luxembourg Grand Duchy of Luxembourg
<b>Legal Adviser to the Fund</b>	Simmons & Simmons Luxembourg LLP Royal Monterey 26 A, boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg

## Glossary of Terms

<b>1933 Act</b>	the U.S. Securities Act of 1933, as amended
<b>1940 Act</b>	the U.S. Investment Company Act of 1940, as amended
<b>Accounting Year</b>	is the Fund's accounting year which begins on 01 January of each year and ends on 31 December of the same year
<b>Accumulation Shares</b>	Shares in relation to which income is accumulated and reflected in the price of such
<b>Administrator</b>	Kredietrust Luxembourg S.A.
<b>Articles</b>	the articles of incorporation of the Fund
<b>Auditor</b>	KPMG Luxembourg, <i>société coopérative</i>
<b>Base Currency</b>	means the currency in which a Sub-Fund is denominated, as specified in the relevant Sub-Fund Fact Sheet
<b>Board of Directors or Directors</b>	the board of directors of the Fund or the members thereof (as such may change from time to time)
<b>Business Day</b>	unless otherwise defined in each Sub-Fund Fact Sheet, any full day (other than a Saturday or Sunday) on which commercial banks are open for business in the Grand Duchy of Luxembourg
<b>Calculation Day</b>	the Business Day immediately following the relevant Valuation Day on which the Net Asset Value of the relevant Valuation Day is calculated
<b>CFTC</b>	the U.S. Commodity Futures Trading Commission
<b>Class or Class of Shares or Share Class</b>	a class of Shares in issue or to be issued within each Sub-Fund
<b>Code</b>	the U.S. Internal Revenue Code of 1986, as amended
<b>Company Law</b>	the Law of 10 August 1915 on commercial companies, as amended from time to time
<b>Correspondents</b>	sub-custodians, agents and delegates appointed by the Depository to hold the assets of the Fund
<b>CSSF</b>	the Luxembourg <i>Commission de Surveillance du Secteur Financier</i> or its successor, being the Luxembourg regulatory authority in charge of the supervision of UCIs in the Grand Duchy of Luxembourg
<b>CSSF Circular 04/146</b>	the CSSF Circular 04/146 regarding the protection of undertakings for collective investment and their investors against late trading and market timing practices
<b>CSSF Circular 08/356</b>	the CSSF Circular 08/356 regarding certain techniques and instruments relating to transferable securities and money market instruments
<b>CSSF Circular 11/512</b>	the CSSF Circular 11/512 regarding the risk management process
<b>CSSF Circular 12/546</b>	the CSSF Circular 12/546 regarding the authorisation and the organisation of the Luxembourg management companies subject to chapter 15 of the UCI Law
<b>CSSF Circular 14/592</b>	the CSSF Circular 14/592 regarding the Guidelines of the ESMA on ETFs and other UCITS issues
<b>Dealing Day</b>	such Business Day on which subscription, redemption or

	conversion requests shall be received, as specified in each Sub-Fund Fact Sheet
<b>Dealing Deadline</b>	Deadlines applicable for subscription, redemption or conversion requests, as set out under each Sub-Fund Fact Sheet
<b>Denominated Class Currency</b>	means the currency of a Class as specified in the relevant appendices of the Sub-Fund Fact Sheet
<b>Depository</b>	KBL European Private Bankers S.A.
<b>Depository Agreement</b>	the agreement entered into between the Depository and the Fund
<b>Distribution Shares</b>	Shares in relation to which income is distributed periodically to Shareholders
<b>Domiciliary Agent</b>	Kredietrust Luxembourg S.A.
<b>ERISA</b>	the U.S. Employee Retirement Income Security Act of 1974, as amended
<b>ESMA</b>	the European Securities and Markets Authority or its successor authority.
<b>ESMA Guidelines 2014/937</b>	the guidelines on ETFs and other UCITS issues published on 01 August 2014 by ESMA (ESMA/2014/937) as implemented in Luxembourg and entered into force on 01 October 2014 as may be amended, supplemented and/or implemented from time to time
<b>ETF</b>	means an exchange traded fund
<b>EU</b>	the European Union
<b>EU Savings Directive</b>	The Council Directive 2003/48/EC of 03 June 2003 on the taxation of savings income in the form of interest payments, as amended from time to time
<b>EUSD Law</b>	The Luxembourg law of 21 June 2005 implementing the EU Savings Directive and several agreements between Luxembourg and certain dependent territories of the EU, as amended
<b>FATCA</b>	the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act enacted in March 2010
<b>Fund</b>	Value Tree Umbrella SICAV
<b>Group of Companies</b>	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
<b>Ineligible Investor</b>	any person to whom a transfer of Shares (legally or beneficially) or by whom a hold of Shares (legally or beneficially) would or, in the opinion of the Board of Directors, might: <ul style="list-style-type: none"> <li>a) Be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or</li> <li>b) Require the Fund, the Management Company or the Investment Manager to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Fund to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States or any other jurisdiction; or</li> </ul>

	c) Cause the Fund, the Shareholders, the Management Company or the Investment Manager some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Fund, the Shareholders, the Management Company or the Investment Manager, as the case may be, might not otherwise have incurred or suffered
<b>Initial Offer Period</b>	the period set by the Board of Directors in relation to any Sub-Fund or Class of Shares as the period during which the Shares are initially on offer, as specified in each Sub-Fund Fact Sheet
<b>Initial Offer Price</b>	the initial price payable for a Share, as specified in each Sub-Fund Fact Sheet
<b>Institutional Investors</b>	the institutional investors, as defined in the UCI Law and by guidelines or recommendations issued by the CSSF from time to time
<b>Investment Management Agreement</b>	the agreement entered into between the Investment Manager, the Fund and the Management Company
<b>Investment Manager</b>	Value Tree AV, S.A.
<b>KIID</b>	the Key Investor Information Document issued for each Sub-Fund and if need be for each Share Class
<b>Management Company</b>	Kredietrust Luxembourg S.A.
<b>Management Company Agreement</b>	the agreement entered into between the Management Company and the Fund
<b>Management Company Fee</b>	the management fee payable by the Fund to the Management Company in accordance with the Management Company Agreement
<b>Management Fee</b>	the management fee payable by the Fund according to the Investment Management Agreement at the annual rates set forth for each Sub-Fund under each Sub-Fund Fact Sheet
<b>Member State</b>	a member State of the EU. The States that are contracting parties to the agreement creating the European Economic Area other than the Member States, within the limits set forth in this Prospectus, are considered as equivalent to Member States
<b>Minimum Holding Amount</b>	the minimum amount of shares that a shareholder must hold, if any, for each Class of Shares as specified in each Sub-Fund Fact Sheet
<b>Minimum Subscription</b>	the minimum investment, if any, for each Class of Shares as specified in each Sub-Fund Fact Sheet
<b>Money Market Instruments</b>	instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as money market instruments, as defined by guidelines issued by the CSSF from time to time
<b>Net Asset Value</b>	the net asset value of the Fund or a Sub-Fund or a Class of Shares (as the context may require), as calculated in accordance with the Articles and the Sub-Funds Fact Sheets
<b>Net Asset Value per Share</b>	the net asset value of a Class within a Sub-Fund divided by the number of Shares of that Class in issue or deemed to be in issue at the relevant time
<b>OECD</b>	the Organisation for Economic Co-operation and Development
<b>OECD CRS</b>	OECD common reporting standard
<b>OTC Derivatives</b>	Over-the-counter derivative instruments

<b>Other Regulated Market</b>	a market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a State or by a public authority which has been delegated by that State or by another entity which is recognised by that State or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public
<b>Other State</b>	any State that is not a Member State
<b>Paying Agent</b>	KBL European Private Bankers S.A
<b>Performance Fee</b>	the fee (if any) payable by the relevant Sub-Fund according to the Investment Management Agreement at the annual rates set forth under each Sub-Fund Fact Sheet
<b>Prospectus</b>	this prospectus, as amended from time to time
<b>Redemption Price</b>	the price per Share at which Shares are redeemed, calculated as set forth in the "Redemption of Shares" Section
<b>Registrar and Transfer Agent</b>	Kredietrust Luxembourg S.A.
<b>Regulated Market</b>	a regulated market according to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EC ( <b>MiFID</b> ). A list of EU regulated markets according to MiFID is regularly updated and published by the European Commission
<b>Retail investor</b>	the retail investors, as defined in the UCI Law and by guidelines or recommendations issued by the CSSF from time to time
<b>Shareholders</b>	holders of Shares in the Fund, as recorded in the books of the Fund on file with the Registrar and Transfer Agent
<b>Shares</b>	shares of any Class within any Sub-Fund in the Fund
<b>Subsidiary or Subsidiaries</b>	the subsidiary or subsidiaries which may be set up by the Board of Directors to hold investments in relation to any particular Sub-Fund, as further described under Section "Use of Subsidiaries"
<b>Sub-Fund</b>	a specific pool of assets established within the Fund, within the meaning of Article 181 of the UCI Law
<b>Sub-Fund Fact Sheet or Sub-Funds Fact Sheets</b>	fact sheets at the end of the Prospectus setting forth specific details of each Sub-Fund
<b>Subscription Price</b>	the price per Share at which Shares are issued after of the close of the Initial Offer Period, calculated in the manner set forth in the "Subscription of Shares" Section
<b>Transferable Securities</b>	<ul style="list-style-type: none"> <li>- shares in companies and other securities equivalent to shares in companies</li> <li>- bonds and other forms of securitised debts</li> <li>- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange with the exclusion of techniques and instruments</li> </ul>

<b>UCI</b>	an undertaking for collective investment as defined by the UCI Law
<b>UCI Law</b>	the Law of 17 December 2010 relating to Undertakings for Collective Investment, as amended from time to time
<b>UCITS</b>	an undertaking for collective investment in Transferable Securities under Article 1 (2) of the UCITS Directive and as defined by the UCI Law
<b>UCITS Directive</b>	the Directive 2009/65/EC of the European Parliament and 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 as regards depositary functions, remuneration policies and sanctions
<b>United States or U.S.</b>	the United States of America, its territories or possessions or any area subject to its jurisdiction including the Commonwealth of Puerto Rico
<b>U.S. Person</b>	means any resident or person with the nationality of the United States of America or one of their territories or possessions or regions under their jurisdiction, or any other company, association or entity incorporated under or governed by the laws of the United States of America or any person falling within the definition of "U.S. Person" under such laws
<b>Valuation Day</b>	means the Business Day on which the assets of the Fund shall be valued in accordance with the Prospectus and the Net Asset Value per Shares dated.

In this Prospectus:

- all references to Euro, EUR and € are to the lawful currency of the countries participating in the European Economic and Monetary Union; and
- all references to dollars, USD and \$ are to the lawful currency of the United States of America.

**PART 1 – THE FUND**

## 1. General information

The Fund has been incorporated on 29 June 2016 for an unlimited period of time as an investment company with variable capital (*société d'investissement à capital variable* – SICAV) under the form of a public limited liability company (*société anonyme* – S.A.), in accordance with the provisions of Part I of the UCI Law.

The registered office of the Fund is located at c/o Kredietrust Luxembourg S.A., 11, rue Aldringen, L-1118 Luxembourg, Grand Duchy of Luxembourg.

The Articles have been published in the *Recueil Electronique des Sociétés et Associations* on 11 July 2016. The Fund is registered with the Luxembourg Register of Commerce and Companies (R.C.S. Luxembourg) under number B 207400.

The minimum share capital of the Fund, as provided by law, which must be achieved within six months of the date on which the Fund has been authorised as a UCITS under Luxembourg law, shall be the equivalent of EUR 1,250,000.-. The initial share capital of the Fund is the equivalent of EUR 31,000.- divided into 31 Shares of no nominal value. The share capital of the Fund is represented by fully paid up Shares of no nominal value. The share capital is at all times equal to the total net assets of all the Sub-Funds.

The Fund is an umbrella fund which may be composed of one or more Sub-Funds as set forth in each Sub-Fund Fact Sheet, each representing a separate portfolio of assets. Shares in any particular Sub-Fund may be further divided into different Classes to accommodate different subscription, redemption, conversion and transfer provisions and/or fees and charges to which they are subject, as well as their availability to certain types of investors.

Under Luxembourg law, the Fund is itself a legal entity. Each Sub-Fund, however, is not a distinct legal entity from the Fund. Nevertheless, with regard to third parties and, in particular, with regard to the Fund's creditors and between Shareholders, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it.

The objective of the Fund is to invest its assets in Transferable Securities, Money Market Instruments, liquid assets, derivatives, deposits and units in collective investment schemes, where a Sub-Fund's mandate permits, with the aim of spreading investment risk and giving Shareholders the benefit of the results of the management of the assets.

Each Sub-Fund's assets will be invested in accordance with the investment objectives and policies described for each Sub-Fund in each Sub-Fund Fact Sheet. As described under Special Investment and Hedging Techniques, the Sub-Funds may use securities lending and other eligible instruments, hedging and other investment techniques, where a Sub-Fund's mandate permits.

The Fund has the possibility to create further Sub-Funds as well as further Classes of Shares. When such new Sub-Funds or Classes of Shares are created, this Prospectus will be amended accordingly (in particular with the inclusion of new Sub-Funds Fact Sheets), in order to provide all the necessary information on such new Sub-Funds and Classes of Shares. A KIID relating to the new Sub-Funds will also be issued accordingly.

### **The Sub-Funds and their investment objectives and policies**

Details of the investment objectives, investment policies and certain terms relating to an investment in the Sub-Funds will be set out in each Sub-Fund Fact Sheet.

### **Profile of a typical investor**

The profile of a typical investor will be set out in each Sub-Fund Fact Sheet, being specified that no shareholder may be an Ineligible Investor.

An investor's choice of Sub-Fund should be determined by the investor's attitude to risk, preference for income or growth, intended investment time horizon and in the context of the investor's overall portfolio. Investors should seek professional advice before making investment decisions.

### **Classes of Shares**

Each Sub-Fund may offer more than one Class of Shares. Each Class of Shares may have different features with respect to its criteria for subscription (including eligibility requirements), redemption,

minimum holding, fee structure, currency, hedging policy and distribution policy or any other specific key features the Board of Directors may decide. A separate Net Asset Value per Share will be calculated for each Class.

The Classes of Shares currently available for subscription are the following:

- **Class C Shares** are retail shares and may be subscribed by individuals or entities and institutional investors, as defined by the CSSF, and are Accumulation Shares.
- **Class D Shares** are retail shares and may be subscribed by individuals or entities and institutional investors, as defined by the CSSF, and are Distribution Shares.

Further details on the Classes of Shares available for each Sub-Fund are described in each Sub-Fund Fact Sheet. Additional Classes may be created by the Directors in accordance with the requirements of the CSSF.

With respect to hedged Classes of Shares (the **Hedged Classes**), if any, the Fund (or its agents) may employ techniques and instruments to protect against currency fluctuations between the currency of the Class and the predominant currency of the assets of the relevant Class within the relevant Sub-Fund with the goal of providing a similar return (net of costs associated with hedging and the interest rate differential between the two currencies) to that which would have been obtained for a Class of Shares denominated in the predominant currency of the assets of the relevant Sub-Fund. It is generally intended to carry out such hedging through the utilisation of various techniques, including entering into OTC Derivatives such as currency forward contracts and foreign exchange swap agreements.

Information as to the availability of Hedged Classes of any of the Sub-Funds, if any, will be provided in each Sub-Fund Fact Sheet.

The limits for minimum initial and additional subscriptions for any Sub-Fund or Class of Shares may be waived or reduced at the discretion of the Directors while ensuring equal treatment between Shareholders.

### **Fractional Shares**

The Sub-Funds issue whole and fractional Shares up to three (3) decimal places of a Share. Fractional entitlements to Shares do not carry voting rights but do grant rights of participation on a pro-rated basis in net results and liquidation proceeds attributable to the relevant Sub-Fund.

### **Share Registration and Certificates**

Shares are issued in registered form only and can be held and traded in clearing systems. Unless otherwise stated in each Sub-Fund Fact Sheet:

- Title to Shares is evidenced by entries in the Fund's register of Shares. Shareholders will receive confirmation notes of their shareholdings.
- In principle, registered Share certificates are not issued.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value.

### **Currency**

The currency of the Fund is the Euro. The Sub-Funds and Classes of Shares may have different currencies as set out in each Sub-Fund Fact Sheet.

### **Investment restrictions**

Investment of the assets of each Sub-Fund must comply with the UCI Law. The investment and borrowing restrictions applying to each Sub-Fund are as set out in each Sub-Fund Fact Sheet. The Directors may impose further restrictions in respect of any Sub-Fund. With the exception of permitted investments in unlisted securities or in units of open-ended collective investment schemes or in OTC Derivatives, investments will be made on Regulated Markets. Each Sub-Fund may also hold ancillary liquid assets.

### **Distribution policy**

The Fund may issue Distribution Shares and Accumulation Shares within each Sub-Fund, as set out in each Sub-Fund Fact Sheet.

Unless otherwise stated in each Sub-Fund Fact Sheet, Accumulation Shares capitalise their entire earnings whereas Distribution Shares pay dividends.

For Classes of Shares carrying distribution rights, the Board of Directors or the Management Company may decide to declare and distribute dividends, if any, on a frequency decided upon from time to time. Same is applicable to interim dividends.

The general meeting of Shareholders of the Class or Classes of Shares issued in respect of any Sub-Fund, upon proposal of the Board of Directors, shall determine how to dispose of the income of the relevant Classes of Shares of the relevant Sub-Fund(s) and at such time and in relation to such periods as the Board of Directors may determine and decide to distribute dividends.

All distributions will be paid out of the net investment income available for distribution. The Board of Directors may decide from time to time to distribute net realised capital gains.

No interest shall be paid on a distribution declared by the Fund and kept by it at the disposal of its beneficiary.

Dividends will be paid by electronic transfer to the Shareholder, or, in the case of joint holders, to the name of the first Shareholder appearing on the register. Any distribution which is unclaimed five (5) years from the date it became payable shall be forfeited and become the property of the relevant Sub-Fund. Payments will be made in the currency of the relevant Sub-Fund or the relevant Share Class.

In any event, no distribution may be made if, as a result thereof, the Net Asset Value of the Fund would fall below the equivalent of EUR 1,250,000.-.

Should the Shareholders decide to reinvest the dividend amount to be distributed to them, these dividends will be reinvested in further Shares within the same Class of the same Sub-Fund and investors will be advised of the details by dividends statements. No subscription fees, as defined below, will be imposed on reinvestments of dividends or other distributions.

#### **Publication of Net Asset Value per Share**

Except where the determination of the issue and redemption of Shares has been suspended in the circumstances described herein, the Net Asset Value per Share may be obtained free of charge from, and will be available at the registered office of the Fund during business hours in Luxembourg. In addition, the Net Asset Value per Share is currently published on [www.valuetree.es](http://www.valuetree.es).

