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GREEN ASH SICAV PROSPECTUS

MARCH 2020

SUB FUND(S):

GREEN ASH SICAV – MULTI ASSET FUND

PROSPECTUS

ALLEN & OVERY

Luxembourg

IMPORTANT INFORMATION

General

The Company described herein and the Sub-fund(s) established thereunder have been created at the initiative of Green Ash Partners LLP with registered office at 11, Albemarle Street, London, W1S 4HH, United Kingdom.

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

In addition to the General Section, investors must refer to the relevant Special Section(s) attached at the end of the Prospectus. Each Special Section sets out the specific objectives, policy and other features of the relevant Sub-fund to which the Special Section relates as well as risk factors and other information specific to the relevant Sub-fund.

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

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

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

An investment in the Company involves investment risks including those set out herein under Section 20 of the General Section. In addition, investors should refer to the Section "Specific Risk Factors" of the Special Section of the relevant Sub-fund (if any) in order to assess – and inform themselves on – the specific risks associated with an investment in such Sub-fund.

The Company is allowed to invest in financial derivative instruments. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. A more detailed description of the risks relating to the use of

derivatives may be found under Section 21 of the General Section. The Special Section relating to each Sub-fund will give more precise information on the types of derivatives, if any, which may be used by a Sub-fund for investment purposes.

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

Definitions

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

Selling Restrictions

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

Luxembourg – The Company is registered pursuant to part I of the 2010 Act.

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

USA – Shares in this Company may not be offered, sold or delivered within the United States. Shares of this Company may not be offered, sold or delivered to investors who are US Persons. A US Person is any person who:

- (a) is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder;
- (b) is a US person within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR § 230.902(k));
- (c) is not a Non-United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv));
- (d) is in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended; or
- (e) is any trust, entity or other structure formed for the purpose of allowing US Persons to invest in the Company.

Prevailing language

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

Data protection

For the purposes of this Prospectus, “Data Protection Legislation” means any applicable law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding instrument which implements the Directive (95/46/EC) and as from 25 May 2018 Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the **GDPR**) as such legislation and guidance may be amended, replaced or repealed from time to time. The terms “Personal Data”, “Data Subject”, “Controller” and “Processor” shall have their meanings given to them as set out in Data Protection Legislation.

The Company acts as Controller in relation to any Personal Data that Shareholders provide to the Company. To the extent they process personal data on behalf of the Controller, the Service Providers shall act as Processors.

The Shareholders and the Company shall comply with the Data Protection Legislation when processing personal data arising out of the documents available to Shareholders.

Where Personal Data is shared by the Shareholder on individuals relating to such investor (e.g. information relating to its own shareholders, representatives, contact persons, directors and/or beneficial owners), with the Company, the Shareholder shall ensure such disclosure is in compliance with all Data Protection Legislation and that there is no prohibition or restriction which could:

- prevent or restrict it from disclosing or transferring the Personal Data to the Company;
- prevent or restrict the Company from disclosing or transferring Personal Data to its affiliates, subcontractors, vendors, credit reference agencies and competent authorities pursuant to its obligations; and
- prevent or restrict the Company, its affiliates and subcontractors from processing the personal data for the purposes set out in the Privacy Notice.

In the event the Shareholder shares Personal Data on individuals related to such Shareholder with the Company, the investor shall ensure that it has provided a fair processing notice informing such individuals of the processing of their Personal Data as described in the Privacy Notice, including notifying such individuals of any updates to the Privacy Notice. Where required, the Shareholder shall procure the necessary consents from individuals to the processing of Personal Data as described in the Privacy Notice.

The Shareholders shall indemnify and hold the Company harmless for and against all direct and indirect damages and financial consequences arising from any breach of these warranties.

Phone recording

All Shareholders (including individuals related to them, who will be individually informed by such Shareholders in turn) acknowledge and agree that telephone conversation with the Company and the Service Providers may be recorded in compliance with the applicable laws and regulations for the purposes of evidencing the content of a communication or a commercial transaction and then preventing or facilitating the prevention of disputes or litigations.

These records are kept during the period necessary for the achievement of the purposes as described in this paragraph, in accordance with applicable laws and/or regulations, and no longer than seven (7) years when used to for the purposes of evidencing the content of a communication or a commercial transaction, and ten (10) years in the context of a of dispute or litigation. The records shall not be disclosed to any third party, unless the Company or the Service Providers is/are compelled to or has/have the right to do so under applicable laws and/or regulations in order to achieve the purpose as described in this paragraph.

GENERAL INFORMATION

Registered office

33A, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Chairman of the Board

James Sanders

Partner, Green Ash Partners LLP
11, Albemarle Street
London, W1S 4HH
United Kingdom

Members of the Board

William Heath

5 rue de Rochefort,
L-2431 Luxembourg
Grand Duchy of Luxembourg

Patrick D. Durcan

39 Mexfield Road
SW15 2RG London
United Kingdom

Management Company

UBS Fund Management (Luxembourg) S.A.
33A, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the Management Company

André Müller-Wegner (Chairman)

Managing Director
UBS Asset Management Switzerland AG

Pascale Martin Kistler (Member)

Managing Director
UBS Business Solutions AG

Gilbert Schintgen (Member)

Independent Director
Luxembourg

Andreas Schlatter (Member)

Independent Director

Depository and Paying Agent

UBS Europe SE, Luxembourg Branch

33A, avenue J.F. Kennedy

L-1855 Luxembourg

Grand Duchy of Luxembourg

Administrative Agent

Northern Trust Global Services SE

6, rue Lou Hemmer

L-1748 Senningerberg

Registrar and Transfer Agent

Northern Trust Global Services SE

6, rue Lou Hemmer

L-1748 Senningerberg

Investment Manager(s)

Green Ash Partners LLP

11, Albemarle Street

London, W1S 4HH

United Kingdom

Auditor

PricewaterhouseCoopers, *société coopérative*

2, rue Gerhard Mercator

L-2182 Luxembourg

Grand Duchy of Luxembourg

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DEFINITIONS

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

1915 Act means the Luxembourg act of 10 August 1915 on commercial companies, as amended from time to time;

2010 Act means the act dated 17 December 2010 on undertakings for collective investment;

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

Adjusted Price means the Net Asset Value per Share adjusted in respect of the relevant Valuation Day in accordance with Section 14 of the General Section;

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

Administrative Agent means Northern Trust Global Services Limited, 6, rue Lou Hemmer, L-1748 Senningerberg, in its capacity as central administration agent of the Company;

Affiliate means

- (a) in the case of a company:
 - (i) any company which is its direct or indirect holding company or subsidiary or a direct or indirect subsidiary of that holding company; or
 - (ii) a company (or a direct or indirect subsidiary of a company) or other legal entity which controls or is controlled by the person concerned;
- (b) in the case of an individual, the spouse or direct descendants and ascendants of any kind, and any company directly or indirectly controlled by such person and his/her associates within the meaning of paragraph (a) of this definition; or
- (c) in the case of an entity other than a company, the members and any entity directly or indirectly controlled by such person and his/her associates within the meaning of paragraph (a) of this definition,

except in, all cases, any entity in which the Company holds an Investment;

Articles means the articles of incorporation of the Company as the same may be amended, supplemented or otherwise modified from time to time;

Auditor means **PricewaterhouseCoopers, société coopérative**

Authorised Payment Currency means the currencies in which, in addition to the Reference Currency, subscriptions and redemptions for Shares in a particular Class may the case being made. Unless otherwise specified in respect of a Sub-fund in the relevant Special Section, the Authorised Payment Currency will be the Reference Currency of the relevant Sub-fund;

Benchmark Regulation means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;

Board means the board of directors of the Company;

Business Day means, unless otherwise defined in respect of a specific Sub-fund in the relevant Special Section, each Luxembourg Banking Day;

Circular 04/146 means the CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;

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

Class Launch Date means the date, as determined by the Board, on which the Company opens a Class for subscription;

Clearstream means Clearstream Banking, *société anonyme*;

Company means **Green Ash Sicav**, a public limited liability company incorporated as an investment company with variable capital under the laws of Luxembourg and registered pursuant to part I of the 2010 Act;

Consolidation Currency of the Company means the currency in which the Net Asset Value of the Company is calculated;

Control means, in relation to an entity:

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

Conversion Cut-Off Time means the deadline for the submission of conversion requests as set out in Section 7(d) of the General Section, unless otherwise specified in respect of a specific Sub-fund in the relevant Special Section;

Conversion Fee means the fee that may be paid by Shareholders in the event of a conversion of Shares as described under Section 7 of the General Section;

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

Depository Agreement means the agreement between the Company, the Management Company and the Depository governing the appointment of the Depository as amended, supplemented or otherwise modified from time to time;

Depository means UBS Europe SE, Luxembourg Branch in its capacity as depository of the Company in accordance with the provisions of the 2010 Act and the Depository Agreement;

Directive 2007/16/EC means Commission Directive 2007/16/EC of 19 March 2007 implementing Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended;

Directive 2009/65/EC means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);

Directive 2014/91/EU means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions;

Directors means the directors of the Company, whose details are set out in this Prospectus and/or the annual and semi-annual reports;

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

Distributors means any person from time to time appointed or authorised by the Company and/or the Management Company to distribute the Shares of one or more Sub-funds or Classes;

EEA means the European Economic Area;

Eligible Investments means eligible investments for UCITS within the meaning of Article 41 (1) of the 2010 Act;

EPM Techniques means (reverse) repurchase transactions or securities lending transactions;

EU means the European Union;

EU Member State means a member State of the EU;

EUR or **€** means the Euro, the single currency of the EU Member States that have adopted the Euro as their lawful currency;

Fiscal Year means the twelve (12) month period ending on 31 December in each year;

G20 Member States means Argentina, Australia, Brazil, Canada, China, European Union, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States;

GDPR has the meaning given to such term in Section 23.

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

Grand-Ducal Regulation of 8 February 2008 means Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions, as amended;

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

Initial Sub-fund(s) means **Green Ash Sicav – Multi Asset Fund**

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

Institutional Investors means an investor who is an institutional investor within the meaning of article 174 of the 2010 Act;

Investment Adviser means such person from time to time appointed by the Management Company, with the approval of the Company, as the investment adviser to a particular Sub-fund and disclosed (if and to the extent required) in the relevant Special Section;

Investment Manager means such person from time to time appointed by the Management Company, with the consent of the Company, as the investment manager to a particular Sub-fund and disclosed in the relevant Special Section;

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

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

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

Late Trading means the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (*cut-off time*) on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day;

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

Luxembourg means the Grand Duchy of Luxembourg;

Luxembourg Banking Day means a day on which banks are generally open for business in Luxembourg during the whole day (excluding Saturdays and Sundays, public holidays as well as the 24 and 31 December);

Luxembourg Law means the applicable laws of the Grand Duchy of Luxembourg;

Luxembourg Official Gazette means the Luxembourg Mémorial C, Recueil des Sociétés et Associations, since 1 June 2016 Recueil Electronique des Sociétés et Associations (RESA);

Luxembourg Stock Exchange means the regulated market of the *Société de la Bourse de Luxembourg*;

Management Company means **UBS Fund Management (Luxembourg) S.A.** acting in its capacity as management company of the Company in accordance with the provisions of the 2010 Act and the Management Company Agreement;

Management Company Agreement means the agreement between the Company and the Management Company governing the appointment of the as management company, as amended, supplemented or otherwise modified from time to time;