#### **Prevention of late trading and market timing**

Late trading is to be understood as the acceptance of subscription, redemption or conversion orders for shares in a Sub-Fund after the time limit fixed for accepting orders on the relevant Dealing Day and the execution of such order at the price based on the Net Asset Value applicable to such Dealing Day. However, the acceptance of an order will not be considered as a late trade where the Management Company, or any sales agent to which it may delegate, submits the relevant subscription, redemption or conversion request to the Administrator after the Dealing Deadline, provided that such subscription, redemption or conversion request has been received by the Management Company or its delegates from the relevant investor before the relevant Dealing Deadline.

The Fund considers that the practice of late trading is not acceptable as it violates the provisions of this Prospectus which provide that an order received after the Dealing Deadline is dealt with at a Subscription Price or Redemption Price based on the Net Asset Value calculated on the next applicable Dealing Day. As a result, subscriptions, redemptions or conversions of Shares shall be dealt with at the next Net Asset Value determined following the Dealing Deadline. The Dealing Deadline is set out in each Sub-Fund Fact Sheet.

As per CSSF Circular 04/146, market timing is to be understood as an arbitrage method through which a Shareholder systematically subscribes and redeems or converts Shares of the same Sub-Fund 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 Sub-Fund.

The Fund considers that the practice of market timing is not acceptable as it may affect the Fund's performance through an increase of the costs and/or entail a dilution of the profit.

Accordingly, the Board of Directors may, whenever they deem it appropriate and at their sole discretion, cause the Fund's agents, to implement any of the following measures:

- Cause the agents to reject any application for conversion and/or subscription of Shares from investors whom the former consider market timers.
- The Fund's agents may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices.
- If a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued, during periods of market volatility, cause the Administrator to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Sub-Fund's investments at the point of valuation.

In addition, the Board of Directors reserves the right to levy an additional fee of up to 2% of the Net Asset Value per Share of the Shares subscribed if the Board of Directors considers that the applying investor is engaging in excessive trading (market timing) practices. Any such fee shall be levied for the benefit of the Sub-Fund concerned.

The Fund reserves the right to accept, reject or condition applications from U.S. Persons if the Fund does not receive evidence satisfactory to it that the sale of Shares to such an investor is exempt from registration under the securities laws of the United States, including, but not limited to, the 1933 Act, that such sale will not require the Fund or a Sub-Fund to register under the 1940 Act and, in all events, that there will be no adverse tax or other regulatory consequences to the Fund, any Sub-Fund or its shareholders as a result of such sale.

The Directors reserve and intend to exercise the right at their sole discretion to compulsorily redeem or require the transfer of any Shares, inter alia, if the continued ownership of any Shares by any person could result in a risk of legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Fund, any Sub-Fund or its shareholders.

### **Shareholder Rights**

All Shareholders have the same rights, regardless of the Class of Shares held. Each Share is entitled to one vote at any general meeting of Shareholders. There are no preferential or pre-emptive rights attributable to the Shares.

### **Shareholders' Meetings**

The annual general meeting of Shareholders is held on the last Monday of April of each year at 15:00 (Luxembourg Time). If such day is not a Business Day, the annual general meeting shall be held on the next following business day.

Extraordinary Shareholders' meetings or general meetings of Shareholders of any Sub-Fund or any Class of Shares may be held at such time and place as indicated in the convening notice. Convening notices of such meetings shall be provided to the Shareholders in accordance with Luxembourg law and with the Articles.

The first annual general meeting of Shareholders will take place on 24 April 2017.

### **Minimum Net Assets**

The Fund must maintain assets equivalent in net value to at least the equivalent of EUR 1,250,000.-. There is no requirement that individual Sub-Funds have a minimum amount of assets.

### **Accounting Year**

The Fund's accounting year begins on 01 January of each year and ends on 31 December of the same year.

The first accounting year will begin on the day of incorporation of the Fund and will end on 31 December 2016. The first audited annual financial report will be established for the period ending on 31 December 2016. The first semi-annual financial report shall be established for the period ending on 30 June 2017.

### **Reports and financial statements**

The Fund publishes annually audited financial statements and semi-annually unaudited financial statements.

The first annual audited report for the period ending on 31 December 2016 shall be published within four (4) months of such date. The first semi-annual financial report for the period ending on 30 June 2017 shall be published within two (2) months of such date.

Copies of the audited annual financial statements and semi-annual reports may be circulated to Shareholders and prospective investors upon request.

## **2. Management**

### **2.1 Board of Directors**

The Directors are responsible for the overall management and control of the Fund in accordance with the Articles. The Directors are further responsible for the implementation of each Sub-Fund's investment objectives and policies as well as for oversight of the administration and operation of each Sub-Fund.

The Directors shall have the broadest powers to act in all circumstances on behalf of the Fund, subject to the powers reserved by law to the Shareholders.

The following persons have been appointed as Directors to the Board of Directors of the Fund:

- Chairman of the Board of Directors: Eric Ollinger, Value Tree A.V., S.A - chairman;
- Vice-chairman of the Board of Directors: Santiago Antón Casteleiro, Value Tree A.V. S.A. - Chief Financial Officer;
- Philippe Esser, Andbank Luxembourg - Director; and
- Alain Léonard, Andbank Asset Management Luxembourg - Director.

### **2.2 Management Company**

The Fund has appointed by the Management Company Agreement dated 29 June 2016, Kredietrust Luxembourg S.A., a public limited liability company incorporated under the laws of the Grand Duchy of Luxembourg and having its registered office at 11 rue Aldringen, L-2960 Luxembourg, Grand Duchy of Luxembourg, as its management company in accordance with the provisions of the UCI Law.

The Management Company was incorporated in the form of a société anonyme on 31 July 1998 for an unlimited duration. The Management Company is approved as management company in accordance with Chapter 15 of the UCI Law. The Management Company has a subscribed and paid-up capital of EUR 2.300.000.-.

As of the date of the Prospectus, Kredietrust Luxembourg S.A. has also been appointed to act as management company for other funds and can be appointed in the future to act as management company for other funds. Such other funds may be communicated upon written request to the Management Company.

As of the date of the Prospectus, the Management Company's board of directors consists of following members:

- Olivier de Jamblinne de Meux, chairman;
- Stefan van Geyt;
- Rafik Fischer; and
- Franck Sarre.

Stefan Van Geyt and Aurélien Baron have been appointed as conducting officers, as referred to in Article 102 of the UCI Law and CSSF Circular 12/546.

The rights and duties of the Management Company are governed by the UCI Law and the Management Company Agreement entered into for an unlimited period of time. The Fund and the Management Company may terminate at any time the Management Company Agreement upon 90 days' prior written notice addressed by one party to the other or under other circumstances set out in this agreement.

In accordance with applicable laws and regulations and with the prior consent of the Board of Directors, the Management Company is empowered to delegate, under its control and responsibility, all or part of its duties and powers to any person or entity, which it may consider appropriate. It being

understood that the Prospectus shall, the case being, be amended accordingly.

For the time being, the duties of portfolio management, distribution and central administration have been delegated as further detailed here-below.

In remuneration for its services, the Management Company is entitled to receive a total Management Company Fee from the Fund of 0.03% per annum per Sub-Fund (with a minimum of EUR 10,000 per Sub-Fund for the first year and with a minimum of EUR 20,000 per Sub-Fund for the following years) charge on the asset under management basis on the entire umbrella.

These fees are calculated as the average of the Net Asset Value of the previous quarter and invoiced quarterly in arrears, as agreed from time to time in writing but accrued on a daily basis.

### **Remuneration policy**

The Management Company has adopted a remuneration policy in accordance with the requirements of the UCITS Directive (the **Remuneration Policy**). The Remuneration Policy is designed to ensure that the remuneration practices of the Management Company:

- are consistent with and promote sound and effective risk management;
- do not encourage risk taking that is inconsistent with the risk profiles of the Fund, the Articles or this Prospectus;
- do not impair the Management Company's compliance with its duty to act in the best interests of the Fund; and include fixed and variable elements of remuneration, including salaries and discretionary pension benefits.

The Remuneration Policy will apply to "Remuneration Code Staff", being (in summary) those persons whose professional activities have a material impact on the risk profile of the Management Company and the Fund, including but not limited to, senior management and risk takers (such as, for example, portfolio managers).

The Remuneration Policy is consistent with the business strategy, objectives, values and interests of the Management Company and the Fund and the Shareholders and includes measures to avoid conflicts of interest. The assessment of performance is based on the longer-term performance of the Fund. Fixed and variable components of total remuneration are appropriately balanced.

Details of the up-to-date Remuneration Policy, includes, but is not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, are available on the following website: <https://www.kbl.lu/fr/notre-metier/clientele-institutionnelle/reglementation>. A paper copy of the information available on the website is also available, free of charge, from the Management Company on request.

## **2.3 Investment Manager**

Pursuant to the Investment Management Agreement, Value Tree A.V., S.A. has been appointed Investment Manager. The Investment Manager will manage the assets of the Fund on a day-to-day basis. The Fund investment policy will be determined by the Board of Directors. The Investment Manager will, under the overall control and review of the Management Company, make the decisions to buy, sell or hold a particular asset.

With the prior consent of the Fund and the Management Company, the Investment Manager may delegate the investment management function to a sub-investment manager.

Value Tree A.V., S.A. is a public limited liability company (*sociedad anónima*) organised under the laws of Spain, incorporated on 18 May 2001 as a *sociedad gestora de carteras* and converted on 19 May 2008 into an *agencia de valores* and is now registered with the Spanish trade register (*Registro Mercantil Central*) in Madrid under the Tome 16537, Book 0, Page 44, Section 8, Sheet M-281684, and under number 234 with the *Comisión Nacional del Mercado de Valores*.

In remuneration for its services, the Investment Manager will receive from the Fund a Management Fee. The Management Fees, accrued on each Dealing Day, is based on a percentage of the average Net Asset Value of each Sub-Fund (as specified in more details in each Sub-Fund Fact Sheet) during

the relevant month and are payable monthly in arrears and as agreed from time to time in writing. The Investment Manager is responsible for paying out of its own fees, the fees of the Investment Advisor(s) and Sub-Investment Manager(s) (if any).

Beside the Investment Management fees, the Investment Manager is entitled to a performance fee defined as follows: the relevant Sub-Fund shall pay an overall Performance fee, equal to the percentage described in the relevant Fact Sheets, of any excess increase in the Net Asset Value applicable to each Share Class in issue in respect of each performance period calculated and paid annually, the performance period being the financial year. The Performance Fee is calculated on the basis of the Net Asset Value per Share, after deduction of all expenses, liabilities, and Investment Management Fees (but not Performance Fee). The performance fee will not be based on a high watermark.

The investment management agreement provides that the Management Company and the Investment Manager are responsible for the management of the Sub-Funds. Therefore, the responsibility for making decisions to buy, sell or hold a particular security rests with the Investment Manager, subject to the control, supervision, direction and instruction of the Management Company.

## 2.4 Depositary and Paying Agent

As Depositary, KBL European Private Bankers S.A. will carry out its functions and responsibilities in accordance with the provisions of the UCITS Directive and with the UCI Law.

The Depositary is a *société anonyme* organised under the laws of the Grand Duchy of Luxembourg. The Depositary has, as of 31 December 2014, a fully paid up subscribed capital of EUR 1,149,029,176.65.

The Depositary will further, in accordance with the UCITS Directive:

- a) ensure that the sale, issue, repurchase, redemption and cancellation of shares of the Fund are carried out in accordance with the applicable Luxembourg law and the Articles;
- b) ensure that the value of the shares of the Fund is calculated in accordance with the applicable Luxembourg law and the Articles;
- c) carry out the instructions of the Management Company or the Fund, unless they conflict with the applicable Luxembourg law, or with the Articles;
- d) ensure that in transactions involving the assets of the Fund any consideration is remitted to the Fund within the usual time limits;
- e) ensure that the income of the Fund is applied in accordance with the applicable Luxembourg law and the Articles.

The Depositary shall ensure that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of shares of the Fund have been received, and that all cash of the Fund has been booked in cash accounts that are:

- a) opened in the name of the Fund or of the Depositary acting on behalf of the Fund;
- b) opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of the Directive 2006/73/EC of 10 August 2006 implementing the Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (the Directive 2006/73/EC); and
- c) maintained in accordance with the principles set out in Article 16 of the Directive 2006/73/EC.

The assets of the Fund shall be entrusted to the Depositary for safekeeping as follows:

- a) for financial instruments that may be held in custody, the Depositary shall:
  - i. hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;

- ii. ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of the Directive 2006/73/EC, opened in the name of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times;
- b) for other assets, the Depositary shall:
  - i. verify the ownership by the Fund of such assets by assessing whether the Fund holds the ownership based on information or documents provided by the Fund and, where available, on external evidence;
  - ii. maintain a record of those assets for which it is satisfied that the Fund holds the ownership and keep that record up to date.

The assets held in custody by the Depositary may be reused only under certain circumstances, as provided for in the UCITS Directive.

The Depositary shall act in the best interest of the Fund and its investors.

In order to effectively conduct its duties, the Depositary may delegate to third parties its safekeeping functions referred to in the above paragraph, provided that the conditions set out in the UCITS Directive are fulfilled. When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the UCITS Directive and with the relevant CSSF regulations, to ensure that it entrusts the Fund's assets only to a delegate who may provide an adequate standard of protection.

The list of such delegates is available on <https://www.kbl.lu/fr/notre-metier/clientele-institutionnelle/reglementation> and is made available to investors free of charge upon request.

#### **Conflicts of interest:**

In carrying out its duties and obligations as depositary of the Fund, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and the investors of the Fund.

As a multi-service bank, the Depositary may provide the Fund, directly or indirectly, through parties related or unrelated to the Depositary, with a wide range of banking services in addition to the depositary services.

The provision of additional banking services and/or the links between the Depositary and key service providers to the Fund, may lead to potential conflicts of interest with the Depositary's duties and obligations to the Fund.

In order to identify different types of conflict of interest and the main sources of potential conflicts of interest, the Depositary shall take into account, at the very least, situations in which the Depositary, one of its employees or an individual associated with it is involved and any entity and employee over which it has direct or indirect control.

The Depositary is responsible to take all reasonable steps to avoid those conflicts of interest, or if not possible, to mitigate them. Where, despite the aforementioned circumstances, a conflict of interest arises at the level of the Depositary, the Depositary will at all times have regard to its duties and obligations under the depositary agreement with the Fund and act accordingly. If, despite all measures taken, a conflict of interest, that bears the risk to significantly and adversely affect the Fund or the investors of the Fund, may not be solved by the Depositary having regard to its duties and obligations under the depositary agreement with the Fund, the Depositary will notify the conflicts of interest and/or its source the Fund of which shall take appropriate action. Furthermore, the Depositary shall maintain and operate effective organizational and administrative arrangements with a view to take all reasonable steps designed to properly (i) avoid them prejudicing the interests of its clients, (ii) manage and resolve such conflicts according to the Fund decision and (iii) monitor them.

As the financial landscape and the organizational scheme of the Fund may evolve over time, the nature and scope of possible conflicts of interest as well as the circumstances under which conflicts of interest may arise at the level of the Depositary may also evolve.

In case the organizational scheme of the Fund or the scope of Depositary's services to the Fund is subject to a material change, such change will be submitted to the Depositary's internal acceptance committee for assessment and approval. The Depositary's internal acceptance committee will assess,

among others, the impact of such change on the nature and scope of possible conflicts of interest with the Depositary's duties and obligations to the Fund and assess appropriate mitigation actions.

Situations which could cause a conflict of interest may be as follows (non-exhaustive list):

- Conflicts of interest between the Depositary and the Sub-Custodian:
  - The selection and monitoring process of sub-custodians is handled in accordance with the UCI Law and is functionally and hierarchically separated from possible other business relationships that exceed the sub-custody of the Fund's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interest is further mitigated by the fact that none of the sub-custodians used by the Depositary for the custody of the Fund's financial instruments is part of the KBL Group.
- The Depositary has a significant shareholder stake in European Fund Administration in Luxembourg ("EFA") and some members of the staff of the KBL Group are members of EFA's board of directors.
  - The staff members of the KBL Group in EFA's board of directors do not interfere in the day-to-day management of EFA which rests with EFA's management board and staff. EFA, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.
  - The Depositary may act as depositary to other UCITS funds and may provide additional banking services beyond the depositary services and/or act as counterparty of the Fund for over-the-counter derivative transactions (maybe over services within KBL).
- The Depositary will do its utmost to perform its services with objectivity and to treat all its clients fairly, in accordance with its best execution policy.
  - Some members of the staff of the KBL Group are members of Fund's Board of Directors.
- Board members will disclose each conflict of interest (if any) to the Board of Directors and may not participate in the relevant decision, such conflict to then be recorded in the minutes of the meeting.
  - The Depositary and the Management Company are part of the KBL Group and some members of the staff of other KBL Group entities (not acting as depositaries) are members of the Management Company's board of directors.

As a consequence, potential conflicts of interest would be notably:

- The possibility that the Depositary would favor the interests of the Management Company over one UCI or group of UCIs, or over the interests of their unitholders/investors or group of unitholders/investors, for financial or other reasons.
- The possibility that the Depositary would obtain a benefit from the Management Company or a third party in relation to the services provided, to the detriment of the interests of the Fund or its investors.
- The Depositary will act in accordance with the standards applicable to professionals of the financial sector, in accordance with the UCI Law and in the best interest of the Fund and its investors, without being influenced by the interests of other parties.
- The Depositary will do its utmost to perform its services with objectivity.
- The Depositary and the Management Company are two separate entities with different purposes and employees, and ensuring a clear separation of tasks and functions.

Up-to-date information on conflicts of interest is available to investors at the registered office of the Fund.

The Depositary shall be liable to the Fund and its investors for the loss by the Depositary or a third party to whom the custody of financial instruments held in custody in accordance with the UCITS Directive. The Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

For other assets, the Depositary shall be liable only in case of negligence, intentional failure to properly fulfil its obligations.

The Depositary shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained herein.

As the Fund's Paying Agent, it is in charge of the payment of dividends and capital reimbursement to the Shareholders.

## **2.5 Administrator, Registrar and Transfer Agent and Domiciliary Agent**

Kredietrust Luxembourg S.A., as Management Company, serves as Administrator. This also includes the functions of Registrar and Transfer Agent and Domiciliary Agent, all in accordance with the administrative agency, registrar and transfer agency and domiciliary agency agreements entered into between the Fund and Kredietrust Luxembourg S.A..

As Administrator, it is responsible for maintaining the books and financial records of the Fund and calculating the Net Asset Value of each Sub-Fund and Class of Shares.