Management Company Fee means the fee to which the Management Company is entitled out of the assets of the Company as set out in respect of each Class in each Sub-fund in the Special Sections and in accordance with the Management Company Agreement;

Market Timing means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, *ie*, an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;

Maturity Date means the date indicated in the relevant Special Section on which the outstanding Shares will be redeemed, the Sub-fund being thereafter liquidated. Unless a Maturity Date is indicated in the relevant Special Section, Sub-funds will have no Maturity Date;

Minimum Holding Amount means the minimum number of Shares or amount which a Shareholder must hold at any time in a particular Class in a particular Sub-fund. Unless otherwise specified in respect of a specific Class in a Sub-fund in the relevant Special Section, the Minimum Holding Amount is one Share;

Minimum Net Asset Value means the minimum Net Asset Value for a Sub-fund to be operated in an economically efficient manner. Unless otherwise specified in respect of a Sub-fund in the relevant Special Section, the Minimum Net Asset Value per Sub-fund will be EUR 5 million (or the equivalent in the Reference Currency of the relevant Sub-fund);

Minimum Subscription Amount means the minimum number of Shares or amount which a Shareholder or subscriber must subscribe for in a particular Class in a particular Sub-fund in which the Shareholder or subscriber does not hold Share(s) prior to such subscription. Unless otherwise specified in respect of a specific Class in a Sub-fund in the relevant Special Section, the Minimum Subscription Amount is one Share;

Minimum Subsequent Subscription Amount means the minimum number of Shares or amount which a Shareholder must subscribe for in a particular Class in a particular Sub-fund when subscribing for additional Shares of the relevant Class. Unless otherwise specified in respect of a specific Class in a Sub-fund in the relevant Special Section, the Minimum Subsequent Subscription Amount is one Share;

Money Market Instruments means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;

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

Net Asset Value or **NAV** means the net asset value of the Company, each Sub-fund, each Class and each Share as determined in accordance with Section 13 of the General Section;

OECD means the Organisation for Economic Co-operation and Development;

OECD Member State means any of the member States of the OECD;

OTC means over-the-counter;

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

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

Redemption Cut-Off Time means the deadline for the submission of redemption requests as set out in Section 8 of the General Section, unless otherwise specified in respect of a specific Sub-fund in the relevant Special Section;

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

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

Registrar and Transfer Agent means Northern Trust Global Services Limited, 6, rue Lou Hemmer L-1748 Senningerberg, in its capacity as registrar and transfer agent of the Company;

Registrar and Transfer Agent Agreement means the agreement between the Company, the Management Company and the Registrar and Transfer Agent which is part of the Administration Agreement as amended, supplemented or otherwise modified from time to time;

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

Repurchase Transaction means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a Repurchase Transaction agreement for the counterparty selling the securities and a reverse Repurchase Transaction agreement for the counterparty buying them;

RESA means *Recueil Electronique des Sociétés et Associations*;

Restricted Person means any person, determined in the sole discretion of the Board as being not entitled to subscribe or hold Shares in the Company or any Sub-fund or Class if, in the opinion of the Board, (a) such person would not comply with the eligibility criteria of a given Class or Sub-fund, (b) a holding by such person would cause or is likely to cause the Company some pecuniary, tax or regulatory disadvantage or (c) a holding by such person would cause or is likely to cause the Company to be in breach of the law or requirements of any country or governmental authority applicable to the Company;

Retail Investor means any investor not qualifying as an Institutional Investor;

Securities Lending or Securities Borrowing means a transaction by which a counterparty transfers subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred.

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

Service Providers means the Management Company, the Investment Manager (if any), the Investment Adviser (if any), the Administrative Agent and the Registrar and Transfer Agent and any other person who provides services to the Company from time to time;

Shareholder means any holder of Shares;

Shares means all Shares issued by the Company from time to time, representing the total outstanding Shares;

Special Section means each and every supplement to this Prospectus describing the specific features of a Sub-fund. Each such supplement is to be regarded as an integral part of the Prospectus;

Sub-fund means a separate portfolio of assets established for one or more Classes of the Company which is invested in accordance with a specific Investment Objective. The specifications of each Sub-fund will be described in the relevant Special Section;

Subscription Cut-Off Time means the deadline for the submission of subscription requests as set out in Section 6.2(b) of the General Section, unless otherwise specified in respect of a specific Sub-fund in the relevant Special Section;

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

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

Territories means the Netherlands Antilles, Aruba, Jersey, Guernsey, Isle of Man, Montserrat and the British Virgin Islands;

Transaction Day means any Business Day on which subscriptions for, conversions from and redemptions of Shares can be applied for in order to be dealt with by the Registrar and Transfer Agent on the basis of the Net Asset Value per Share or the Adjusted Price determined in respect of the applicable Valuation Day. Unless otherwise defined in respect of a specific Sub-fund or Class in the relevant Special Section, the Transaction Day is deemed to be the Business Day preceding the relevant Valuation Day. For the avoidance of doubt, it is understood that the processing of any subscription, conversion or redemption on such Valuation Day is subject to the reception of the complete application on the Transaction Day prior to the relevant Subscription Cut-Off Time, Conversion Cut-Off Time respectively Redemption Cut-Off Time;

Transferable Securities means:

- (a) shares and other securities equivalent to shares;
- (b) bonds and other debt instruments;
- (c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments;

TRS means total return swap, ie, a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty;

UCI means an undertaking for collective investment within the meaning of the first and second indent of Article 1(2) of the UCITS Directive, whether situated in a EU Member State or not, provided that:

- (a) such UCI is authorised under laws which provide that it is subject to supervision that is considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;

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

UCITS means an undertaking for collective investment in transferable securities under the UCITS Directive;

UCITS Directive means Directive 2009/65/EC;

US Investment Company Act means the US Investment Company Act of 1940, as amended;

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

US Securities Act means the US Securities Act of 1933, as amended; and

Valuation Day means a Business Day in respect of which the Net Asset Value per Share or Adjusted Price will be calculated by the Administrative Agent on the respective NAV Calculation Day. Unless otherwise defined in respect of a specific Sub-fund or Class in the relevant Special Section, the Valuation Day will be any Business Day.

GENERAL SECTION

The General Section applies to all Sub-funds of the Company. The specific features of each Sub-fund and Class are set forth in the Special Sections.

1. THE COMPANY

1.1 Form – Legal regime

- (a) The Company is a Luxembourg UCITS authorised under and subject to part I of the 2010 Act. The Company was incorporated on 11 June 2015 as a public limited liability company (*société anonyme*) and investment company with variable capital (*société d'investissement à capital variable, SICAV*). The Company is registered with the Luxembourg trade and companies register under number B 197773. Its Articles have been published in the Luxembourg Official Gazette on 27 June 2015. The Company is subject to the provisions of the 2010 Act and of the 1915 Act insofar as the 2010 Act does not derogate therefrom.
- (b) The registration of the Company pursuant to the 2010 Act constitutes neither approval nor disapproval by any Luxembourg authority as to the adequacy or accuracy of this Prospectus or as to the assets held in the various Sub-funds.
- (c) The Shares are not currently listed on the Luxembourg Stock Exchange but the Board may decide to quote one or more Classes of a Sub-fund on the Luxembourg or any other stock exchange, regulated or alternative market. This will be set-out in the relevant Special Section where appropriate.
- (d) The initial subscribed capital of the Company was of USD 45,000. The minimum share capital of the Company must at all times be EUR 1,250,000, respectively the equivalent thereof in the reference currency (USD) of the Company, which amount has to be attained within six months of the Company's authorisation to operate as a UCITS. The Company's share capital is at all times equal to its Net Asset Value. The Company's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto. There is no limit to the number of Shares which may be issued.
- (e) The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Company, notably the right to participate in general Shareholders' meetings if the investor is registered himself/herself/itself and in his/her/its own name in the Shareholders' register. In cases where an investor invests in the Company through an intermediary investing into the Company in his/her/its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Company. Investors are advised to take advice on their rights.

1.2 Umbrella structure – Sub-funds and Classes

- (a) The Company has an umbrella structure consisting of one or several Sub-funds. A separate portfolio of assets is maintained for each Sub-fund and is invested in accordance with the Investment Objective and Investment Policy applicable to that Sub-fund. The Investment Objective, Investment Policy, as well as the other specific features of each Sub-fund (such as risk profile and duration (including limited duration)) are set forth in the relevant Special Section.

- (b) The rights of the Shareholders and creditors relating to a Sub-fund or arising from the setting-up, operation and liquidation of a Sub-fund are limited to the assets of that Sub-fund. The assets of a Sub-fund are exclusively dedicated to the satisfaction of the rights of the Shareholders relating to that Sub-fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-fund.
- (c) Each Sub-fund is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of this Sub-fund. A purchase of Shares relating to one particular Sub-fund does not give the holder of such Shares any rights with respect to any other Sub-fund.
- (d) Within a Sub-fund, the Board may decide to issue one or more Classes the assets of which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency or other specific features, including special rights. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.
- (e) The Board may, at any time, create additional Classes whose features may differ from the existing Classes and additional Sub-funds whose Investment Objectives may differ from those of the Sub-funds then existing. Upon creation of new Sub-funds or Classes, the Prospectus will be updated, if necessary, or supplemented by a new Special Section.
- (f) Investors should note however that some Sub-funds or Classes may not be available to all investors. The Company retains the right to offer only one or more Classes for purchase by investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason. The Company may further reserve one or more Sub-funds or Classes to Institutional Investors only.
- (g) The Company will exist for an indefinite period. However, the Company will be automatically put into liquidation upon the termination of the last remaining Sub-fund.
- (h) The Sub-funds may be created with a limited duration in which case Shares for which no redemption request has been submitted in respect of the Maturity Date as set out in the relevant Special Section, will be compulsory redeemed at the Net Asset Value per Share calculated as at such Maturity Date. The Sub-funds will be liquidated on or around the Maturity Date.

2. MANAGEMENT, ADMINISTRATION AND DISTRIBUTION

2.1 The Board

- (a) The Company shall be managed by the Board. The Board is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law to the general meeting of Shareholders fall within the competence of the Board.
- (b) The Board shall comprise at least three members, which shall be appointed by the general meeting of Shareholders and who do not need to be Shareholders in the Company.
- (c) The general meeting of Shareholders may only appoint as a new member of the Board a person who has not previously been a member of the Board if:
 - (i) this person has been put forward by the current Board; or

- (ii) a shareholder who is fully entitled to vote at the general meeting of Shareholders convened by the Board informs the Chairman (or if this is impossible another member of the Board) – in writing not less than six and not more than 30 days before the scheduled date of the general meeting of Shareholders - of his/her intention to put forward a person other than himself/herself for election or reconsideration, together with written confirmation from this person that he/she wishes to be put forward for election. The chairman of the general meeting of Shareholders, under the condition that he receives the unanimous consent of all Shareholders present at the meeting, may declare the waiving of the requirement for the aforementioned written notice and resolve that this nominated person should be put forward for election.
- (d) Subject to Section (b) above, the general meeting of Shareholders shall determine the number of members in the Board, their remuneration as well as their term of office. A term of office may not exceed a period of six years. Members of the Board may be re-elected.
- (e) If a member of the Board leaves his/her office before the expiry of his/her specified term of office, the remaining members of the Board appointed by the general meeting of Shareholders may determine a preliminary successor by way of co-optation before the following general meeting of Shareholders. The successor determined in this way will complete the term of office of his/her predecessor.
- (f) The members of the Board may be relieved of office at any time by the general meeting of Shareholders.
- (g) The Company may indemnify any Director or officer, and his/her heirs, executors and administrators against expenses reasonably incurred by him/her in connection with any action, suit proceeding to which he/she may be made a party by reason of his/her being or having been a director or officer of the Company or, at its request, of any other company of which the Company is a Shareholder or creditor and from which he/she is not entitled to be indemnified, except in relation to matters as which he/she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he/she may be entitled.