As the Fund's Registrar and Transfer Agent, it is responsible for handling the processing of subscription of Shares, dealing with requests for redemption and conversion and accepting transfer of funds, for the safekeeping of the register of Shares of the Fund, and for providing and supervising the mailing reports, notices and other documents to the Shareholders, as further described in the aforementioned agreement.

As the Fund's Domiciliary Agent, the Administrator will be responsible for the domiciliation of the Fund and will perform, inter alia, the functions as foreseen in the Luxembourg law of 31 May 1999 on the domiciliation of companies, as amended from time to time and, in particular, allow the Fund to establish its registered office at the registered office of the Administrator and provide facilities necessary for the meetings of the Fund's officers, Directors and/or of the Shareholders of the Fund.

For its services as Administrator and unless otherwise agreed for a specific Sub-Fund, the Administrator receives an annual fee based upon a reducing scale from 0.010% and 0.025% based on the Sub-Fund's Net Asset Value, subject to a minimum monthly administration fee of maximum EUR 2,400 per Sub-Fund.

Furthermore, deductions will also be made from the assets of the Sub-Fund for further operating costs in relation to its duties as well as of its functions of Registrar and Transfer Agent and Domiciliary Agent.

Such fees will be calculated and accrued on each Valuation Day based on the average Net Asset Value of each Sub-Fund during the relevant month and is payable monthly in arrears and as agreed from time to time in writing.

The Fund and the Administrator may terminate at any time these agreements upon 90 days' prior written notice addressed by one party to the other or under other circumstances set out in such agreements.

The Administrator has no decision making discretion relating to the Fund's investments. The Administrator is a service provider to the Fund and is not responsible for the preparation of this Prospectus or the activities of the Fund and therefore accepts no liability for the accuracy of any information contained in this Prospectus or the validity of the Fund's structure and investments.

Kredietrust Luxembourg S.A will delegate, under its responsibilities and its control, the activities of Administrator and the Registrar and Transfer Agent to European Fund Administration S.A., 2 rue d'Alsace, L – 1017 Luxembourg, Grand Duchy of Luxembourg.

## **2.6 Auditor**

The Board of Directors has appointed KPMG Luxembourg, *société coopérative* as auditor of the Fund. The Auditor's responsibility is to audit and express an opinion on the financial statements of the Fund in accordance with applicable law and auditing standards.

## 2.7 Charges and Expenses

The Fund pays out of its assets all expenses payable by the Fund. Those expenses include in particular fees payable to:

- the Depositary and Paying Agent;
- the Administrator, Registrar and Transfer Agent, and Domiciliary Agent;
- the Management Company and the Investment Manager;
- the Auditor;
- counsels and other professionals; and
- directors's fees (if any) and expenses.

They also include administrative expenses, such as registration fees, insurance coverage and the costs relating to the translation and printing of this Prospectus (including the Sub-Funds Fact Sheets), the KIID(s) and reports to Shareholders.

Expenses specific to a Sub-Fund or Class of Shares will be borne by that Sub-Fund or Class of Share. This includes the costs and expenses of all transactions carried out for such Sub-Fund or Class of Shares such as brokers' commissions (if any), borrowing charges (if any) and any issue or transfer taxes chargeable in connection with any securities transactions, all taxes and corporate fees payable to governments or agencies, interest on borrowings, litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business and all other organisational, re-organisation, restructuring and operating expenses reasonably incurred for such Sub-Fund or Class of Shares. Charges that are not specifically attributable to a particular Sub-Fund or Class of Shares may be allocated among the relevant Sub-Funds or Classes of Shares based on their respective net assets or any other reasonable basis given the nature of the charges.

The costs and expenses incurred in connection with the formation of the Fund and the initial issue of Shares by the Fund, including those incurred in the preparation and publication of the sales documents of the Fund, all legal, fiscal and printing costs, as well as certain launch expenses (including advertising costs) and other preliminary expenses shall be written off over a period not exceeding five years and in such amount in each year in each Sub-Fund of the Fund as determined by the Board of Directors.

Upon creation of a new Sub-Fund, the costs and expenses incurred in connection with its formation shall be written off over a period not exceeding five years against the assets of such new Sub-Fund and in such amounts in each year as determined by the Board of Directors, the newly created Sub-Fund bearing a pro rata share of the costs and expenses incurred in connection with the formation of the Fund and the initial issue of Shares, which have not already been written off at the time of creation of this new Sub-Fund.

The Management Company Fee, the Management Fee, the Performance Fee (if any) and all the fees payable to other service providers (Depositary and Paying Agent, Administrator, Domiciliary, Registrar and Transfer Agent), and the method of calculation thereof, are all described in further details in this Prospectus.

### **3. Subscription, redemption, conversion and transfer of Shares**

#### **3.1 Subscription of Shares**

##### **(A) General Provisions**

The Board of Directors reserves the right to reject any application or to accept applications in part only. In particular, the Board of Directors may restrict or prevent the ownership of Shares by any person, firm or corporate body, if in the opinion of the Board of Directors, such holding may be detrimental to the Fund, if it may result in a breach of any law or regulation, whether Luxembourg or foreign, or if as a result thereof the Fund may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred.

In addition, the Board of Directors, in its sole discretion may at any time suspend or close the sale of any Class of Shares or all Shares without notice.

Subscriptions will be accepted upon verification by the Administrator or the Management Company as the case may be, that the relevant investors have satisfied any information request and have confirmed receipt of a KIID of the Class of Shares into which they intend to subscribe.

No Shares will be issued by the Fund during any period when the calculation of the Net Asset Value per Share of the relevant Sub-Fund is suspended by the Fund pursuant to the powers reserved to it by its Articles and as set forth under the "Temporary Suspension of Calculation of the Net Asset Value" Section.

##### **(1) Initial Offer Period**

Shares in the Fund may be subscribed for during the relevant Initial Offer Period at the Initial Offer Price and will be issued on the following Business Day after expiry of the relevant Initial Offer Period. The Board of Directors may extend, shorten or change the Initial Offer Period in its sole discretion.

The Board of Directors may determine in its sole discretion, taking into account the best interests of the Shareholders, that subscriptions (whether in respect of a Sub-Fund or a particular Class) received during any relevant Initial Offer Period are insufficient and, in such event, the amount paid on application will be returned (without interest) as soon as practicable at the risk and cost of the applicant.

The relevant Initial Offer Periods are specifically provided in the Sub-Funds Fact Sheets.

##### **(2) Subsequent subscriptions**

Following the close of the relevant Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Dealing Day on a forward pricing basis. The Subscription Price for any subscription application will be the Net Asset Value per Share of such Shares on the Dealing Day plus any applicable subscription fees as may be detailed in the relevant Sub-Funds Fact Sheets

The Board of Directors is authorised from time to time to resolve to close a Sub-Fund or any Class of Shares to new subscriptions on such basis and on such terms as the Board of Directors may in its sole discretion determine.

Investors should note that, under certain circumstances, the Directors will have the power to adjust the Net Asset Value per Share as provided in each Sub-Fund Fact Sheet (if applicable), and hence the Subscription Price.

##### **(3) Minimum Subscription**

No investor may subscribe initially or subsequently, as the case may be, for less than the Minimum Subscription, if any, indicated in each Sub-Fund Fact Sheet. No Shareholder may redeem or transfer Shares of any Class if the redemption or transfer would cause the Shareholder's holding amount of that Class of Shares to fall below the Minimum Holding Amount, if any, of Shares indicated, as the case may be, in each Sub-Fund Fact Sheet.

The Board of Directors may, provided that equal treatment of Shareholders are complied with, grant Shareholders an exemption from the conditions of Minimum Subscription of Shares, if any, and accept

subscriptions in any Sub-Fund in an amount inferior to the minimum initial subscription amount, if any, for such shares.

These exemptions may only be made in favour of investors who understand and are able to bear the risk linked to an investment in the relevant Sub-Fund, on exceptional basis and in specific cases.

## **(B) Procedure**

### **(1) Subscription application**

Investors intending to subscribe must complete an application form to be returned to the Administrator at the following address:

European Fund Administration S.A.  
2, rue d'Alsace  
L-1122 Luxembourg  
Grand Duchy of Luxembourg

or by facsimile to the following number:

+352 48 65 61 8002

The application for subscription of Shares must include:

- the monetary amount or the number of Shares;
- the Class into which Shares are to be subscribed; and
- the investor's registration details.

The Administrator may request an investor to provide additional information to substantiate any representation made by the investor in its application. Any application that has not been completed to the satisfaction of the Administrator will be blocked.

Subscription applications and the relevant documentation, including the relevant supporting anti-money laundering and "know your customer" documentation, must be received no later than the time specified under "Subscription, conversion and redemption procedure" indicated in each relevant Sub-Fund Fact Sheet. Any application received after such time is deemed to be made in respect of the next Dealing Day.

### **(2) Dealing Day and Subscription Price**

Shares may be subscribed at each Dealing Day as referred to in each Sub-Fund Fact Sheet, except during the Initial Offering Period. The Subscription Price for any subscription application will be the Net Asset Value per Share of such Shares on the Dealing Day plus any applicable subscription fees as may be detailed in the relevant Sub-Funds Fact Sheets.

Investors should note that the actual Subscription Price of their Shares will be based on a NAV amount which is not known until their order has been fulfilled.

### **(3) Payment**

Each investor must pay the Subscription Price as determined in each Sub-Fund Fact Sheet.

The Subscription Price must be paid by electronic bank transfer only, as specified in the application form.

An investor should pay the Subscription Price in the currency of the relevant Share Class.

If subscribed Shares are not paid for, the Fund may redeem the Shares issued, whilst retaining the right to claim the subscription fees, commission and any other costs that may have occurred and to be confirmed by the Board of Directors. In this case the applicant may be required to indemnify the Fund against any and all losses, costs or expenses incurred directly or indirectly as a result of the applicant's failure to make timely settlement, as conclusively determined by the Board of Directors in its discretion. In computing such losses, costs or expenses account shall be taken where appropriate of any movement in the price of the Shares between allotment and cancellation or redemption and the costs incurred by the Fund in taking proceedings against the applicant.

#### **(4) Subscriptions in kind**

The Fund may accept payment for subscriptions in a Sub-Fund in the form of assets other than liquid assets, provided that such assets comply with the investment objectives and policies of such Sub-Fund and in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the Auditor which shall be available for inspection. Any costs incurred in connection with a contribution in kind of assets shall be borne by the relevant Shareholders. Subscriptions in kind will have to be previously and expressly authorised by the Board of Directors or its duly appointed delegate.

### **3.2 Redemption of Shares**

#### **(A) General Provisions**

A Shareholder may request the Fund to redeem some or all of the Shares it holds in the Fund. If as a result of any redemption request, the number of Shares held by any Shareholder in a Class would fall below the Minimum Holding Amount for that Class of Shares, if any, the Fund may treat such request as a request to redeem the full balance of such Shareholder's holding of Shares in the relevant Class. Shares may be redeemed on days referred to in each Sub-Fund Fact Sheet.

If the aggregate value of the redemption and conversion requests received by the Administrator on any day corresponds to more than 10% of the net assets of a Sub-Fund, the Fund may defer part or all of such redemption and conversion requests for such period as it considers to be in the best interest of the Sub-Fund and its Shareholders. In this event, the limitation will apply on pro-rata basis so that all Shareholders wishing to have their Shares redeemed on that Valuation Day redeem the same proportion of such Shares, and Shares not redeemed will be carried forward for redemption on the next applicable Valuation Day and all following applicable Valuation Days until the original request has been satisfied in full. If requests for redemption are so carried forward, the Administrator will inform the Shareholders affected. Redemption requests carried forward will have priority over redemption requests received in respect of subsequent applicable Valuation Day.

If on any given Valuation Day, redemption requests pursuant to this Section 3.2 amount to the total number of Shares in issue in any or all Class of Shares or Sub-Funds, the calculation of the Net Asset Value per Share within the relevant Class(es) of Shares may be deferred to take into consideration the fees incurred in closing of said Class(es) of Shares and/or of the relevant Sub-Fund.

Should the documentation requested by the Fund and/or the Administrator in compliance with all applicable laws and regulations regarding the prevention of money laundering and "know your customer" obligations not be complete, at the time of the request of redemption, the redemption request will be processed but the payment will be postponed until the said documentation is completed.

No Shares will be redeemed by the Fund during any period when the calculation of the Net Asset Value per Share of the relevant Sub-Fund is suspended by the Fund pursuant to the powers reserved to it by its Articles and as set forth under the "Temporary Suspension of Calculation of the Net Asset Value" Section.

#### **(B) Procedure**

##### **(1) Redemption request**

Shareholders intending to redeem Shares must complete a redemption request to be returned to the Administrator at the following address:

European Fund Administration S.A.  
2, rue d'Alsace  
L-1122 Luxembourg  
Grand Duchy of Luxembourg

or by facsimile to the following number:

+352 48 65 61 8002

That redemption request form must include the following:

- the Shareholder's name, as it appears on the Shareholder's Nominee account, his or her address and account number and
- the number of Shares of each Class to be redeemed or the corresponding amount of such Shares.

The Administrator may request the Shareholder to provide additional information to substantiate any representation made by the Shareholder in the redemption request form. The Administrator will reject any redemption request form that has not been completed to its satisfaction. Payments will only be made to the Shareholder of record; no third-party payments will be made.

Any Shareholder redeeming Shares agrees to hold the Fund and each of its agents harmless with respect to any loss suffered by one or more of them in connection with that redemption.

A redemption request form, once given, is irrevocable save with the consent of the Board of Directors (which may be withheld in its discretion).

## **(2) Redemption Deadline and Redemption Price**

Redemption requests must be received at each Dealing Day before the Dealing Deadline as referred in the relevant Sub-Fund Fact Sheet. The Redemption Price for any redemption notice will be the relevant Net Asset Value per Share of such Shares on the next Valuation Date less any applicable redemption fee as may be detailed in the Sub-Funds Fact Sheets.

Shareholders should note that the Redemption Price of their Shares will be based on a NAV amount which is not known until their order has been fulfilled.

## **(3) Payment**

The Fund will pay the Shareholder redemption proceeds within 3 (three) Business Days after the relevant Dealing Day.

The redemption proceeds will be paid by electronic bank transfer in accordance with the instructions in the redemption request form as accepted. All costs associated with that payment will be borne by the Shareholder.

Redemption proceeds will be paid in the currency of the relevant Class of Shares.

Neither the Fund nor any of its agents shall pay any interest on redemption proceeds or make any adjustment on account of any delay in making payment to the Shareholder.

## **(4) Forced Redemption**

The Fund may redeem some or all of a Shareholder's Shares if the Fund believes that the Shareholder has become or is revealed to be an Ineligible Investor and especially when:

- the Shareholder has made any misrepresentation as to his or her qualifications to be a Shareholder
- the Shareholder's continued presence as a Shareholder of the Fund would cause irreparable harm or potential financial risk to the Fund or the other Shareholders of the Fund
- the Shareholder's continued presence as a Shareholder would require the Fund, the Management Company and the Investment Manager to be registered under any law or regulation as an investment fund or otherwise, or cause the Fund to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States or any other jurisdiction
- the Shareholder, by trading Shares frequently, is causing the relevant Sub-Fund to incur higher portfolio turnover and thus, causing adverse effects on the Sub-Fund's performance, higher transactions costs and/or greater tax liabilities
- the Shareholder who does not provide necessary information requested by the Fund in order to comply with the applicable legal and/or regulatory rules, such as, but not limited to, the FATCA provisions or

- the Shareholder's continued presence as a Shareholder would result in a breach of any law or regulation, whether Luxembourg or foreign, by the Fund.

In such case, the Board of Directors will serve a written notice upon the Shareholder at his last known address, specifying the number of Shares to be redeemed and the date on which such redemption will be carried out. The Redemption Price for each Share so redeemed shall be based on the Net Asset Value per Share as at the Dealing Day immediately following the date of the written notice or immediately preceding the date of redemption.

### 3.3 Conversion of Shares

#### (A) General Provisions

Except when issues and redemptions of Shares have been suspended in the circumstances described under the "Temporary Suspension of Calculation of the Net Asset Value" Section, and subject to the provisions of each Sub-Fund Fact Sheet, any Shareholder may in principle request the conversion of its Shares for (i) Shares of the same Class of another Sub-Fund or (ii) Shares of a different Class of the same or another Sub-Fund. Such conversion request will be treated as a redemption and subsequent subscription of Shares. Consequently, any Shareholder requesting such conversion must comply with the procedures of subscription and redemption, as well as with all other requirements notably relating to investor qualifications and Minimum Subscription, if any, applicable to each Sub-Fund.

A conversion fee may apply as described in the relevant Sub-Funds Fact Sheets.

If on any given Valuation Day, conversion requests pursuant to this Section 3.3 amount to the total number of Shares in issue in any or all Class of Shares or Sub-Funds, the calculation of the Net Asset Value per Share within the relevant Class(es) of Shares may be deferred to take into consideration the fees incurred in closing of said Class(es) of Shares and/or of the relevant Sub-Fund.

#### (B) Procedure

Shareholders intending to convert Shares must complete a conversion order form to be returned to the Administrator at the following address:

European Fund Administration S.A.  
2, rue d'Alsace  
L-1122 Luxembourg  
Grand Duchy of Luxembourg

or by facsimile to the following number:

+352 48 65 61 8002

That conversion order form must include the following:

- The Shareholder's name, as it appears on the Shareholder's Nominee account, his or her address and account number
- The number of Shares of each Class to be converted or their corresponding amount, and
- The name of the converting sub-fund and Class and the name of the converted Sub-Fund and Class.

The Administrator requests the Shareholder to provide additional information to substantiate any representation made by the Shareholder in the conversion order form. The Administrator will reject any conversion order form that has not been completed to its satisfaction.

Conversion order forms and the relevant documentation, including the relevant updated supporting anti-money laundering and "know your customer" documentation, must be received one day before the relevant Dealing Day as determined in each Sub-Fund Fact Sheet.

A conversion order form, once given, is irrevocable save with the consent of the Board of Directors (which may be withheld in its discretion) or in case of suspension of calculation of the Net Asset Value of the Sub-Fund in respect of which the request is made.

The number of Shares in the newly selected Sub-Fund or Class of Shares will be calculated in accordance with the following formula:

$$A = ((B \times C \times D) - F) / E$$

Where:

- A is the number of Shares to be allocated in the new Class
- B is the number of Shares of the original Class to be converted
- C is the Net Asset Value per Share of the original Class on the relevant Dealing Day
- D is the actual rate of exchange on the day concerned in respect of the currency of the original Class and the currency of the new Class
- E is the Net Asset Value per Share of the new Class on the relevant Dealing Day
- F is the applicable conversion fee, if any

### 3.4 Transfer of Shares

A Shareholder may transfer Shares to one or more other persons, provided that all Shares have been paid in full with cleared funds and each transferee meets the qualifications of a Shareholder in the relevant Class of Shares. The Fund may decline to register a transfer of Shares to a U.S. Person if such transfer would have a material adverse effect on the Fund, the Shareholders or any Sub-Fund.