2.2 Management Company

(a) Corporate information

The Board has appointed **UBS Fund Management (Luxembourg) S.A.** as the management company of the Company (the **Management Company**) to serve as its designated management company in accordance with the 2010 Act pursuant to the Management Company Agreement for an unlimited duration, unless terminated by either party with ninety (90) days' prior written notice.

The Management Company must at all time act honestly, fairly, professionally and independently in conducting its activities in the sole interest of the Shareholders and in conformity with the 2010 Act, the Prospectus and the Articles.

The Management Company was incorporated in Luxembourg as a public limited liability company (*société anonyme*) on 1 July 2010 for unlimited duration under the laws of the Grand Duchy of Luxembourg. Its articles of incorporation were first published in the Luxembourg Official Gazette on 16 August 2010. Its share capital amounts at EUR 13,000,000. Its registered office is at 33A,

avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. The Management Company is registered with the Luxembourg Registre de Commerce et des Sociétés under the number B- 154210 and is approved as a management company under Chapter 15 of the 2010 Act.

(b) Duties

Appointed to serve as the Company's designated management company, the Management Company is in particular vested with the investment management of the Sub-funds, including risk management, administrative agency, registrar and transfer agency services, and marketing, distribution and sales and private placement services where applicable.

The rights and duties of the Management Company are governed by the 2010 Act and the Management Company Agreement.

In accordance with the Management Company Agreement, applicable laws and regulations and with the prior consent of the Company, the Management Company is empowered to delegate all or part of its duties and powers to any person or entity, which it considers appropriate. This Prospectus shall, where necessary, be amended accordingly.

In addition, the Management Company has been appointed pursuant to the terms of a domiciliation agreement to act as domiciliary agent for the Company and as such to maintain the relevant records of the Company and to perform other related administrative functions, in particular tasks in relation with the preparation of the general meetings of the Shareholders and with the keeping of documents relating to the Company.

The fees of the Management Company for its above functions with respect to each Sub-Fund are described in the relevant Special Section to this Prospectus.

(c) Remuneration Policy

With reference to Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), and taking into account the tasks of the Depositary, the remuneration policy and other sanctions, the Management Company has introduced remuneration guidelines and practices which are consistent with and encourage sound and effective risk management and which neither encourage taking risks that are inconsistent with the risk profile, contractual terms or Articles of Association of UCITS managed by the Management Company, nor compromise the Management Company's fulfilment of its obligation to act in the best interests of the company. The remuneration policy is in line with the business strategies, objectives, values and interests of the Management Company and of the UCITS under its management, as well as investors in any such UCITS, and it includes measures for avoiding conflicts of interest. Below is a summary of the remuneration policy, which enters into force as of the date of this prospectus:

The Board of Directors of the Management Company has adopted a remuneration policy, the objectives of which are to ensure that the remuneration is in line with the applicable regulations, and more specifically with the provisions defined under (i) the UCITS Directive 2014/91/EU, the ESMA final report on sound remuneration policies under the UCITS Directive and AIFMD published on 31 March 2016, (ii) the Alternative Investment Fund Managers (AIFM) Directive 2011/61/EU, transposed into the Luxembourg AIFM Law dated from 12 July 2013, as amended from time to time, the ESMA guidelines on sound remuneration policies under the AIFM published on 11 February 2013 and (iii) the CSSF Circular 10/437 on Guidelines concerning the remuneration policies in the financial sector issued on 1 February 2010; and to comply with the UBS Group AG remuneration policy framework. Such remuneration policy is reviewed at least annually.

The remuneration policy promotes a sound and effective risk management environment, is in line with the interests of the investor and discourages risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of such UCITS/AIFs. The remuneration policy furthermore fosters compliance with the Management Company's and the UCITS'/AIFs' strategies, objectives, values and interests including measures to avoid conflicts of interest.

This approach furthermore focuses amongst others on:

- The assessment of performance which is set in a multi-year framework appropriate to the holding periods recommended to the investors of the Sub-Funds in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- The remuneration of all staff members is appropriately balanced between fixed and variable elements. The fixed component of the remuneration represents a sufficient high proportion of the total remuneration and allows a fully flexible bonus strategy, including the possibility to pay no variable remuneration component. The fixed remuneration is determined by taking into consideration the role of the individual employee, including responsibility and job complexity, performance and local market conditions. It is also to be noted that the Management Company may, on its own discretion, offer fringe benefits to some employees which are an integral component of the fixed remuneration.

Any relevant disclosures shall be made in the annual reports of the Management Company in accordance with the provisions of the UCITS Directive 2014/91/EU.

A paper copy of such document is available free of charge from the Management Company upon request.

Further information about the remuneration policy currently applied by the Management Company is available on the Management Company's website at http://www.ubs.com/lu/en/asset_management/investor_information.html. A printed copy is available free of charge. This remuneration policy includes a description of the methods for the calculation of fees and any possible incentives for certain groups of employees. In addition, the identity of those responsible for awarding such remuneration and benefits is published.