In order to transfer Shares, the Shareholder must notify the Administrator of the proposed date and the number and Class of Shares to be transferred. In addition, each transferee must complete an application form before the transfer request can be accepted.

The Shareholder should send its transfer notice and each completed application form to the Administrator at the following address:

European Fund Administration S.A.  
2, rue d'Alsace  
L-1122 Luxembourg  
Grand Duchy of Luxembourg

or by facsimile to the following number:

+352 48 65 61 8002

The Administrator may request a transferee to provide additional information to substantiate any representation made by the transferee in its application form. The Administrator will reject any application form that has not been completed to its satisfaction.

The Administrator will not effectuate any transfer until it is satisfied with the form of notice and has accepted each transferee's transfer application.

Any Shareholder transferring Shares and each transferee, jointly and separately, agree to hold the Fund and each of its agents harmless with respect to any loss suffered by one or more of them in connection with a transfer.

#### 4. Determination of the Net Asset Value

The Net Asset Value of a Sub-Fund will be quoted in the Base Currency of the relevant Sub-Fund. It will be determined and dated as of each Dealing Day (the "**Valuation Day**") and calculated on the following Business Day (the "**Calculation Day**") by dividing the total net assets attributable to the relevant Share Class of each Sub-Fund, being the value of assets of the relevant Sub-Fund attributable to each Class less the liabilities attributable to each such Share Class calculated at such time as the Management Company shall have set for such purpose, by the number of Shares of the relevant Class then outstanding and by adjusting the resulting total to the nearest five (5) decimal places at the discretion of the Management Company.

The Net Asset Value per Share of each Class shall be available at the registered office of the Fund.

In calculating the Net Asset Value and Net Asset Value per Share, the Administrator may rely upon such automatic pricing services as it shall determine or, if so instructed by the Fund, the Management Company or the Investment Manager, it may use information provided by particular pricing services, brokers, market makers or other intermediaries. In such circumstances, the Administrator shall not, in the absence of fraud, negligence or wilful default on the part of the Administrator, be liable for any loss suffered by the Fund or any Shareholder by reason of any error in the calculation of the Net Asset Value and Net Asset Value per Share resulting from any inaccuracy in the information provided by any such pricing service, broker, market maker or other intermediary.

If there has been a material change in the market value of investments in markets where a substantial portion of the assets of a Sub-Fund are traded or quoted, the Board of Directors reserves the right to revalue the assets, in order to safeguard the interest of shareholders and of the Fund.

The value of each Sub-Fund's assets shall be determined as follows:

- (1) The value of any liquid assets on hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be adjusted after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.
- (2) The value of any Transferable Security or Money Market Instrument admitted or traded in a stock exchange or any other regulated market shall be based on the last available price in the relevant market prior to the time of valuation, or on any other price deemed appropriate by the Board of Directors. Where such Transferable Securities or Money Market Instruments are admitted or traded on more than one stock exchange or regulated market, the Board of Directors or any appointed agent for this purpose may, at its own discretion, select the stock exchanges or regulated markets where such Transferable Securities or Money Market Instruments are primarily traded to determine the applicable value.
- (3) The value of Transferable Securities that are not admitted or traded in a stock exchange or any other regulated market or if, with respect to Transferable Securities, Money Market Instruments or assets admitted or traded in a stock exchange or any other regulated market, the price as determined pursuant to sub-paragraph (2) is in the opinion of the Board of Directors not representative of the value of the relevant assets, such assets are stated at fair market value or otherwise at the fair value at which it is expected they may be resold, as determined prudently and in good faith by or under the direction of the Board of Directors.
- (4) Money Market Instruments not admitted or traded in a stock exchange or any other regulated market will be valued at a nominal value plus interests or on an amortised cost method, which approximates market value. Under this valuation method, the relevant Sub-Fund's investments are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at market value.
- (5) The value of financial derivative instruments not admitted or traded in a stock exchange or any other regulated market shall mean their net liquidating value determined, pursuant to the policies established prudently and in good faith by the Board of Directors, on a basis consistently applied for each different variety of instruments. The value of financial derivative instruments admitted or traded in a stock exchange or any other regulated market shall be based upon the last available settlement or closing prices of these instruments on a stock exchange or on other regulated

markets, on which the particular financial derivative instruments are traded on behalf of the Fund; provided that if a financial derivative instrument could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such instrument shall be such value as the Board of Directors may deem fair and reasonable.

- (6) Units or shares of an open-ended UCI will be valued at their last determined and available official net asset value, as reported or provided by such UCI or its agents, or at their last unofficial net asset values (ie estimates of net asset values) if more recent than their last official net asset values, provided that due diligence has been carried out by the investment manager, in accordance with instructions and under the overall control and responsibility of the Board of Directors, as to the reliability of such unofficial net asset values. The net asset value calculated on the basis of unofficial net asset values of the target UCI may differ from the net asset value which would have been calculated, on the relevant Dealing Day, on the basis of the official net asset values determined by the administrators of the target UCI. If the price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors or any appointed agent, on a fair and equitable basis. The net asset value is final and binding notwithstanding any different later determination. Units or shares of a closed-ended UCI will be valued in accordance with the valuation rules set out in items (2) and (3) above.
- (7) Interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve.

Total return swaps will be valued at fair value under procedures approved by the Board of Directors. As these swaps are not exchange-traded, but are private contracts into which the Fund and a swap counterparty enter as principals, the data inputs for valuation models are usually established by reference to active markets. However it is possible that such market data will not be available for total return swaps near the Dealing Day. Where such markets inputs are not available, quoted market data for similar instruments (eg a different underlying instrument for the same or a similar reference entity) will be used provided that appropriate adjustments are made to reflect any differences between the total return swaps being valued and the similar financial instrument for which a price is available. Market input data and prices may be sourced from exchanges, a broker, an external pricing agency or a counterparty.

If no such market input data is available, total return swaps will be valued at their fair value pursuant to a valuation method adopted by the Board of Directors which shall be a valuation method widely accepted as good market practice (ie used by active participants on setting prices in the market place or which has demonstrated to provide reliable estimate of market prices) provided that adjustments that the Board of Directors may deem fair and reasonable be made. The Auditor will review the appropriateness of the valuation methodology used in valuing total return swaps. In any event, the Fund will always value total return swaps on an arm's length basis.

All other swaps will be valued at fair value as determined in good faith pursuant to procedures established by the Board of Directors.

- (8) Assets or liabilities denominated in a currency other than that in which the relevant Net Asset Value will be expressed, will be converted at the relevant foreign currency spot rate on the relevant Dealing Day. 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. In that context account shall be taken of hedging instruments used to cover foreign exchange risks.
- (9) All other securities, instruments 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 liabilities of the Fund are further described in the Articles.

If on any given Valuation Day, redemption requests pursuant to Section 3.2 and conversion requests pursuant to Section 3.3 amount to the total number of Shares in issue in any or all Class of Shares or Sub-Funds, the calculation of the Net Asset Value per Share within the relevant Class(es) of Shares may be deferred to take into consideration the fees incurred in closing of said Class(es) of Shares and/or of the relevant Sub-Fund.

## 5. Temporary suspension of calculation of the Net Asset Value

The Fund may temporarily suspend the determination of the Net Asset Value per Share within any particular Class of Shares of any Sub-Fund and the issue and redemption of its Shares from its Shareholders as well as the conversion from and to Shares of each Class, in either event:

- (1) during any period when any of the principal stock exchanges or Other Regulated Markets on which a substantial portion of the Fund's investments attributable to a Sub-Fund from time to time is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund is denominated, are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended;
- (2) during political, economic, military, monetary or other emergency beyond the control, liability and influence of the Fund makes the disposal of the assets of any Sub-Fund impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders;
- (3) during any breakdown in the means of communication network normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any stock exchange or market in respect of the assets attributable to such Sub-Fund;
- (4) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of a Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- (5) during any period when for any other reason the prices of any investments owned by the Fund attributable to a Sub-Fund cannot promptly or accurately be ascertained;
- (6) during any period when the Management Company so decides, provided all shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) as soon as an extraordinary general meeting of Shareholders of the Fund or a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the Fund or a Sub-Fund and (ii) when the Management Company is empowered to decide on this matter, upon its decision to liquidate or dissolve a Sub-Fund;
- (7) following a decision to merge, liquidate or dissolve the Fund or any of its Sub-Funds or upon the order of the CSSF; or
- (8) following the suspension of the calculation of the net asset value of shares or units of the master fund in which the Fund or any of its Sub-Funds invests as feeder fund.

The Fund may suspend the issue and redemption of Shares of any particular Sub-Fund, as well as the conversion from and to shares of each class, following the suspension of the issue, redemption and/or conversion at the level of a master fund in which the fund invests in its quality as feeder fund, to the extent applicable.

When exceptional circumstances might adversely affect Shareholders' interests or in the case that significant requests for subscription, redemption or conversion are received, the Board of Directors reserve the right to set the value of Shares in one or more Sub-Funds only after having sold the necessary securities, as soon as possible, on behalf of the Sub-Fund(s) concerned. In this case, subscriptions, redemptions and conversions that are simultaneously in the process of execution will be treated on the basis of a single Net Asset Value per Share in order to ensure that all Shareholders having presented requests for subscription, redemption or conversion are treated equally.

Any such suspension of the calculation of the Net Asset Value and of issue, redemptions and conversions shall be notified to the subscribers and Shareholders requesting redemption, subscription or conversion of their Shares on receipt of their request for subscription, redemption or conversion. Suspended subscriptions, redemptions and conversions will be taken into account on the first Dealing Day after the suspension ends.

## 6. Investment restrictions

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

Unless more restrictive rules are provided for in each Sub-Fund Fact Sheet, each Sub-Fund shall comply with the rules and restrictions detailed below.

Where a UCITS comprises more than one Sub-Fund, each Sub-Fund shall be regarded as a separate UCITS for the application of this Section.

### A. Investments in the Sub-Fund(s) shall consist solely of:

- (1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market
- (2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange of an Other State or dealt in an Other Regulated Market in an Other State
- (4) recently issued Transferable Securities and Money Market Instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or an Other Regulated Market; and
  - such admission is secured within one year of issue.
- (5) units of UCITS authorised according to the UCITS Directive and/or other UCIs within the meaning of Article 1 (2) a) and b) of the UCITS Directive, whether situated in a Member State or in an Other State, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for shareholders in such other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular to the rules on assets segregation, borrowing, lending, and short sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - the business of the other UCIs is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and
  - no more than 10% of the assets of the UCITS or of the other UCIs, which acquisition is contemplated, can in aggregate be invested in units of other UCITS or other UCIs, according to their constitutional documents.
- (6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law
- (7) financial derivative instruments, ie in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or OTC Derivatives, provided that:
  - the underlying consists of instruments covered by this paragraph A., financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objectives;
  - the counterparties to OTC Derivative transactions are institutions subject to prudential supervision;

- the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative; and
- the exposure to the underlying assets does not exceed the investment restrictions set out in paragraph C (10) below.

Under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objectives.

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

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

(9) Securities issued by one or several other Sub-Funds (the **Target Sub-Fund(s)**), under the following conditions:

- the Target Sub-Fund does not invest in the investing Sub-Fund;
- not more than 10 % of the assets of the Target Sub-Fund may be invested in other Sub-Funds;
- the voting rights linked to the transferable securities of the Target Sub-Fund are suspended during the period of investment;
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and
- there is no duplication of management, subscription or redemption fees between those at the level of the Sub-Fund having invested in the Target Sub-Fund and those of the Target Sub-Fund.

**B. Each Sub-Fund may however**

- (1) invest up to 10% of its assets in Transferable Securities or Money Market Instruments other than those referred to above under paragraph A (1) through (4) and (8)
- (2) hold liquid assets and ancillary liquid assets; 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 assets, provided that such borrowings are (i) made only on a temporary basis or (ii) enable the acquisition of immovable property essential for the direct pursuit of its business. When authorised to borrow under (i) and (ii) above, such

borrowing shall not exceed 15% of its assets in total. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction, and

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

**C. In addition, the Fund shall comply in respect of the 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), (8), (9), (13) and (14) hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

*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 assets would consist of Transferable Securities or Money Market Instruments of one single issuer, or
  - (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in each of which it invests more than 5% of its assets would exceed 40% of the value of its assets. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.
- (2) A Sub-Fund may invest on a cumulative basis up to 20% of its assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The limit of 10% set forth above under (1)(i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member States are members.
- (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 a Member State and which, under applicable law, is submitted to specific public supervision in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities which proceeds 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 assets in qualifying debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the 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 assets in Transferable Securities and Money Market Instruments issued or guaranteed by (i) a Member State, its local authorities or a public international body of which one or more Member State(s) are member(s), (ii) any OECD member State or any member country of the G-20, or (iii) Singapore or Hong Kong, provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the total assets of such Sub-Fund.**
- (7) Without prejudice to the limits set forth hereunder under (15) and (16), the limits set forth in (1) are raised to a maximum of 20% for investments in stocks and/or debt securities issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

- the composition of the index is sufficiently diversified
- the index represents an adequate benchmark for the market to which it refers and
- 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 or 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.

#### *Financial derivative instruments*

- (9) The risk exposure to counterparty in an OTC Derivative transaction may not exceed 10% of the Sub-Fund's assets when the counterparty is a credit institution referred to in paragraph A (6) above or 5% of its assets in other cases.
- (10) Investment in financial derivative instruments shall only be made, and within the limits set forth in (2), (5) and (14), provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (13) and (14). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits set forth in (1) to (5), (8), (9), (13) and (14).
- (11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of paragraph C (10) and paragraph D hereunder as well as with the risk exposure and information requirements laid down in this Prospectus.

#### *Units of open-ended fund(s)*

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

For the purpose of the application of this investment limit, each portfolio of a UCI with multiple portfolios within the meaning of article 181 of the UCI Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various portfolios vis-à-vis third parties is ensured. Investments made in units of UCIs, other than UCITS may not in aggregate exceed 30% of the assets of a 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 (1) to (5), (8), (9), (13) and (14).

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

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

#### *Investments in Sub-Funds*

A Sub-fund (the "**Investing Sub-Fund**") may subscribe, acquire and/or hold securities to be issued by one or more Sub-funds (each, a "**Target Sub-Fund**") without the Fund being subject to the requirements of Company Law, with respect to the subscription,

acquisition and/or the holding by a company of its own shares, under the condition however that:

- a) the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund invested in this Target Sub-Fund; and
- b) no more than 10% of the assets than the Target Sub-Fund whose acquisition is contemplated may, according to its investment policy, be invested in units of other UCITS or UCIs; and
- c) the Investing Sub-Fund may not invest more than 20% of its net assets in units of a single Target Sub-Fund; and
- d) voting rights, if any, attaching to the Shares of the Target Sub-Fund 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
- e) 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 Law.

**(b) Master-feeder structures**

Any Sub-Fund which acts as a feeder fund of a master fund shall invest at least 85% of its assets in shares/units of another UCITS or of a Sub-Fund of such UCITS, which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. The feeder fund may not invest more than 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with article 41 (2) of the UCI Law;
- financial derivative instruments, which may be used only for hedging purposes, in accordance with article 41 (1) g) and article 42 (2) and (3) of the UCI Law; and
- movable and immovable property which is essential for the direct pursuit of the Fund's business.

In such a case, a description of all remuneration and reimbursement of costs payable by the feeder fund, by virtue of its investment in the master fund, as well as of the aggregate changes of the master fund and the feeder fund shall be defined under each Sub-Fund Fact Sheet.

*Combined limits*

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

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

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

*Limitations on control*

(15) The Sub-Fund or the Fund may not acquire such amount of shares carrying voting rights which would enable the Fund to exercise legal or management control or a significant influence over the management of the issuer.

(16) Neither any Sub-Fund nor the Fund as a whole may acquire (i) more than 10% of the outstanding non-voting shares of the same issuer; (ii) more than 10% of the outstanding debt securities of the same issuer; (iii) more than 10% of the Money Market Instruments of any single issuer; or (iv) more than 25% of the outstanding shares or units of the

same UCITS and/or UCI with the meaning of the article 2, paragraph (2) of the UCI Law.

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

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

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

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

Each Sub-Fund shall ensure that its global risk exposure relating to financial derivative instruments does not exceed its total net asset value.

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 Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:**

- (1) No Sub-Fund may acquire commodities or precious metals or certificates representative thereof. For the avoidance of doubt, transactions in foreign currencies, financial instruments, indices, or Transferable Securities as well as futures and forward contracts, options and swaps are not considered as commodities for the purposes of this restriction.
- (2) No Sub-Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (3) No Sub-Fund may issue warrants or other rights to subscribe for its Shares.
- (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 not fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under paragraph A (5), (7) and (8).
- (5) No Sub-Fund may enter into short sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under paragraph A (5), (7) and (8).

**F. Notwithstanding anything to the contrary herein contained:**

- (1) The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to Transferable Securities and Money Market Instruments in such Sub-Fund's portfolio.

- (2) If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Shareholders.

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

#### **G. Use of Subsidiaries**

The Board of Directors may decide that investments in relation to any Sub-Fund should be made through Subsidiaries located in or outside Luxembourg rather than being made directly by the Fund, as set forth in each Sub-Fund Fact Sheet.

## 7. Special investment and hedging techniques

When specified in each Sub-Fund Fact Sheet, the Fund may employ techniques and instruments relating to Transferable Securities and other financial liquid assets for efficient portfolio management, investment, hedging or other risk management purposes.

When these operations concern the use of financial derivative instruments, these conditions and limits shall conform to the provisions laid down in the “Investment Restrictions” Section.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in each Sub-Fund Fact Sheet.

Furthermore, when specified in each Sub-Fund Fact Sheet, the Fund may enter into securities lending and borrowing transactions provided that they comply with the following rules and the investment restrictions.

As at the date of the Prospectus, the Sub-Funds are not investing in total return swaps and do not conclude securities’ lending transactions neither repurchase agreements nor reverse repurchase transactions.

### **Fees and costs arising from the efficient portfolio management techniques**

Each Sub-Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated, which may be affiliated with the Depositary and Paying Agent as well as the Investment Manager to the extent permitted under applicable laws and regulations, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary and Paying Agent or the Investment Manager, if applicable, will be made available in the annual report. All revenues arising from efficient portfolio management techniques, not of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

### **Securities’ lending**

The Sub-Funds should meet the following conditions to conclude securities’ lending transactions:

- (1) The Sub-Funds may lend securities to a counterparty if it is subject to prudential supervisory regulations which the CSSF considers equivalent to those laid down by European Union legislation;
- (2) The Sub-Funds may lend or borrow securities either directly or through a standard system used by a securities clearing house, such as Clearstream or Euroclear, through a lending programme set up by a financial institution or through the intermediary of a financial institution specialised in these transactions subject to the prudential supervisory regulations considered by the CSSF as equivalent to those laid down by European Union legislation;
- (3) A Sub-Fund must at all times ensure that the securities lent can be returned or that the securities lending transaction can be carried out; and
- (4) The Sub-Fund may not sell securities which it has borrowed during the loan contract. A Sub-Fund may borrow transferable securities under the following circumstances when settling a transferable security transaction: (x) during a period in which the securities are being re-registered; (y) when the securities lent are not returned on time and (z) to avoid being unable to carry out a settlement due to the custodian bank’s incapacity to deliver the securities.

### **Repurchase agreements**

Each Sub-Fund is authorised to conclude, incidentally or principally, repurchase transactions by buying or selling transferable securities within the framework of a contract authorising or obliging the seller to repurchase the securities from the buyer at a price and date agreed between the two parties at the time the contract is concluded. A Sub-Fund may be either a buyer or a seller in one or more repurchase transactions.

Consequently, the Sub-Funds should meet the following conditions to conclude securities’ repurchase transactions:

- (1) the securities may be bought or sold within the framework of a repurchase transaction only if the counterparty to this transaction is a top-quality financial establishment specialised in this type of transaction, subject to the prudential supervisory regulations considered by the CSSF as equivalent to those laid down by European Union legislation;
- (2) during a repurchase transaction, the Sub-Fund may not sell these securities before the counterparty has exercised his right to repurchase the securities or the repurchase period has expired;
- (3) since the Sub-Funds have variable capital and repurchase on equities on request, they have to be sure to keep their exposure to repurchase transactions to a level which ensures that at any moment they can meet the repurchase requests made;
- (4) subject to point (6) below, a Sub-Fund concluding a repurchase contract as buyer (repurchase contract) must ensure that it can at all times demand the return of the total amount in liquid assets or terminate the contract on the basis of the accounting value or the market value; when the liquid assets amount is due at any time on the basis of the market value, it is the market value of the repurchase contract which is used in calculating the Sub-Fund's net asset value;
- (5) subject to point (6) below, a Sub-Fund concluding a repurchase contract as seller must ensure that it can at all times demand the return of the securities in the contract or terminate the contract; and
- (6) the repurchase contracts with a fixed maturity which does not exceed seven (7) calendar days are considered agreements under conditions allowing the assets to be payable at any time by a Sub-Fund.

#### **Guarantees and Reinvestment of Guarantees received within the framework of financial derivatives and techniques and instruments**

To limit the counterparty risks linked to OTC financial instruments and to efficient portfolio management techniques, the Sub-Fund shall ensure that the counterparty remits and holds throughout the duration of the transaction, financial guarantees in accordance with the regulations in force and in particular the UCI Law, CSSF Circular 08/356 and CSSF Circular 14/592 and the recommendations from ESMA.

#### **Guarantee level and valuation**

The level of guarantee required for OTC derivatives and other techniques and instruments shall be fixed in line with the nature and characteristics of the transactions carried out, counterparties, market conditions and regulations applicable. The level of guarantees received by a Sub-Fund during the period of the transaction should be equal to 100% of the total value of the securities lent or repurchased or received within the framework of the OTC derivatives transaction.

The guarantees shall be valued on a daily basis, based on the available market prices and adequate deductions decided on by the Management Company for each asset class other than cash on the basis of its policy on haircuts. If the prices of the guarantees received are very volatile, the Fund shall require other guarantees or apply a conservative discount.

#### **Discount policy**

This policy takes account of many factors depending on the nature of the guarantees received, such as the issuer's credit rating, the maturity, currency and volatility of the assets price.

The following discounts are applied by the Fund to the eligible assets in accordance with Section 7 – Discount Policy below:

<b>Eligible guarantee</b>	<b>Discount</b>
Cash	0%
Bonds issued by supranational issuers or agencies (≥ AA)	3%
Bonds issued by OECD States (≥ BBB)	3%
Bonds issued by private companies (≥ A)	5%

#### **Assets accepted in guarantee**

**Cash:** Any guarantee received by the Sub-Fund should be highly liquid, traded on a regulated market or a multilateral trading system offering price transparency to allow the quick resale at a price close to the value at the moment of presale. The Fund shall only accept as guarantees:

- (i) cash;
- (ii) bonds issued by supranational issuers or agencies with an AA rating from Standard & Poor's or equivalent;
- (iii) bonds issued by OECD states with an BBB credit rating from Standard & Poor's or equivalent; or
- (iv) bonds issued by private companies with a credit rating equal to or higher than A from Standard & Poor's or equivalent.

**Valuation:** guarantee received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as guarantee unless suitably conservative haircuts are in place.

**High-grade issuers:** the guarantees received will be of high quality.

**Correlation:** the guarantees received should be issued by a body independent of the counterparty and should not be strongly correlated with the counterparty's performance.

**Diversification:** The financial guarantees must be sufficiently diversified in terms of countries, markets and issuers. In particular, when a sub-fund is exposed to several counterparties, all the financial guarantees received from the counterparties must be aggregated and the value of the assets issued by the same issuer and received as a guarantee may not be more than 20% of the Sub-Fund's net assets.

**Risks:** the risks linked to managing the guarantees, such as legal and operational risks are identified, managed and reduced in accordance with the risk management procedure.

**Transfer of ownership:** guarantees received with the transfer of ownership shall be held by the Fund's custodian bank. For other guarantees received, the guarantees may be held by a third-party custodian subject to supervision and not linked to the counterparty providing the guarantee.

**Realisation:** the Sub-Fund must be able to realise the guarantees at any time without the involvement or agreement of the counterparty.

### **Investment policy**

The financial guarantees other than in cash received for OTC derivatives may not be sold, reinvested or pledged.

The financial guarantees received in cash for OTC derivatives or other techniques and instruments, as described in section 7 of the Prospectus below may only be:

- (i) invested with bodies as stipulated in Section 6;
- (ii) invested in top quality government bonds;
- (iii) used for repurchase transactions, provided that these transactions are concluded with credit institutions subject to prudential supervision and that the Sub-Fund may at any time recall the total cash amount including accrued interest;
- (iv) invested in short-term money market funds.

The reinvested financial guarantees in cash must be sufficiently diversified in terms of countries, markets and issuers. The criterion for adequate diversification in terms of concentration of issuers is considered respected when the sub-fund receives from a counterparty a basket of financial guarantees with an exposure to a given issuer of a maximum of 20% of its net asset value. When a Sub-Fund is exposed to several issuers, the different baskets of financial guarantees must be aggregated to calculate the exposure limit of 20% to one issuer.

The above provisions apply subject to any further guidelines issued from time to time by ESMA amending and/or supplementing ESMA Guidelines 2014/937 and/or any additional guidance issued from time to time by the CSSF in relation to the above.

## 8. Taxation

The paragraphs below on Luxembourg, United Kingdom and United States taxation are brief summaries of the tax advice received by the Board of Directors relating to current law and practice which may be subject to change and interpretation.

The information given below does not constitute legal or tax advice and prospective investors should consult their own professional advisers on the possible tax consequences of buying, selling, converting, holding or redeeming Shares under the laws of the jurisdictions in which they may be subject to taxation. Investors are also advised to inform themselves as to any exchange control regulations applicable in their country of residence. Some Shareholders may be subject to anti-offshore fund legislation and may have tax liability on the undistributed gains of the Fund. The related consequences will vary with the law and practice of the jurisdiction with which the Shareholder has its residence, domiciliation or its incorporation as well as with the specific case of each Shareholder. The Board of Directors of the Fund and each of the Fund's agents shall have no liability in respect of specific tax case of Shareholders.

Dividends, interest and capital gains (if any) which the Fund receives with respect to investments may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Fund may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Luxembourg and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Fund, the Net Asset Value will not be re-stated and the benefit will be allocated pro rata to the existing Shareholders at the time of repayment.

### 8.1 FATCA

FATCA provisions impose a reporting to the U.S. Internal Revenue Service of U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

On 28 March 2014, Luxembourg signed an intergovernmental agreement (the "IGA") with the United States, in order to facilitate compliance of entities like the Fund, with FATCA and avoid the above-described US withholding tax. The IGA was implemented with the Luxembourg law of 24 July 2015. Under the IGA, some Luxembourg entities like the Fund will have to provide the Luxembourg tax authorities with information on the identity, the investments and the income received by their investors. The Luxembourg tax authorities will then automatically pass the information on to the IRS.

Under the IGA, the Fund will be required to obtain information on the Shareholder and if applicable, *inter alia*, disclose the name, address and taxpayer identification number of a U.S. person that own, directly or indirectly, shares of the Fund, as well as information on the balance or value of the investment.

Therefore and despite anything else herein contained and as far as permitted by Luxembourg law, the Fund shall have the right to:

- Require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Fund in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority;
- Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Fund;
- Withhold the payment of any dividend or redemption proceeds to a Shareholder until the Fund holds sufficient information to enable it to determine the correct amount to be withheld.

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 Fund.

## 8.2 OECD CRS

On 09 December 2014, the European Council adopted the Directive 2014/107/EU (the “**AEI Directive**”) enlarging the scope of automatic exchange of information. Consequently, interests, dividends, as well as account balances and sales proceeds from financial assets (“account holder information”) are now within the scope of the automatic exchange of information further to the amendment of the Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of direct taxation.

Luxembourg draft law 6858 of 14 August 2015 (the “**Transposing Draft Law**”) aims to introduce automatic exchange of information transposing the AEI Directive. Once transposed into legislation, financial institutions in the sense of the AEI Directive will be required to report the Luxembourg tax administration the account holder information, which will be afterwards automatically exchanged with the country of residence of such reportable account holder. The Transposing Draft Law integrates the OECD CRS guidelines on exchange of information.

Prospective holders of the Fund Shares might be under the scope of the Transposing Draft Law. Consequently they are advised to seek their own professional advice in relation to OECD CRS on exchange of information and its implementation in Luxembourg.

## 8.3 Taxation of the Fund in Luxembourg

The below summary is based on the current law and practice applicable in Luxembourg and is subject to changes therein.

### (A) Subscription tax

The Fund is, in principle, liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Fund at the end of the relevant calendar quarter.

This rate is however 0.01% per annum for:

- individual sub-funds of UCIs which sole object is the collective investment in Money Market Instruments and the placing of deposits with credit institutions;
- individual sub-funds of UCIs which sole object is the collective investment in deposits with credit institutions;
- individual sub-funds of UCIs with multiple sub-funds as well as for individual classes of securities issued within a UCI or within a sub-fund of a UCI with multiple sub-funds, provided that the securities of such sub-funds or classes are reserved to one or more institutional investors.

In addition, are exempt from the subscription tax:

- the value of the assets represented by units held in other UCIs, provided such units have already been subject to the subscription tax;
- UCIs as well as individual sub-fund of umbrella funds:
  - which securities are reserved for institutional investors;
  - which sole object is the collective investment in Money Market Instruments and the placing of deposits with credit institutions;
  - which weighted residual portfolio maturity does not exceed ninety (90) days;
  - which have obtained the highest possible rating from a recognised rating agency.
- UCIs which securities are reserved for:
  - institutions for occupational retirement provision, or similar investment vehicles, created on the initiative of an employers group for the benefit of their employees;
  - undertakings of this same employers group investing funds they hold, to provide retirement benefits to their employees.
- UCIs as well as individual Sub-Fund of umbrella funds which main objective is the investment in microfinance institutions.

- UCIs as well as individual sub-fund of umbrella funds:
  - which securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public;
  - which exclusive object is to replicate the performance of one or more indices.

**(B) Withholding tax**

Under current Luxembourg tax law there is no withholding tax on any distribution made by the Fund to the Shareholders.

Further to the law of 25 November 2014, since 01 January 2015, the Luxembourg government has abandoned the withholding procedure required to be withheld on interest and other similar income as defined under EU Savings Directive and paid to an individual resident in another Member State, and now only complies with the exchange of information procedure.

In 2014 the European Commission has amended the EU Savings Directive. The amended EU Savings Directive broadens the definition of “interest payments”, including income from products sharing similar characteristics to debt claims (under certain conditions securities which are equivalent to debt claims, benefits from life insurance contracts). It also includes income distributed by all collective investment vehicles, regardless of their legal form, to the extent that said collective investment vehicles invest more than 40% (25% as from 1 January 2016) of its assets in debt claims in the sense of the amended EU Savings Directive.

In addition, the amended EU Savings Directive introduced a look through approach in order to avoid the use of interposed legal persons or legal arrangements in a non-EU country or EU country.

**(C) Income tax**

The Fund is exempt from Luxembourg income tax.

**(D) Value added tax**

The Fund is considered in Luxembourg as a taxable person for value added tax (**VAT**) purposes without input VAT deduction right. Services qualifying as fund management services and recharged to for the final benefit of the Fund are exempt from VAT. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg as to self-assess the VAT due in Luxembourg under the revers charge mechanism on non VAT exempt services (or goods to some extent) purchased from foreign suppliers.

In principle, no VAT liability arises in Luxembourg in respect of any distribution and/or payments made by the Fund to its Shareholders to the extent such distribution and/or payments are linked to their subscription to the Fund’s Shares and do not constitute the consideration received for any taxable services supplied by the Shareholders.

**(E) Other taxes**

No stamp duty or other tax is generally payable at a proportional rate in Luxembourg in connection with the issue of Shares against liquid assets by the Fund, except a fixed registration duty of seventy five Euros (EUR 75) which is paid upon the incorporation of the Fund or any amendments of its articles of incorporation.

**8.4 Taxation of the Shareholders in Luxembourg**

**(A) Luxembourg tax residency of the Shareholders**

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 or the execution, performance or enforcement of their rights hereunder.

**(B) Income tax**

The reimbursement of the share capital contributed to the Fund should not be subject to Luxembourg income tax at the level of the Luxembourg Shareholders.

**(1) Luxembourg resident individuals**

A resident individual Shareholder, who acts in the course of the management of his / her private wealth, deriving the below types of income from the Fund, would be taxed as follows:

- Dividends and other payments received from the Fund are taxed at a progressive income tax rate;
- Capital gains realised upon the sale, exchange, contribution or any other kind of alienation of the Shares, are not subject to Luxembourg income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation:
  - Speculative gains or short-term capital gains are taxed at the progressive income tax rate if the capital gain of the year is at least EUR 500. Capital gains are deemed to be speculative if the Shares are disposed of within six (6) months after their acquisition or if their disposal precedes their acquisition;
  - Long term Capital gains on a substantial participation are taxed according to the half-global rate method, ie the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation. A participation is deemed to be substantial where a resident individual Shareholder holds or has held, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the five (5) years preceding the disposal, more than ten per cent (10%) of the share capital of the company whose Shares are being disposed of. A Shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the five (5) years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period).

A resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, deriving the below types of income from the Fund, would be taxed as follows:

- Dividends and other payments received from the Fund are taxed at a progressive income tax rate;
- Capital gains realised on the disposal of the Shares are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

#### (2) Luxembourg resident companies

A Luxembourg capital company (*société de capitaux*) to which the Shares are attributable must include any profits derived, including the gain realised on the sale, disposal or redemption of the Shares, in its taxable basis for Luxembourg income tax assessment purposes.

#### (3) Luxembourg residents benefiting from a special tax regime

The following Shareholders, being Luxembourg resident companies and benefiting from a special tax regime, are income tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax:

- undertakings for collective investment subject to the UCI Law;
- specialised investment funds subject to the amended law of 13 February 2007 on specialised investment funds;
- family wealth management companies governed by the law of 11 May 2007 on family wealth management companies.

### (C) Luxembourg non-resident Shareholders

A non-resident Shareholder, who has neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, is generally not liable to any Luxembourg income tax on income received and capital gains realised upon the sale, disposal or redemption of the Shares.

The non-resident Shareholder will be taxed on the income received from the Fund in their home jurisdiction according to the rules applying in their specific jurisdictions.

A non-resident Shareholder, which is a capital company, who has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable must include any profits derived, including the gain realised on the sale, disposal or redemption of the Shares, in its taxable basis for Luxembourg income tax assessment purposes. The same approach applies to non-resident

individual Shareholders who have a permanent establishment or a permanent representative in Luxembourg and act in the course of the management of their professional/business activity.

**(D) Net wealth tax**

A Luxembourg resident or a non-resident who has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, is subject to Luxembourg net wealth tax on such asset, except if the Shareholder is:

- a resident or non-resident individual taxpayer;
- an undertaking for collective investment subject to the UCI Law;
- a securitisation company governed by the law of 22 March 2004 on securitisation;
- a company governed by the law of 15 June 2004 on venture capital vehicles;
- a specialised investment fund governed by the amended law of 13 February 2007 on specialised investment funds;
- a family wealth management company governed by the law of 11 May 2007 on family wealth management companies.

**(E) Other taxes**

Inheritance tax would be levied on the transfer of the Shares upon death of a Shareholder if the deceased is a Luxembourg resident for inheritance purposes.

No gift tax may be due on a gift or donation of the Shares, if the gift is not (i) recorded in a Luxembourg notary deed or (ii) registered in Luxembourg (which is generally not required).

## 9. Principal risks

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in the Fund. Different risks may apply to different Sub-Funds. Prospective investors should review this Prospectus and Sub-Fund Fact Sheet carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares.

The following risks apply to all of the Sub-Funds of the Fund:

### (1) General risks

- There is no assurance that any appreciation in the value of investments made by a Fund will occur, or that the investment objectives of any Fund will be achieved. The price of the Shares and the income from them can go down as well as up and Shareholders may not receive, on sale or cancellation or redemption of their Shares, the amount that they invested.
- Movements in foreign exchange rates can impact the level of income received and the capital value of the investment.
- Shares should generally be regarded as medium to long-term investments (5 years to 10 years).
- Any tax treatment detailed in this Prospectus may change in the future and any implied tax benefits will vary between investors depending on their personal circumstances.
- Where income is insufficient to pay charges the residual is taken from capital which will reduce the rate of capital growth.
- Losses may be made due to adverse movements in equity, bond, commodity, currency and other market prices and to changes in the volatility of any of these. This may be a contributory factor to an investor not receiving back the amount of their original investment on redemption of Shares.
- Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment.

### (2) Counterparty risk

The term counterparty is used to refer to any third party organisation which makes up part of a trade when buying or selling a stock. This could be an organisation such as a government, bank, broker or securities dealer. Counterparty Risk is the risk to each party of a contract, that the counterparty will not live up to its contractual obligations.

Sub-Funds may enter into transactions with counterparties, which expose them to the counterparties' credit worthiness and ability to perform and meet with their financial obligations. This risk may arise at any time the Sub-Funds' assets are exposed to a counterparty through actual or implied contractual agreements and may result in a financial loss to the Sub-Fund.