2.3 Investment Manager

- (a) The Management Company may pursuant to an Investment Management Agreement appoint with respect to one or more Sub-fund(s) an Investment Manager, in which case the name and details of any such Investment Manager will in respect of the concerned Sub-fund be disclosed in the Special Section. The Investment Manager will provide or procure each Sub-fund investment advisory and/or investment management services, pursuant to the provisions of the Investment Management Agreement and in accordance with the Investment Policy and Investment Restrictions and with the aim to achieve the Investment Objective.
- (b) An Investment Manager may delegate its functions, with the prior approval of the CSSF, the Management Company and the Board, to one or more sub-managers. In case sub-managers are appointed, the name and details of any such sub-manager will in respect of the concerned Sub-fund be disclosed in the Special Section.
- (c) Unless otherwise stated in the relevant Special Section, the Investment Manager is responsible for, among other matters, identifying and acquiring and disposing the investments for the Sub-fund. The Investment Manager is granted full power and authority

and all rights necessary to enable it to manage the investments of the relevant Sub-funds and provide other investment management services to assist the Company to achieve the Investment Objective and Investment Policy. Consequently, the responsibility for making decisions to buy, sell or hold a particular security or asset rests with the Investment Manager and, as the case may be, the relevant sub-manager appointed by it, subject always to the overall policies, direction, control and responsibility of the Board and the Management Company.

- (d) If an Investment Manager is entitled to receive a remuneration out of the assets of the relevant Sub-fund, such remuneration will be disclosed in the relevant Special Section. To the extent that any sub-manager is entitled to receive a remuneration directly out of the assets of the relevant Sub-fund, such remuneration will be disclosed in the relevant Special Section.
- (e) The Investment Management Agreement may provide the right for the Investment Manager to effect transactions with or through the agency of a third person with whom the Investment Manager has a soft commission agreement. The services to be rendered by such a third party must be in direct relation to the activities of the Investment Manager and must be in the interest of the Sub-fund. The Investment Manager may enter into soft commission agreements only where the Investment Manager is satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the Company and the relevant Sub-fund. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice. The soft commissions shall not be payable to physical persons and the soft commissions and related party transactions shall be disclosed in the periodic reports of the Company. A soft commission is any economic benefit (other than clearing and execution services) provided by a broker/dealer to an investment manager in connection with the payment of commissions on transactions carried out with that broker/dealer.

2.4 Investment Adviser(s)

- (a) The Management Company or each Investment Manager, with the prior approval of the Management Company, may pursuant to an Investment Advisory Agreement appoint one or more Investment Adviser(s) to provide advisory services in relation to the management of a Sub-fund's assets, in which case the name and details of any such Investment Adviser(s) will in respect of the concerned Sub-fund be disclosed in the Special Section.
- (b) To the extent an Investment Adviser is entitled to receive a remuneration directly out of the assets of the relevant Sub-fund, such remuneration will be disclosed in the relevant Special Section.

2.5 Depositary

- (a) Pursuant to a Depositary Agreement, UBS Europe SE, Luxembourg Branch, (formerly UBS (Luxembourg) S.A) has been appointed as depositary of the Company. On 1 December 2016, UBS (Luxembourg) S.A. has been merged into UBS Deutschland AG which will simultaneously adopt the form of a European Company (Societas Europaea, SE) under the name "UBS Europe SE", while the business conducted in Luxembourg was carried on without interruption by the Luxembourg branch under the name "UBS Europe SE, Luxembourg Branch". No change occurred to the current processes and operations of the Depositary. The fees payable to the Depositary were not affected by the merger of UBS (Luxembourg) S.A. into UBS Europe SE acting through its Luxembourg Branch. The Depositary is licensed to carry out banking activities under the terms of the Luxembourg act

of 5 April 1993 on the financial sector, as amended and specialises in custody, and related services.

- (b) The Depositary has been entrusted with the safe-keeping of the Company's assets and it shall fulfil the obligations and duties provided for by the 2010 Act and the Luxembourg Law. In compliance with usual banking practices and in accordance with the provisions of the 2010 Act and with Directive 2014/91/EU, the Depositary may, under its responsibility, entrust part or all of the assets which are placed under its custody to other banking institutions or financial intermediaries.
- (c) The Depositary's liability in relation to its supervisory functions shall not be affected by the fact that it has entrusted all or some of the assets in its custody to a third party and shall not, in accordance with Directive 2014/91/EU be excluded or limited by agreement. Shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.
- (d) The Depositary is liable to the Company and to the Shareholders for the loss by the Depositary or a third party to whom the custody of financial instruments held in custody has been delegated. In the case of a loss of a financial instrument held in custody the Depositary is obliged to return a financial instrument of an identical type or the corresponding amount to the Company without undue delay, except where there is proof that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall, in compliance with Luxembourg Law and pursuant to the Depositary Agreement, be liable to the Company and the Shareholders for all other losses suffered by them as a result of the depositary's negligent or intentional failure to perform its obligations pursuant to Directive 2014/91/EU or its wrongful or improper performance thereof.
- (e) In performing its obligations under the Depositary Agreement, the Depositary shall observe and comply with (i) 2010 Act and the Luxembourg Law and any other applicable laws and regulations for the time being in force, (ii) the Depositary Agreement (including any operating procedures agreed to from time to time between the Depositary and the Company), and (iii) the terms of this Prospectus and the Articles. Furthermore, in carrying out its role as depositary, the Depositary must act honestly, fairly, professionally, independently and solely in the interest of the Shareholders.
- (f) In addition to the usual duties regarding custody, cash and securities deposits, upon instructions from the Company, the Depositary will execute or supervise the execution of all financial transactions and provide all banking facilities in accordance with the Depositary Agreement. The Depositary will further, in accordance with the 2010 Act and the Directive 2014/91/EU:
 - (i) ensure that the sale, issue, redemption, exchange and cancellation of all Shares of each Sub-fund effected by the Company are carried out in accordance with the 2010 Act and the provisions of the Articles;
 - (ii) ensure that the value of all Shares of each Sub-fund is calculated in accordance with the 2010 Act and the provisions of the Articles;
 - (iii) carry out the instructions of the Company, unless they conflict with the 2010 Act and the Luxembourg Law, or with the provisions of the Articles;

- (iv) ensure that in transactions involving the assets of each Sub-fund, consideration is remitted to it within the customary time limits;
- (v) ensure that the income of each Sub-fund is applied in accordance with the 2010 Act and the provisions of the Articles;
- (vi) ensure that the cash flows of the Company are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of Shares have been received, and that all cash of the Company has been booked in cash accounts that are:
 - (A) opened in the name of the Company;
 - (B) opened at an entity referred to in Directive 2014/91/EU; and
 - (C) maintained in accordance with the principles set out in Directive 2014/91/EU.
- (g) In carrying out the safe-keeping of assets of the Company the Depositary will act in compliance with the 2010 Act and the Directive 2014/91/EU. The Depositary will 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 and will ensure that all these financial instruments are registered in the depositary's books within segregated accounts so that they can be clearly identified as belonging to the Company in accordance with the applicable law at all times. For other assets, the depositary will verify the ownership by the Company of such assets by assessing information or documents provided and will maintain a record of those assets for which it is satisfied that the Company holds the ownership. The assets held in custody by the Depositary will not be reused by the Depositary, or by any third party to which the custody function has been delegated, for their own account.
- (h) The Depositary will not carry out activities with regard to the Company or the Management Company on behalf of the Company that may create conflicts of interest between the Company, the Shareholders, the Management Company and itself, unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Shareholders.

Among other, conflicts of interest may arise from activities carried out by the Depositary or circumstances such as:

- (i) investment advising and asset management from the Depositary's own (revenue) interest in selling financial instruments, including its Group's own products;
- (ii) giving or receiving inducements (for example, placement commissions, trail commissions, or pecuniary advantages) to or from third parties in connection with securities services;
- (iii) due to performance-based compensation of staff and intermediaries;
- (iv) giving inducements to the staff and intermediaries;
- (v) from other business activities of and in particular from the Depositary's interest in own-account trading profits and selling self-issued securities;

- (vi) from relationships of the Depositary with issuers of financial instruments, for example, when a credit relationship exists or in the case of collaboration on securities issues or cooperation agreements;
- (vii) preparing financial analyses about securities offered for purchase to customers;
- (viii) obtaining information that is not publicly known;
- (ix) from personal relationships of the staff or management or persons associated with them;
- (x) the participation of those persons in the supervisory or managing boards.

The Depositary maintains and operates effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent such conflicts of interest.

In particular the Depositary has an independent compliance office that is directly responsible to the management and whose duty is to identify, avoid, and manage conflicts of interest. Among other things, the Depositary takes the following specific measures:

- (i) create organizational processes to preserve the customer's interest in the areas of investment advice and asset management (for example, approval process for new products and investment selection process in asset management);
- (ii) comply with rules on giving and receiving inducements and their disclosure;
- (iii) create confidentiality zones by establishing information barriers separating responsibilities and/or spatial separations;
- (iv) keep an insider list or watch list that helps to monitor sensitive information traffic and prevent misuse of insider information;
- (v) keep a restricted list to counter possible conflicts of interest by means of business or consulting bans or a ban on financial analyses;
- (vi) disclose to the compliance office of securities transactions of staff members who could become involved in conflicts of interest in the context of their work;
- (vii) provide training to the staff;
- (viii) disclose unavoidable conflicts of interest to affected customers before a transaction or consultation.

The Depositary provides information about relevant potential conflicts of interest in the financial analyses that it prepares or disseminates. Further information about the handling of conflicts of interest can be obtained from the website of the Depositary.

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

affiliates are active in various business activities and may have differing direct or indirect interests. Investors may obtain additional information free of charge by addressing their request in writing to the Depositary.

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

A description of the safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates of the Depositary can be found on the following webpage: <https://www.ubs.com/global/en/legalinfo2/luxembourg.html>, and up-to-date information in relation thereto will be made available to investors upon request.

- (k) The relationship between the Company and the Depositary is subject to the terms of the Depositary Agreement. The Company and the Depositary may terminate this agreement upon 90 days' prior written notice by registered letter given by one party to the other. The Depositary Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Depositary will continue to act as Depositary pending its replacement (which must be effected within two months) and until all assets of the Company have been transferred to the successor depositary.

2.6 Paying Agent

The Paying Agent has been appointed by the Company as its paying agent pursuant to the terms of the Paying Agent Agreement which is part of the Depositary Agreement. As such, the Paying Agent will arrange, upon instructions of the Company, payments of the dividends to the Shareholders or to the various paying agents that can be appointed from time to time by the Company with the prior approval of the Paying Agent.

2.7 Administrative Agent

- (a) The Administrative Agent has been appointed by the Management Company and the Company as the central administration of the Company. As such, the Administrative Agent will be responsible, without limitation for the performance of the central administrative functions required by Luxembourg Law, and, *inter alia* and without limitation, for the calculation of the NAV of the Shares and the maintenance of the Company's accounting records.

- (b) The Administrative Agent is empowered to delegate, under its full responsibility, all or part of its duties as administrative agent to a third Luxembourg entity, with the prior consent of the Management Company.
- (c) The rights and obligations of the Administrative Agent are governed by the Administration Agreement, entered into for an unlimited period of time. Each of the parties to the Administration Agreement may terminate the agreement by giving the other not less than 90 days' prior written notice.