The Fund may also enter into contracts with service providers and other third party contractors who may not be able to fulfil or carry out their contractual obligations resulting in the normal trading activity of the Fund being affected or disrupted.

Some of the markets in which the Fund may effect transactions are over-the-counter (or interdealer) markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of exchange-based markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such over-the-counter transactions. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such counterparty risk is emphasised for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a small group of counterparties. Moreover, the Fund shall only transact with eligible counterparties and each

counterparty to a financial derivative instrument transaction must be eligible under the UCI Law and permitted by the CSSF.

### **(3) Credit risk**

When the value of an investment depends on a counterparty fulfilling an obligation to pay, a risk exists that the obligation will not be met. This may affect the value of a Sub-Fund either by actual, or feared, breach of the counterparty's obligations. If the counterparty defaulted and failed to pay, the income of the Sub-Fund would be affected.

### **(4) Hedging Risk**

When a derivative is used as a hedge against a position that a Sub-Fund holds, any loss generated by the derivative generally should be substantially offset by gains on the hedged investment, and vice versa. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the derivative and the underlying security, and there can be no assurance that the Sub-Fund's hedging transactions will be effective. The use of hedging may result in certain adverse tax consequences.

### **(5) Risk Warning regarding foreign exchange hedging**

In the case where Shares are hedged against the Base Currency of a particular Sub-fund, such hedging may, for technical reasons, not be complete and not cover the entire foreign exchange rate risk. There can be no guarantee that hedging strategies will be successful. Moreover, in case of hedging, the investors will not take advantage of any possible positive evolution of the foreign exchange rate.

### **(6) Currency denomination risk**

The currency denomination of a Share Class in a Sub-Fund or the currency of a Sub-Fund may not necessarily indicate the currency risk Shareholders are exposed to. Currency risk originates from the currency exposures of the underlying assets of the portfolio of a Sub-Fund, while the currency denomination of a Share Class and the currency of a Sub-Fund only indicates the currency in which subscriptions and redemptions are made for that Share Class or Sub-Fund. For example, a Sub-Fund based in USD may buy shares which are based and priced in Hong Kong dollars. By doing so the Sub-Fund would be exposed to a different currency.

The Investment Manager will, as far as is reasonably practicable, seek to hedge out foreign currency exposure at Sub-Fund level by entering into forward foreign exchange transactions or other methods of reducing exposure to currency fluctuations but each Sub-Fund will necessarily be subject to foreign exchange risks. In addition, the foreign exchange exposure of the assets attributable to each Sub-Fund is, generally, hedged in order to minimise, so far as reasonably practicable, the impact of fluctuations in the exchange rate between the currency of the relevant Class of Shares and the currency of the relevant Sub-Fund, if different.

Notwithstanding the foregoing, and noting that hedging techniques may not be completely effective, where the currency exposure of a Sub-Fund is not fully hedged, the value of the assets of that Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates. To the extent that hedging techniques are successful, performance of the relevant Class is likely to move in line with the performance of the underlying assets and investors in a hedged Class will not benefit if the value of the currency of denomination of the relevant Class falls against the currency of the relevant Sub-Fund. Furthermore, prospective investors whose assets and liabilities are predominantly in currencies other than the currency of the Shares in which they have invested should take into account the potential risk of loss arising from fluctuations in value between the currency of such Shares and such other currencies. Performance of a Sub-Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Sub-Fund may not correspond with the securities positions held.

### **(7) Debt instruments and securities risk**

The debt instruments in which the Fund may invest may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. In addition to high investment grade debt

instruments, the Fund may invest in low investment grade or non-investment grade debt instruments, which are typically subject to greater market fluctuations and the risk of loss of income and principal than lower yielding, investment grade instruments, and which are often influenced by many of the same unpredictable factors which affect equity prices. Investments in debt instruments may experience substantial losses due to adverse changes in interest rates and the market's perception of any particular issuers' creditworthiness.

The Fund may invest in fixed income securities which may be not be rated by a recognised credit rating agency, are low investment grade or below investment grade and which are, or may become, subject to greater risk of loss of principal and interest than higher rated debt securities. As investors generally perceive that there are greater risks associated with unrated and below investment grade securities, the yields and prices of such securities may fluctuate more than those for higher rated securities. The market for non-investment grade securities may be smaller and less active than that for higher rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the Fund. The Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Fund will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

#### **(8) High-yield debt securities risk**

High-yield, debt may carry a greater risk of default than higher rated debt securities. In addition, non-investment grade securities tend to be more volatile than higher rated debt securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated debt securities. Further, an issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, for example, an economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity.

#### **(9) Deferred settlement on redemptions risk**

If individual or collective redemptions total in excess of 10% of the Shares in issue in a specific Sub-Fund, the Board of Directors may decide without Shareholder approval to defer settlement of redemptions for a period as it considers being in the best interest of the Sub-Fund or of a Class and its Shareholders. If this occurs, this means that Shareholders will experience a delay before they receive their redemption proceeds.

#### **(10) Dividend risk**

The Sub-Funds may rely on the dividend income of underlying securities, which may be affected by the profitability of the underlying company and its dividend policy. On occasion, companies that had previously paid dividends may change their dividend policy, reduce dividends or not issue a dividend at all, resulting in less income generation for the Sub-Fund.

#### **(11) Emerging market risk**

Certain Sub-Funds may invest in securities of emerging market country governments, their political subdivisions and other issuers whose principal activities are based in emerging market countries. Investments in emerging markets may be more volatile than investments in more developed markets (such as the United States, Europe and Japan). Some of these markets may have relatively unstable governments, economies based on only a few industries, and securities markets that trade a limited number of securities and market efficiency may not be on par with those of developed markets. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less strict than developed markets. The risk of expropriation, confiscatory taxation, nationalisation and social, political and economic instability are greater in emerging markets than in developed markets. In addition to withholding taxes on investment income, some emerging markets may impose different capital gains taxes on foreign investors. A number of emerging markets may restrict foreign

investment in securities which means that some securities may not be available to one or more of the Sub-Funds because other foreign investors hold the maximum amount permissible under current law.

Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration or approval and may be subject to currency exchange control restrictions which may increase the risks of investing in certain emerging markets.

Unless otherwise specified within a Sub-Fund's investment objectives and policies, a Sub-Fund will only invest in markets where these restrictions are considered acceptable by the Board of Directors.

The securities markets of emerging countries may have substantially less trading volume in which causes a lack of liquidity and high price volatility. A high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries may also occur. All these factors may adversely affect the timing and pricing of a Sub-Fund's purchase or sale of securities. Settlement of securities transactions in emerging markets may involve higher risks as brokers and counterparties may be less well capitalised and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Sub-Fund is unable to purchase or sell a security. There may be less publicly available information about certain financial instruments and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements on par with those in developed markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. The manner in and limitations on which foreign investors may invest in securities, may also affect the investment operations of certain Sub-Funds. Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard or be rated for creditworthiness by an internationally recognised credit rating organisation. The issuer or governmental authority controlling the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due. As a result, a government obligor may default on its obligations. In this event, the Fund may have limited legal recourse against the issuer and/or guarantor.

#### **(12) Fraud risk**

The Sub-Fund's assets may be subject to fraud including, but not limited to, fraudulent acts by the sub-custodian such as not maintaining books and records that reflect the beneficial ownership of the Fund of its assets. Fraud may also occur due to counterparty default and/or fraudulent acts of other third parties. In such events, there is no certainty Shareholders will be compensated in full or at all for any losses suffered by the Sub-Fund.

#### **(13) Fund legal action risk**

There is no certainty that any legal action taken by the Fund against its service providers, agents, counterparties or other third parties will be successful and Shareholders should be aware they may not receive compensation in full or at all for any losses incurred. Depending on the circumstances, the Fund may decide not to take legal action and may decide to enter into settlement negotiations which may or may not be successful.

#### **(14) Inflation risk**

Inflation erodes the purchasing power of liquid assets and the real value of all investments. Changes in the anticipated rate of inflation could lead to capital losses in the Sub-Fund's investments. Returns need to be assessed against the rate of inflation to establish the true benefit being derived.

#### **(15) Information risk**

Upon request by a Shareholder, the Investment Manager may provide a Shareholder with information about a Sub-Fund and its positions where the Board of Directors determines that there are sufficient confidentiality agreements and procedures in place. This information may not be systematically provided to all other Shareholders of such Sub-Fund (but will be available to all Shareholders if requested). As a result, the Shareholder that has received this information may be able to act on such additional information that other Shareholders may not systematically receive. Accordingly, not all Shareholders will have the same degree of access to the type and/or frequency of individual position

listings in connection with the Fund and transparency of portfolio characteristics may differ based on individual agreements with investors.

**(16) Interest rate risk**

The earnings or market value of a Sub-Fund may be affected by changes in interest rates, particularly if a Sub-Fund is holding fixed-rate debt securities, such as bonds, as a bond's value may fall if interest rates rise.

If a Sub-Fund holds fixed rate debt securities, with a long time until maturity, this security may be more sensitive to changes in interest rates than shorter dated debt securities.

**(17) Investment management risk**

The investment performance of the Fund may be substantially dependent on the services of certain individuals. In the event of the death, incapacity, departure, insolvency or withdrawal of these individuals, the performance of the Fund may be adversely affected.

**(18) Net Asset Value risk**

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover his initial investment when it chooses to redeem its Shares or upon compulsory redemption, if the Net Asset Value per Share at the time of such redemption is less than the Subscription Price paid by such Shareholder or if there remain any unamortised costs and expenses of establishing the Fund. The valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value, shall in any case prevail.

In calculating a Sub-Fund's Net Asset Value, the Administrator may consult the Board of Directors with respect to the valuation of certain investments. While there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Sub-Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Sub-Funds, the Investment Manager will endeavour to resolve any such conflict of interest fairly.

**(19) Pricing & liquidity risk**

The price at which an asset is valued may not be realisable in the event of sale due to a misestimate of the asset's value or a lack of liquidity in the relevant market. If there is a significant amount of subscriptions or redemptions this is likely to have a dilutive impact.

**(20) Redemption risk**

Payment of redemption proceeds may be delayed if the Board of Directors declares a temporary suspension of calculation of the Net Asset Value of the Fund or a Sub-Fund in any of the exceptional circumstances as described under the "Temporary Suspension of Calculation of the Net Asset Value" Section.

**(21) Risk of loss**

It is not guaranteed that the value of investments and the income derived from them will go up. They may fall as well as rise and Shareholders may not recover the original amount they subscribed for Shares in the Fund, especially if they redeem shortly after purchase.

**(22) Sector and/or geographical risk**

Sub-Funds with restricted investment to a small number of related sectors or geographical locations may decline due to an event affecting a particular industry or country, even while broader based stock markets are rising. Investments offering exposure to commodities may include additional risks such as political risk, natural events or terrorism and production, trading and the value of financial instruments offering exposure to such commodities may be affected.

### **(23) Securities lending risk**

The Fund may appoint a stock lending agent to enter into securities lending transactions for and on behalf of the Fund with certain borrowers. Borrowers are required to transfer collateral to the stock lending agent who is required to ensure that the value of collateral is equal to or greater than the value of the securities transferred to the borrowers.

The risk to the Fund is if the value of the collateral falls below the value of the securities lent and no additional collateral is provided, this results in insufficient collateral being maintained, exposing the Fund to potential losses. The stock lending agent is required to hold the collateral in safekeeping for and on behalf of the Fund. If the stock lending agent holds collateral in a client pooled account, a risk arises when the stock lending agent is subject to insolvency proceedings or otherwise fails to fulfil its obligations and the client pooled account suffers a shortfall, causing potential losses to the Fund.

### **(24) Segregation of liabilities between Sub-Funds**

As a matter of Luxembourg law, the assets of each Sub-Fund will not be available to meet the liabilities of another, although the concept of segregated liability remains untested. Accordingly, where claims are brought by local creditors in a court other than the Luxembourg courts or under contracts governed by a law other than the law of Luxembourg, it is not yet known whether such foreign court would give effect to the segregated liability and cross-investment provisions of the Luxembourg law.

### **(25) Strategy risk**

Strategy risk is associated with the failure or deterioration of an entire strategy such that most or all investment managers employing that strategy suffer losses. Strategy specific losses may result from excessive concentration by multiple investment managers in the same investment or general economic or other events that adversely affect particular strategies. The strategies employed by the Fund may be speculative and involve substantial risk of loss in the event of such failure or deterioration, in which event the performance of the Fund may be adversely affected.

The success of the investment activities of the Fund will depend on the Investment Manager's ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Fund involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the Fund's assets or to exploit discrepancies in the securities and financial derivative instruments markets. A reduction in money market liquidity or the pricing inefficiency of the markets in which the Fund seeks to invest, as well as other market factors, will reduce the scope for the implementation of the Fund's investment strategies.

The Fund may be adversely affected by unforeseen events involving such matters as changes in interest rates, exchange rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short stock or changes in tax treatment.

### **(26) Tax risk**

Tax laws may change and tax may become payable on a Sub-Fund's existing investments and may be deducted at source without notice to the Fund and/or the Investment Manager. Tax charged may vary between Shareholders and professional advice on taxation should be obtained where appropriate.

The Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the Fund is incorporated, established or resident for tax purposes. The Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the Fund or the counterparty to a transaction involving the Fund is incorporated, established or resident for tax purposes. Where the Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in

applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such tax and so any change could have an adverse effect on the Net Asset Value of the Shares.

Where the Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by the Fund (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares. This could cause benefits or detriments to certain Shareholders, depending on the timing of their entry to and exit from the Fund.

#### **(27) Transaction costs risk**

The investment policies of the Fund may involve a high level of trading and turnover of the investments of the Fund which may generate substantial transaction costs which will be borne by each Sub-Fund separately.

#### **(28) Undervaluation / Overvaluation risk**

One of the key objectives of the Fund may be to identify and invest in undervalued and overvalued securities (**misvalued securities**). The identification of investment opportunities in misvalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognised. While purchases of undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the investments of the Fund may not adequately compensate for the business and financial risks assumed.

The Fund may make certain speculative investments in securities which the Investment Manager believes to be misvalued; however, there can be no assurance that the securities purchased and sold will in fact be misvalued. In addition, the Fund may be required to maintain positions in such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the capital of the Fund may be committed to the securities, thus possibly preventing the Fund from investing in other opportunities.

#### **(29) Derivatives risk**

The Investment Manager may make use of financial derivative instruments. In general, a financial derivative instrument typically involves leverage (within the permitted limits), ie it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of liquid assets or assets required to establish or maintain the financial derivative instrument. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the financial derivative instrument. Many of the financial derivative instruments used by the Fund will be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. These transactions are also expected to involve significant transaction costs.

#### **(30) US Foreign Account Tax Compliance Act (FATCA) Risk**

Pursuant to FATCA, the Fund (or each Sub-Fund) will be required to comply (or be deemed compliant) with extensive new reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S. owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Fund (or each Sub-Fund) to U.S. withholding taxes on certain U.S. sourced income and gains. Pursuant to an intergovernmental agreement between the United States and Luxembourg, the Fund (or each Sub-Fund) may not be subject to withholding tax if it identifies and reports information on Specified U.S. Person or U.S. Owned Foreign Entity, within the meaning of the Code, directly to the Luxembourg government. Investors may be requested to provide additional information to the Fund to enable the Fund (or each Sub-Fund) to satisfy these obligations. Failure to provide requested information or, if applicable, satisfy its own FATCA obligations may subject an investor to liability for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption, transfer or other termination of the investor's investment in its Shares.

Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Fund or its Sub-Funds.

**(31) Volatility risk**

There are a large number of risks inherent in trading of the nature contemplated by the Fund. 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 the 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 Fund.

The Board Directors has the power to apply swing pricing methodology as described in each Sub-Fund Fact Sheet. The application of swing pricing methodology may increase the volatility of the Net Asset Value per Share of the Fund.

## 10. Risk management process

The Management Company must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions in the Fund's portfolios and their contribution to the overall risk profile of these portfolios.

In relation to financial derivative instruments, the Management Company must employ a process (or processes) for accurate and independent assessment of the value of OTC Derivatives and the Fund shall ensure for each Sub-Fund that its global risk exposure relating to financial derivative instruments does not exceed the total net value of its portfolio.

It must communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of financial derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in financial derivative instruments.

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

Each Sub-Fund may invest, according to its investment policy and within the limits set forth in the "Investment Restrictions" Section and the "Special Investment and Hedging Techniques" Section, in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in the "Investment Restrictions" Section.

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits set forth in the "Investment Restrictions" Section.

When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of this Section.

Whenever risk management processes, adequate to perform the functions described above are employed on behalf of the Management Company by the Investment Manager in managing the Sub-Funds, they are deemed to be employed by the Management Company.

The Management Company may calculate global exposure for the Fund using the commitment approach, relative value-at-risk ("**VaR**") or absolute VaR, in compliance with CSSF Regulation 10-04 and CSSF Circular 11/512.

### **Commitment approach**

The commitment approach measures the global exposure related to positions on financial derivative instruments and other efficient portfolio management techniques (if used), under consideration of netting and hedging (if used).

### **VaR approach**

In financial mathematics and risk management, the VaR approach is a widely used risk measurement of the maximum potential loss for a specific portfolio of assets, due to market risk. More specifically, the VaR approach measures the maximum potential loss of such a portfolio at a given confidence level (or probability) over a specific time period under normal market conditions. Absolute VaR or relative VaR may be applied as disclosed in each Sub-Fund Fact Sheet for the relevant Sub-Fund.

Absolute VaR links the VaR of the portfolio of a Sub-Fund with its Net Asset Value. When applicable, the absolute VaR of a Sub-Fund shall not exceed 20% of the Sub-Fund's Net Asset Value (determined on the basis of a 99% confidence interval and a holding period of 20 business days).

Relative VaR links the VaR of the portfolio of a Sub-Fund with the VaR of a reference portfolio. When applicable, the relative VaR of a Sub-Fund shall not exceed twice the VaR of its reference portfolio. The reference portfolio used in relation to a Sub-Fund, if any, is set out in each Sub-Fund Fact Sheet.

The selection of the appropriate methodology for calculating global exposure is made by the Management Company depending on the risk profile of the various Sub-Funds as resulting from their investment policy. The fact that a Sub-Fund is authorised to use financial derivative instruments for investment purposes will not automatically, in isolation, lead to the use of the relative or absolute VaR approach for the calculation of the global exposure of that Sub-Fund.

The Sub-Funds using the VaR approach are also required to disclose the expected level of leverage. Expected Leverage can be calculated using the sum of the notionals of the financial derivative instruments used methodology as per the ESMA Guidelines 10-788.

### **Leverage**

The use of financial derivative instruments may result in a Sub-Fund being leveraged. Leverage is monitored on a regular basis. The level of leverage for a Sub-Fund, when applicable, is not expected to exceed the level set out in each Sub-Fund Fact Sheet. When the VaR approach is used, the leverage is measured as the sum of the notionals of the financial derivative instruments. In this context, the leverage is measured as a percentage of the relevant Sub-Fund's Net Asset Value. Under certain circumstances (eg very low market volatility) the expected level of leverage may exceed the levels referred to in each Sub-Fund Fact Sheet.

Shareholders should expect that the actual leverage of the Sub-Fund may vary (possibly significantly) from the estimated figures. In addition, the shareholders' attention is drawn to the fact that the use of such methodology may result in a high level of leverage which does not necessarily reflect the actual level of risk of the portfolio.

The methodology used by each Sub-Fund and the expected level of leverage (if applicable) will be indicated in each Sub-Fund Fact Sheet.

## 11. Conflicts of interest

The Directors, the Management Company, the Investment Manager, the Depositary and the Administrator and/or their respective affiliates or any person connected with them (together the **Relevant Parties**) may from time to time act as directors, management company, investment manager, manager, distributor, trustee, custodian, depositary, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the Fund or which may invest in the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. The Directors and each of the Relevant Parties will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly. In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Any Relevant Party may deal with the Fund as principal or as agent, provided that it complies with applicable law and regulation and the provisions of the Investment Management Agreement, the Management Company Agreement, the Administration Agreement and the depositary agreement, to the extent applicable.

The Investment Manager or any of its affiliates or any person connected with the Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Investment Manager nor any of its affiliates nor any person connected with the Investment Manager is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

The Depositary may, from time to time, act as the depositary or sub-custodian of other open-ended investment open-ended SICAV funds.

The Depositary will provide, from time to time, a description of the conflicts of interest that may arise in respect of its duties.

Moreover, if the Depositary delegates the whole or part of its safekeeping functions to a Correspondent, it will provide, from time to time, a list of any conflicts of interest that may arise from such a delegation.

In calculating a Sub-Fund's Net Asset Value, the Administrator may consult with the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager or any sub-investment manager in determining the Net Asset Value of a Sub-Fund and the entitlement of the Investment Manager or any sub-investment manager to a management fee which is calculated on the basis of the Net Asset Value of such Sub-Fund.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

The Board of Directors will seek to ensure that any conflict of interest of which they are aware is resolved fairly.

## 12. Use of dealing commissions

The Investment Manager may effect transactions or arrange for the effecting of transactions through brokers with whom it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the Investment Manager. The services which can be paid for under such arrangements are those permitted under relevant Luxembourg laws, namely those that relate to the execution of transactions on behalf of customers or the provision of investment research to the Investment Manager. The benefits provided under such arrangements will assist the Investment Manager in the provision of investment management services to the Fund and to other third parties. Specifically, the Investment Manager may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgment of the Investment Manager, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research, analysis and advisory services may be used by the Investment Manager in connection with transactions in which the Fund will not participate.

The Fund's commission sharing arrangements are subject to the following conditions: (i) the Investment Manager will act at all times in the best interest of the Fund when entering into soft commission arrangements; (ii) the services provided will be in direct relationship to the activities of the Investment Manager for the Fund; (iii) brokerage commissions on portfolio transactions for the Fund will be directed by the Investment Manager to broker-dealers that are entities and not to individuals; (iv) the Investment Manager will provide periodic reports to the Board of Directors and the Management Company with respect to commission sharing arrangements including the nature of the services it receives; and (v) soft commission agreements will be listed in such periodic reports.

Since commission rates in the United States are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable. Section 28(e) of the United States 1934 Act, provides a "safe harbor" to investment managers who use "soft dollars" generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to investment managers in the performance of investment decision-making responsibilities. The Investment Manager intends to limit its use of "soft dollars" to those services which would be within the safe harbor afforded by section 28(e) of the 1934 Act.

### **13. Luxembourg anti-money laundering regulations**

In an effort to deter money laundering, the Fund, the Management Company and the Registrar and Transfer Agent must comply with all applicable laws and regulations regarding the prevention of money laundering. In particular, the Registrar and Transfer Agent must comply with the Luxembourg law of 12 November 2004 against money laundering and terrorism financing, as amended from time to time. To that end, the Fund, the Investment Manager, the Management Company, the Administrator and the Registrar and Transfer Agent may request information necessary to establish the identity of a potential investor and the origin of subscription proceeds. Failure to provide documentation may result in a delay or rejection by the Fund of any subscription or exchange or a delay in pay-out of redemption of Shares by such investor.

## 14. Data protection

The Fund, the Management Company and the Administrator may collect, record, store, adapt, transfer or otherwise process personal data (including, but not limited to, holding in the Fund, name, address, contact details (the **Personal Data**)) from a Shareholder or prospective Shareholder from time to time in order to develop and process the business relationship between the Shareholder or prospective Shareholder and the Fund, and for other related activities. The Shareholder may, at his/her/its discretion, refuse to communicate the Personal Data to the Fund, the Management Company or the Administrator. However, if a Shareholder or prospective Shareholder fails to provide such information in a form which is satisfactory to the Fund, the Management Company or the Administrator, the Fund or the Management Company may restrict or prevent the ownership of Shares in the Fund and the Fund, the Depository and/or the Administrator (as the case may be) shall be held harmless and indemnified against any loss arising as a result of the restriction or prevention of the ownership of Shares.

By subscribing to the Shares, each Shareholder consents to the use of his/her/its Personal Data by the Fund. This consent is formalised in writing in the application form used by the relevant intermediary.

The Fund may disclose Personal Data to its agents, service providers or if required to do so by force of law or regulatory authority.

The Fund may delegate the processing of the Personal Data, in compliance and within the limits of the applicable laws and regulations, to other entities such as the Management Company, the Administrator, Domiciliary, Paying Agent, Registrar and Transfer Agent, and the Depository (the **"Processors"**).

The Personal Data may be processed for the purposes of (i) maintaining the register of Shareholders, (ii) processing subscriptions, redemptions of Shares (iii) account and distribution fee administration, (iv) performing controls in respect of late trading and market timing practices, (v) anti-money laundering identification, (vi) tax identification under the EU Savings Directive, (vii) providing client services, (viii) complying with legal obligations and (ix) marketing.

The Fund or the Processors, as the case may be, may need to disclose Personal Data to entities located in jurisdictions outside the EU, which may not have developed an adequate level of data protection legislation. In case of a transfer of data outside the EU, the Fund or the Processors, as the case may be, will contractually ensure that all Personal Data is protected in a manner which is equivalent to the protection offered pursuant to the Luxembourg data protection law.

Each Shareholder has a right to access his/her/its Personal Data and may ask for a rectification thereof in cases where such data is inaccurate and incomplete. In relation thereto, the Shareholder can ask for a rectification by letter addressed to the Fund, the Management Company or the Administrator.

Each Shareholder has a right of opposition regarding the use of his/her/its Personal Data for marketing purposes. This opposition can be made by letter addressed to the Fund, the Management Company or the Administrator.

## **15. Restructuring**

### **15.1 Changes in investment policies of the Sub-Fund**

The investment objective and policies of each Sub-Fund may be modified from time to time by the Board of Directors without the consent of the Shareholders, although the Shareholders will be given one (1) month's prior notice of any such material change in order to redeem their Shares free of the Redemption Fee as stated herein.

### **15.2 Merger of the Fund and of Sub-Funds**

The Board of Directors may decide to proceed with a merger (within the meaning of the UCI Law) of the assets of the Fund or a Sub-Fund, whether as absorbing or absorbed party, with those of (i) another existing Sub-Fund within the Fund or another existing sub-fund within another Luxembourg or foreign UCITS, or of (ii) another Luxembourg or foreign UCITS. Such a merger shall be subject to the conditions and procedures imposed by the UCI Law, in particular concerning the terms of the merger to be established by the Board of Directors and the information to be provided to the Shareholders.

The Board of Directors is competent to decide on the effective date of the merger. However, in accordance with the UCI Law, where the Fund is the absorbed entity which, thus, ceases to exist as a result of the merger, the general meeting of Shareholders of the Fund must decide on the effective date of the merger. Such general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

Where the Fund or a Sub-Fund is involved in a merger under the circumstances described above, whether as absorbing or absorbed party, Shareholders will be entitled to request, without any charge other than those charged by the Fund or the Sub-Fund to meet divestment costs, the redemption of their Shares in the relevant Sub-Fund in accordance with the provisions of the UCI Law.

In addition, the Fund or a Sub-Fund may absorb any other fund or sub-fund that is not a UCITS if the Board of Directors believes it would be in 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 would justify it. The absorption of any other fund shall be made in accordance with all applicable laws, including but not limited to the UCI Law and the Company Law, if applicable.

The absorption of a UCI by a Sub-Fund will be duly accomplished at the level of the Fund by a one month's prior written notice to the existing Shareholders of the Sub-Fund, if any.

### **15.3 Division of Sub-Funds**

In the event that the Board of Directors believes it would be in 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 would justify it, the Board of Directors may decide to reorganise a Sub-Fund by dividing it into two or more Sub-Funds. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the new Sub-Funds. Such publication will be made one month before the date on which the reorganisation becomes effective in order to enable the Shareholders to request redemption of their Shares, free of the Redemption Fee as stated herein, before the effective date.

### **15.4 Amalgamation of Classes**

In the event that for any reason the value of the assets in any Class has decreased to an amount determined by the Board of Directors (in the interests of Shareholders) to be the minimum level for such Class to be operated in an economically efficient manner, or if a change in the economic, political or monetary situation relating to the Class concerned would have material adverse consequences on the investments of that Class or if the range of products offered to investors is rationalised, the Board of Directors may decide to allocate the assets of any Class to those of another existing Class within the Fund and to redesignate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders).

The Fund shall send a written notice to the Shareholders of the relevant Class one month prior to the effective date of the amalgamation in order to enable the Shareholders to request redemption or

exchange of their Shares, free of the Redemption Fee as stated herein, during such period. This notice will indicate the reasons and the procedure for the amalgamation. Except where to do so would not be in the interests of Shareholders, or could jeopardise equality of treatment between the Shareholders, the Shareholders of the Class concerned may continue to request redemption or exchange of their Shares without any additional charges (other than those retained by the Fund to meet realisation expenses) prior to the effective date of the amalgamation.

### **15.5 Dissolution and liquidation of the Fund, any Sub-Fund**

The Fund and any Sub-Fund have been established for an unlimited term, unless otherwise provided under each Sub-Fund Fact Sheet.

In the event that for any reason the value of the net assets in any Sub-Fund or the value of the net assets of any Class within a Sub-Fund has decreased to, or has not reached, an amount which is determined by the Board of Directors to be the minimum level for such Sub-Fund or such Class to be operated in an economically efficient manner, or if a change in the economic or political situation relating to the Sub-Fund or Class concerned would have material adverse consequences on the investments of that Sub-Fund or Class, or in order to rationalise the Classes and/or the Sub-Funds offered, the Board of Directors may decide to redeem compulsorily all the Shares of the relevant Class or Classes issued in such Sub-Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) calculated at the Dealing Day at which such decision shall take effect and therefore close or liquidate such Class or Sub-Fund.

The decision of the Board of Directors will be published (either in newspapers to be determined by the Board of Directors or by way of a notice sent to the Shareholders at their addresses indicated in the register of Shareholders) prior to the effective date of the compulsory redemption and the publication and will indicate the reasons for, and the procedures of the compulsory redemption. Except where to do so would not be in the interests of the Shareholders, or could jeopardise equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may request redemption or exchange of their Shares free of the Redemption Fee as stated herein (other than those retained by the Fund to meet realisation expenses) prior to the effective date of the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the Shareholders of any one or all Classes of Shares issued in any Sub-Fund may at a general meeting of such Shareholders, upon proposal from the Board of Directors, redeem all the Shares of the relevant Class or Classes at their Net Asset Value (taking into account actual realisation prices of investments and realisation expenses) calculated at the Dealing Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by a simple majority of the validly cast votes.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

The dissolution of the last Sub-Fund will result in the liquidation of the Fund.

However, the Fund may at any time be dissolved by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements referred to in the Articles and in compliance with the provision of the Company Law.

Liquidation of the Fund shall be carried out in compliance with the Company Law, the UCI Law and with the Articles.

## 16. Documents available

Any investor may obtain a copy of any of the following documents at:

Value Tree Umbrella SICAV  
c/o Kredietrust Luxembourg S.A.  
11, rue Aldringen  
L-1118 Luxembourg  
Grand Duchy of Luxembourg

- the Prospectus
- the Articles;
- the agreement between the Fund and the Management Company;
- the agreement between the Management Company and the Investment Manager;
- the Depositary Agreement and Paying Agency Agreement between the Fund and the Depositary and Paying Agent;
- the agreement between the Management Company and the Administrator, Registrar and Transfer Agent and Domiciliary Agent;
- the most recent annual and semi-annual financial statements of the Fund; and
- the KIIDs.

The details of the complaint handling procedures in relation to the Fund may be obtained free of charge during normal office hours at the registered office of the Fund. A person having a complaint to make about the operation of the Fund may submit such complaint in writing to Value Tree Umbrella SICAV.

The Fund has a strategy for determining when and how voting rights attached to ownership of the Fund's investments are to be exercised for the exclusive benefit of the Fund. A summary of this strategy may be obtained free of charge during normal office hours at the registered office of the Fund and is available on the following website [www.valuetree.es](http://www.valuetree.es).

The best execution policy sets out the basis upon which the Management Company will effect transactions and place orders in relation to the Fund whilst complying with its obligations under the CSSF Regulation No. 10-4 to obtain the best possible result for the Fund and its Shareholders. Details of the best execution policy may be obtained free of charge during normal office hours at the registered office of the Fund.

The KIIDs will be also available at the following website: [www.valuetree.es](http://www.valuetree.es).

**PART 2 – SUB-FUNDS FACT SHEETS**

## 1. Value Tree Best Bonds

The information contained in this part of this Prospectus in relation to Value Tree Best Bonds should be read in conjunction with the full text of this Prospectus.

<b>Investment objective</b>	The objective of this Sub-Fund is to offer its investors a capital gain, predominantly through investment in bonds denominated in various currencies, especially in Europe and the USA. The composition of the sub-fund's portfolio takes into account especially geographical risk diversification requirements.
<b>Investment policies</b>	<p>This Sub-Fund will invest mainly in fixed income securities, such as corporate bonds and government bonds. The Sub-Fund will also invest in fixed income securities like fixed and/or floating rate bonds and convertible bonds, high yield bonds, inflation linked bonds, and other liquid assets. The Sub-Fund will not invest more than 10% of its assets in high yield bonds.</p> <p>Fixed income securities shall be issued by issuers of any nationality and denominated in any currency. This Sub-Fund shall not invest in equities.</p> <p>The Sub-Fund may invest on an ancillary basis in emerging markets.</p> <p>The selection of the issuers of the fixed income securities will be based on a thorough internal value analysis. The investments of this Sub-Fund will result from the best ideas of the managers which will be based on their own analyses of the market.</p> <p>On an ancillary basis, the Sub-Fund may also invest over 10% of its assets in securities to be issued or by one or several sub-funds of the Fund, as well as units of sub-funds of either UCITS or UCIs. The Sub-Fund may not invest more than 20% of its net assets in units of a single sub-fund of either the Fund, another UCITS or UCI.</p> <p>The Sub-Fund intends to use techniques and instruments to hedge specific risks and to improve the profitability of the portfolio in order to efficiently manage its assets. These transactions shall be carried out within the limits outlined in the Sections "Investment Restrictions", "Special investment and hedging techniques" and "Risk Management Process" in the Prospectus. However, it must be noted that the use of these techniques and instruments is a highly sophisticated activity which may lead to higher risks than a normal investment in transferable securities.</p> <p>In exceptional cases, the Sub-Fund may be fully invested in liquid assets and ancillary liquid assets if the market conditions request it.</p>
<b>Profile of typical investor</b>	An investment in this Sub-Fund is suitable for private and institutional investors whose risk aversion is relatively high. The recommended investment horizon is a minimum of 3 years.
<b>Risk profile</b>	Conservative.
<b>Base Currency</b>	The Base Currency for the Sub-Fund will be the Euro.
<b>Global exposure, leverage and borrowing</b>	<p>The Sub-Fund will not use borrowings and leverage.</p> <p>To evaluate the global exposure, the commitment methodology will be used.</p>
<b>Risk Warnings</b>	<p>Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section "Principal Risks" in the Prospectus.</p> <p>The following risk warnings, as described in the Section "Principal Risks", should specifically be taken into consideration for this Sub-Fund:</p> <ul style="list-style-type: none"> <li>- General risks;</li> </ul>

	<ul style="list-style-type: none"> <li>- Emerging market risk;</li> <li>- Derivative risk; and</li> <li>- Sector and/or geographical risk.</li> </ul>	
<b>Valuation of assets</b>	The Net Asset Value per Share of the Sub-Fund is based on the closing prices of the markets of the relevant Valuation Day.	
<b>Subscription, conversion and redemption procedure</b>	<p>Each Business Day is a Dealing Day. The Dealing Deadline is each Dealing Day at 15:00 (Luxembourg time).</p> <p>Subscription, conversion and redemption requests must be received by the Registrar Agent before the Dealing Deadline.</p> <p>If accepted, the subscription, conversion and redemption requests shall be processed at the price of the NAV dated on the Dealing Day (the "Valuation Day") and calculated on the Calculation Day plus any fees, taxes, levies and stamp duty that may be payable.</p> <p>The deadline for receipt of subscription, conversion and redemption monies is three (3) Business Days after the relevant Dealing Day.</p>	
<b>Available Shares Classes</b>	<b>Class C Shares</b>	<b>Class D Shares</b>
<b>Target investors</b>	Individuals or entities and institutional investors	Individuals or entities and institutional investors
<b>Accumulation / Distribution</b>	Accumulation Shares	Distribution Shares
<b>Management Fee</b>	0.50%	0.50%
<b>Performance Fee</b>	5%	5%
<b>Minimum Subscription</b>	N/A	N/A
<b>Minimum Holding Amount</b>	N/A	N/A
<b>Redemption Fee</b>	N/A	N/A
<b>Subscription Fee</b>	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A
<b>Initial Offering Period and Initial Offer Price</b>	<p>From September 1, 2016 to October 31, 2016 or any other period as determined by the Board of Directors.</p> <p>At EUR 10 per Share unless otherwise decided by the Board of Directors.</p>	
<b>Distribution policy</b>	For details on the distribution policy, please refer to the Section "Distribution Policy" in the main part of the Prospectus "The Fund".	
<b>Other applicable fees:</b>	The charges applicable to the Sub-Fund are set out above and should be read in conjunction with the charges, fees and expenses provisions in the Prospectus.	

## 2. Value Tree Defensive

The information contained in this part of this Prospectus in relation to Value Tree Defensive should be read in conjunction with the full text of this Prospectus.

<b>Investment objective</b>	The objective of this Sub-Fund is to offer its investors a capital gain, through investment in solid, growing and well managed companies worldwide and especially in Europe and the USA which present good and sustainable results while adopting a conservative approach.
<b>Investment policies</b>	<p>This Sub-Fund will invest a maximum of 35% in variable income securities (equities) and a minimum of 65% in fixed income securities and other liquid assets.</p> <p>Fixed income securities shall mainly consist of corporate bonds and government bonds. The Sub-Fund will also invest in fixed income securities like fixed and/or floating rate bonds, convertible bonds, issued by issuers of any nationality and denominated in any currency. Preference shall be given to issuers from OECD members states. The Sub-Fund may invest on an ancillary basis in emerging markets. The Sub-Fund may invest in high yield bonds but will not invest more than 10% of its assets therein.</p> <p>The selection of the issuers will be based on a thorough internal value analysis.</p> <p>On an ancillary basis, the Sub-Fund may also invest over 10% of its assets in securities to be issued or by one or several sub-funds of the Fund, as well as units of sub-funds of either UCITS or UCIs. The Sub-Fund may not invest more than 20% of its net assets in units of a single sub-fund of either the Fund, another UCITS or UCI.</p> <p>The Sub-Fund intends to use techniques and instruments to hedge specific risks and to improve the profitability of the portfolio in order to efficiently manage its assets. These transactions shall be carried out within the limits outlined in the Sections “Investment Restrictions”, “Special investment and hedging techniques” and “Risk Management Process” in the Prospectus. However, it must be noted that the use of these techniques and instruments is a highly sophisticated activity which may lead to higher risks than a normal investment in transferable securities.</p> <p>In exceptional cases, the Sub-Fund may be fully invested in liquid assets and ancillary liquid assets if the market conditions request it.</p>
<b>Profile of typical investor</b>	An investment in this Sub-Fund is suitable for private and institutional investors whose risk aversion is relatively high. The recommended investment horizon is a minimum of 3 years.
<b>Risk profile</b>	Conservative
<b>Base Currency</b>	The Base Currency for the Sub-Fund will be the Euro.
<b>Global exposure, leverage and borrowing</b>	<p>The Sub-Fund will not use borrowings and leverage.</p> <p>To evaluate the global exposure, the commitment methodology will be used.</p>
<b>Risk Warnings</b>	<p>Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section “Principal Risks” in the Prospectus.</p> <p>The following risk warnings, as described in the Section “Principal Risks”, should specifically be taken into consideration for this Sub-Fund:</p> <ul style="list-style-type: none"> <li>- General risks;</li> <li>- Emerging market risk;</li> </ul>

	<ul style="list-style-type: none"> <li>- Derivative risk; and</li> <li>- Sector and/or geographical risk.</li> </ul>	
<b>Valuation of assets</b>	The Net Asset Value per Share of the Sub-Fund is based on the closing prices of the markets of the relevant Valuation Day.	
<b>Subscription, conversion and redemption procedure</b>	<p>Each Business Day is a Dealing Day. The Dealing Deadline is each Dealing Day at 15:00 (Luxembourg time).</p> <p>Subscription, conversion and redemption requests must be received by the Registrar Agent before the Dealing Deadline.</p> <p>If accepted, the subscription, conversion and redemption requests shall be processed at the price of the NAV dated on the Dealing Day (the "Valuation Day") and calculated on the Calculation Day plus any fees, taxes, levies and stamp duty that may be payable.</p> <p>The deadline for receipt of subscription, conversion and redemption monies is three (3) Business Days after the relevant Dealing Day.</p>	
<b>Available Shares Classes</b>	<b>Class C Shares</b>	<b>Class D Shares</b>
<b>Target investors</b>	Individuals or entities and institutional investors	Individuals or entities and institutional investors
<b>Accumulation / Distribution</b>	Accumulation Shares	Distribution Shares
<b>Management Fee</b>	0.80%	0.80%
<b>Performance Fee</b>	5%	5%
<b>Minimum Subscription</b>	N/A	N/A
<b>Minimum Holding Amount</b>	N/A	N/A
<b>Redemption Fee</b>	N/A	N/A
<b>Subscription Fee</b>	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A
<b>Initial Offering Period and Initial Offer Price</b>	<p>From September 1, 2016 to October 31, 2016 or any other period as determined by the Board of Directors.</p> <p>At EUR 10 per Share unless otherwise decided by the Board of Directors.</p>	
<b>Distribution policy</b>	For details on the distribution policy, please refer to the Section "Distribution Policy" in the main part of the Prospectus "The Fund".	
<b>Other applicable fees:</b>	The charges applicable to the Sub-Fund are set out above and should be read in conjunction with the charges, fees and expenses provisions in the Prospectus.	

### 3. Value Tree Balanced

The information contained in this part of this Prospectus in relation to Value Tree Balanced should be read in conjunction with the full text of this Prospectus.

<b>Investment objective</b>	The objective of this Sub-Fund is to offer its investors a capital gain, through investment in solid, growing and well managed companies worldwide and especially in Europe and the USA which present good and sustainable results while adopting a balanced approach.
<b>Investment policies</b>	<p>This Sub-Fund will invest a maximum of 65% in variable income securities and a minimum of 35% in fixed income securities and other liquid assets.</p> <p>Fixed income securities shall mainly consist of corporate bonds and government bonds. The Sub-Fund will also invest in fixed income securities like fixed and floating rate bonds and convertible bonds; variable income securities shall consist of equities. All of these securities may be issued by issuers of any nationality and denominated in any currency. The Sub-Fund may invest in high yield bonds but will not invest more than 10% of its assets therein.</p> <p>The selection of the issuers will be based on a thorough internal value analysis.</p> <p>The Sub-Fund may invest on an ancillary basis in emerging markets.</p> <p>On an ancillary basis, the Sub-Fund may also invest over 10% of its assets in securities to be issued or by one or several sub-funds of the Fund, as well as units of sub-funds of either UCITS or UCIs. The Sub-Fund may not invest more than 20% of its net assets in units of a single sub-fund of either the Fund, another UCITS or UCI.</p> <p>The Sub-Fund intends to use techniques and instruments to hedge specific risks and to improve the profitability of the portfolio in order to efficiently manage its assets. These transactions shall be carried out within the limits outlined in the Sections “Investment Restrictions”, “Special investment and hedging techniques” and “Risk Management Process” in the Prospectus. However, it must be noted that the use of these techniques and instruments is a highly sophisticated activity which may lead to higher risks than a normal investment in transferable securities.</p> <p>In exceptional cases, the Sub-Fund may be fully invested in liquid assets and ancillary liquid assets if the market conditions request it.</p>
<b>Profile of typical investor</b>	An investment in this Sub-Fund is suitable for private and institutional investors whose risk aversion is moderate. The recommended investment horizon is a minimum of 4 years.
<b>Risk profile</b>	Balanced
<b>Base Currency</b>	The Base Currency for the Sub-Fund will be the Euro.
<b>Global exposure, leverage and borrowing</b>	<p>The Sub-Fund will not use borrowings and leverage.</p> <p>To evaluate the global exposure, the commitment methodology will be used.</p>
<b>Risk Warnings</b>	<p>Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section “Principal Risks” in the Prospectus.</p> <p>The following risk warnings, as described in the Section “Principal Risks”, should specifically be taken into consideration for this Sub-Fund:</p> <ul style="list-style-type: none"> <li>- General risks;</li> <li>- Emerging market risk;</li> <li>- Derivative risk; and</li> <li>- Sector and/or geographical risk.</li> </ul>

<b>Valuation of assets</b>	The Net Asset Value per Share of the Sub-Fund is based on the closing prices of the markets of the relevant Valuation Day.	
<b>Subscription procedure, conversion and redemption</b>	<p>Each Business Day is a Dealing Day. The Dealing Deadline is each Dealing Day at 15:00 (Luxembourg time).</p> <p>Subscription, conversion and redemption requests must be received by the Registrar Agent before the Dealing Deadline.</p> <p>If accepted, the subscription, conversion and redemption requests shall be processed at the price of the NAV dated on the Dealing Day (the "Valuation Day") and calculated on the Calculation Day plus any fees, taxes, levies and stamp duty that may be payable.</p> <p>The deadline for receipt of subscription, conversion and redemption monies is three (3) Business Days after the relevant Dealing Day.</p>	
<b>Available Shares Classes</b>	<b>Class C Shares</b>	<b>Class D Shares</b>
<b>Target investors</b>	Individuals or entities and institutional investors	Individuals or entities and institutional investors
<b>Accumulation / Distribution</b>	Accumulation Shares	Distribution Shares
<b>Management Fee</b>	1.20%	1.20%
<b>Performance Fee</b>	5%	5%
<b>Minimum Subscription</b>	N/A	N/A
<b>Minimum Holding Amount</b>	N/A	N/A
<b>Redemption Fee</b>	N/A	N/A
<b>Subscription Fee</b>	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A
<b>Initial Offering Period and Initial Offer Price</b>	<p>From September 1, 2016 to October 31, 2016 or any other period as determined by the Board of Directors.</p> <p>At EUR 10 per Share unless otherwise decided by the Board of Directors.</p>	
<b>Distribution policy</b>	For details on the distribution policy, please refer to the Section "Distribution Policy" in the main part of the Prospectus "The Fund".	
<b>Other applicable fees:</b>	The charges applicable to the Sub-Fund are set out above and should be read in conjunction with the charges, fees and expenses provisions in the Prospectus.	

#### 4. Value Tree Dynamic

The information contained in this part of this Prospectus in relation to Value Tree Dynamic should be read in conjunction with the full text of this Prospectus.

<b>Investment objective</b>	The objective of this sub-fund is to offer its investors a capital gain, through investment in solid, growing and well managed companies worldwide and especially in Europe and the USA which present good and sustainable results while adopting an aggressive approach.
<b>Investment policies</b>	<p>This Sub-Fund will invest a maximum of 85% in variable income securities and a minimum of 15% in fixed income securities and other liquid assets.</p> <p>Variable income securities shall consist of equities; fixed income securities shall mainly consist of corporate bonds and government bonds. The Sub-Fund will also invest in fixed income securities like fixed and floating rate bonds as well as convertible bonds. All of these securities may be issued by issuers of any nationality and denominated in any currency. The Sub-Fund may invest on an ancillary basis in emerging markets. The Sub-Fund may invest in high yield bonds but will not invest more than 10% of its assets therein.</p> <p>The selection of the issuers will be based on a thorough internal value analysis.</p> <p>On an ancillary basis, the Sub-Fund may also invest over 10% of its assets in securities to be issued or by one or several sub-funds of the Fund, as well as units of sub-funds of either UCITS or UCIs. The Sub-Fund may not invest more than 20% of its net assets in units of a single sub-fund of either the Fund, another UCITS or UCI.</p> <p>The Sub-Fund intends to use techniques and instruments to hedge specific risks and to improve the profitability of the portfolio in order to efficiently manage its assets. These transactions shall be carried out within the limits outlined in the Sections “Investment Restrictions”, “Special investment and hedging techniques” and “Risk Management Process” in the Prospectus. However, it must be noted that the use of these techniques and instruments is a highly sophisticated activity which may lead to higher risks than a normal investment in transferable securities.</p> <p>In exceptional cases, the Sub-Fund may be fully invested in liquid assets and ancillary liquid assets if the market conditions request it.</p>
<b>Profile of typical investor</b>	An investment in this Sub-Fund is suitable for private and institutional investors whose risk aversion is relatively low. The recommended investment horizon is a minimum of 5 years.
<b>Risk profile</b>	Aggressive
<b>Base Currency</b>	The Base Currency for the Sub-Fund will be the Euro.
<b>Global exposure, leverage and borrowing</b>	<p>The Sub-Fund will not use borrowings and leverage.</p> <p>To evaluate the global exposure, the commitment methodology will be used.</p>
<b>Risk Warnings</b>	<p>Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section “Principal Risks” in the Prospectus.</p> <p>The following risk warnings, as described in the Section “Principal Risks”, should specifically be taken into consideration for this Sub-Fund:</p> <ul style="list-style-type: none"> <li>- General risks;</li> <li>- Emerging market risk;</li> </ul>

	<ul style="list-style-type: none"> <li>- Derivative risk; and</li> <li>- Sector and/or geographical risk.</li> </ul>	
<b>Valuation of assets</b>	The Net Asset Value per Share of the Sub-Fund is based on the closing prices of the markets of the relevant Valuation Day.	
<b>Subscription, conversion and redemption procedure</b>	<p>Each Business Day is a Dealing Day. The Dealing Deadline is each Dealing Day at 15:00 (Luxembourg time).</p> <p>Subscription, conversion and redemption requests must be received by the Registrar Agent before the Dealing Deadline.</p> <p>If accepted, the subscription, conversion and redemption requests shall be processed at the price of the NAV dated on the Dealing Day (the "Valuation Day") and calculated on the Calculation Day plus any fees, taxes, levies and stamp duty that may be payable.</p> <p>The deadline for receipt of subscription, conversion and redemption monies is three (3) Business Days after the relevant Dealing Day.</p>	
<b>Available Shares Classes</b>	<b>Class C Shares</b>	<b>Class D Shares</b>
<b>Target investors</b>	Individuals or entities and institutional investors	Individuals or entities and institutional investors
<b>Accumulation / Distribution</b>	Accumulation Shares	Distribution Shares
<b>Management Fee</b>	1.40%	1.40%
<b>Performance Fee</b>	5%	5%
<b>Minimum Subscription</b>	N/A	N/A
<b>Minimum Holding Amount</b>	N/A	N/A
<b>Redemption Fee</b>	N/A	N/A
<b>Subscription Fee</b>	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A
<b>Initial Offering Period and Initial Offer Price</b>	<p>From September 1, 2016 to October 31, 2016 or any other period as determined by the Board of Directors.</p> <p>At EUR 10 per Share unless otherwise decided by the Board of Directors.</p>	
<b>Distribution policy</b>	For details on the distribution policy, please refer to the Section "Distribution Policy" in the main part of the Prospectus "The Fund".	
<b>Other applicable fees:</b>	The charges applicable to the Sub-Fund are set out above and should be read in conjunction with the charges, fees and expenses provisions in the Prospectus.	

## 5. Value Tree Best Equities

The information contained in this part of this Prospectus in relation to Value Tree Best Equities should be read in conjunction with the full text of this Prospectus.

<b>Investment objective</b>	The objective of this sub-fund is to offer its investors a capital gain, predominantly through investment in equities, especially in Europe and the USA. The composition of the sub-fund's portfolio takes into account especially geographical risk diversification requirements.
<b>Investment policies</b>	<p>This Sub-Fund will invest a minimum of 85% in variable income securities, (equities), and a maximum of 15% in fixed income securities and liquid assets.</p> <p>Variable income securities shall be issued by issuers of any nationality and denominated in any currency.</p> <p>The Sub-Fund may invest on an ancillary basis in emerging markets.</p> <p>The selection of the issuers will be based on a thorough internal value analysis. The investments of this Sub-Fund will result from the best ideas of the managers which will be based on their own analyses of the market.</p> <p>On an ancillary basis, the Sub-Fund may also invest over 10% of its assets in securities to be issued or by one or several sub-funds of the Fund, as well as units of sub-funds of other UCITS or UCIs. The Sub-Fund may not invest more than 20% of its net assets in units of a single sub-fund of either the Fund, another UCITS or UCI.</p> <p>The Sub-Fund intends to use techniques and instruments to hedge specific risks and to improve the profitability of the portfolio in order to efficiently manage its assets. These transactions shall be carried out within the limits outlined in the Sections "Investment Restrictions", "Special investment and hedging techniques" and "Risk Management Process" in the Prospectus. However, it must be noted that the use of these techniques and instruments is a highly sophisticated activity which may lead to higher risks than a normal investment in transferable securities.</p> <p>In exceptional cases, the Sub-Fund may be fully invested in liquid assets and ancillary liquid assets if the market conditions request it.</p>
<b>Profile of typical investor</b>	An investment in this Sub-Fund is suitable for private and institutional investors whose risk aversion is low. The recommended horizon is a minimum of 5 years.
<b>Risk profile</b>	Very aggressive
<b>Base Currency</b>	The Base Currency for the Sub-Fund will be the Euro.
<b>Global exposure, leverage and borrowing</b>	<p>The Sub-Fund will not use borrowings and leverage.</p> <p>To evaluate the global exposure, the commitment methodology will be used.</p>
<b>Risk Warnings</b>	<p>Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section "Principal Risks" in the Prospectus.</p> <p>The following risk warnings, as described in the Section "Principal Risks", should specifically be taken into consideration for this Sub-Fund:</p> <ul style="list-style-type: none"> <li>- General risks;</li> <li>- Emerging market risk;</li> <li>- Derivative risk; and</li> <li>- Sector and/or geographical risk.</li> </ul>

<b>Valuation of assets</b>	The Net Asset Value per Share of the Sub-Fund is based on the closing prices of the markets of the relevant Valuation Day.	
<b>Subscription, conversion and redemption procedure</b>	<p>Each Business Day is a Dealing Day. The Dealing Deadline is each Dealing Day at 15:00 (Luxembourg time).</p> <p>Subscription, conversion and redemption requests must be received by the Registrar Agent before the Dealing Deadline.</p> <p>If accepted, the subscription, conversion and redemption requests shall be processed at the price of the NAV dated on the Dealing Day (the "Valuation Day") and calculated on the Calculation Day plus any fees, taxes, levies and stamp duty that may be payable.</p> <p>The deadline for receipt of subscription, conversion and redemption monies is three (3) Business Days after the relevant Dealing Day.</p>	
<b>Available Shares Classes</b>	<b>Class C Shares</b>	<b>Class D Shares</b>
<b>Target investors</b>	Individuals or entities and institutional investors	Individuals or entities and institutional investors
<b>Accumulation / Distribution</b>	Accumulation Shares	Distribution Shares
<b>Management Fee</b>	1.60%	1.60%
<b>Performance Fee</b>	5%	5%
<b>Minimum Subscription</b>	N/A	N/A
<b>Minimum Holding Amount</b>	N/A	N/A
<b>Redemption Fee</b>	N/A	N/A
<b>Subscription Fee</b>	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A
<b>Initial Offering Period and Initial Offer Price</b>	<p>From September 1, 2016 to October 31, 2016 or any other period as determined by the Board of Directors.</p> <p>At EUR 10 per Share unless otherwise decided by the Board of Directors.</p>	
<b>Distribution policy</b>	For details on the distribution policy, please refer to the Section "Distribution Policy" in the main part of the Prospectus "The Fund".	
<b>Other applicable fees:</b>	The charges applicable to the Sub-Fund are set out above and should be read in conjunction with the charges, fees and expenses provisions in the Prospectus.	