2.8 Registrar and Transfer Agent

- (a) The Registrar and Transfer Agent has been appointed by the Management Company and the Company as the registrar and transfer agent of the Company. As such, the Registrar and Transfer Agent will be responsible, without limitation for the performance of the registrar and transfer agent functions required by Luxembourg Law, and, inter alia and without limitation, for the acceptance of subscription, redemption and conversion applications on behalf of the Company, the processing of subscription, conversion and redemption orders in respect of Shares and the safe keeping of the register of Shareholders.
- (b) The Registrar and Transfer Agent is empowered to delegate, under its full responsibility, all or part of its duties as register and transfer agent to a third Luxembourg or affiliated entity, with the prior consent of the Management Company.
- (c) The rights and obligations of the Registrar and Transfer Agent are governed by the Administration Agreement, entered into for an unlimited period of time. Each of the parties to the Administration Agreement may terminate the agreement by giving the other not less than 90 days' prior written notice.

2.9 Risk management

The Management Company is responsible for the risk management of the different Sub-funds. The risk management will be performed in accordance with the provisions as detailed in the relevant Special Section in order to enable the Management Company to monitor and measure at any time the risk of the positions, the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of each Sub-fund. The Management Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivatives.

The risk management framework is available upon request from the Management Company's registered office.

2.10 Distributors and nominees

- (a) The Company and the Management Company may enter into distribution agreement(s) to appoint Distributor(s) to distribute Shares of different Sub-funds from time to time. The Distributor(s) may appoint one or more reputable sub-distributors at its (their) discretion.
- (b) The Company and the Management Company expect that in relation to registered Shares to be offered to investors the relevant Distributor(s) may offer to enter into arrangements with the relevant investors to provide nominee services to those investors in relation to the registered Shares or arrange for third party nominee service providers to provide such nominee services to the underlying investors. Whilst and to the extent that such arrangements subsist, such underlying investors will not appear in the register of the Company and will have no direct right of recourse against the Company. The Distributor or

nominee service provider maintains its own records and provides the underlying investors with individualised information as to its holdings of Shares.

- (c) All Distributors that are entitled to receive subscription monies and/or subscription, redemption or conversion orders on behalf of the Company and nominee service providers must be (i) professionals of the financial sector of a FATF member country which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg Law or (ii) professionals established in a non-FATF member State provided they are a subsidiary of a professional of the financial sector of a FATF member State and they are obliged to follow anti money laundering and terrorism financing rules equivalent to those required by Luxembourg Law because of internal group policies.
- (d) Any Distributor or nominee service providers holding their Shares through Clearstream or any other relevant clearing system as an accountholder also will not be recognised as the registered Shareholder in the register. The relevant nominee of Clearstream or the other relevant clearing system will be recognised as the registered Shareholder in the register in such event, and in turn would hold the Shares for the benefit of the relevant accountholders in accordance with the relevant arrangements.
- (e) The terms and conditions of the distribution agreement(s) with arrangements to provide nominee services will have to allow that, unless otherwise provided by local law, an underlying investor who (i) has invested in the Company through a nominee and (ii) is not a Restricted Person, may at any time, require the transfer in his/her/its name of the registered Shares subscribed through the nominee. After this transfer, the investor will receive evidence of his/her/its shareholding at the confirmation of the transfer from the nominee.
- (f) Except where local law or custom proscribe the practice, Investors may subscribe directly to the Company without having to go through Distributor(s) or a nominee and not avail themselves of a nominee service.
- (g) A copy of the various agreements between the Company, the Management Company and the Distributor(s) or nominee(s), if any, are available at the registered office of the Company as well as at the registered office of the Management Company during the normal business hours on any Business Day.
- (h) The Management Company and any Investment Manager or Investment Adviser may enter into retrocession fee arrangements with any Distributor or sub-distributor in relation to their distribution services, provided that any such arrangement will be designed to enhance the quality of the service to the investors. Any such retrocession fee will be paid by the Management Company, Investment Manager or Investment Adviser out of its own remuneration.
- (i) Distributors, with regard to the distribution of certain Classes may be entitled to a distribution fee payable by the Company. This fee is accrued daily and paid periodically in arrears. Distributors have the right, at their discretion to reallocate such fee, in whole or in part, to sub-distributors. Any such distribution fee, if any, will be disclosed in the relevant Special Section.

2.11 Auditor

PricewaterhouseCoopers, société coopérative has been appointed as the Company's auditor and will fulfil all duties prescribed by the 2010 Act. The Auditor is elected by the general meeting of Shareholders. The Auditor will inspect the accounting information contained in the annual report and fulfil other duties prescribed by the 2010 Act.

3. INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

3.1 Investment Objective

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

There can be no guarantee that the Investment Objective of any Sub-fund will be met.

3.2 Investment Restrictions

The Company and the Sub-funds are subject to the Investment Restrictions set out below and in each Special Section. **In the case of any conflict, the provisions of the relevant Special Section will prevail:**

- (a) The Company's investments may consist solely of:
 - (i) Transferable Securities and Money Market Instruments admitted to or dealt in on a regulated market, as defined in Article 4 point 1 (14) of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004;
 - (ii) Transferable Securities and Money Market Instruments dealt in on another regulated market in a EU Member State which operates regularly and is recognised and open to the public;
 - (iii) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange or dealt in a non-EU Member State or dealt in on another regulated market in a non-EU Member State, which operates regularly and is recognised and open to the public located within an country of Western or Eastern Europe, Asia, Oceania, the American continents or Africa;
 - (iv) recently issued Transferable Securities and Money Market Instruments, provided that:
 - (A) the terms of issue include an undertaking that application will be made for admission to official listing on any stock exchange or to another regulated market referred to in Section 3.2(a)(i), (ii) and 3.2(a)(iii) of the General Section;
 - (B) such admission is secured within a year of issue;
 - (v) units of UCITS and/or other UCIs within the meaning of the first and second indent of article 1 (2) (a) and (b) of the UCITS Directive, whether situated in an EU Member State or not, provided that:
 - (A) such other UCIs are authorised under laws which provide that they are subject to supervision that is considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
 - (B) the level of guaranteed protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;

- (C) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period and
- (D) no more than 10% of the net assets of the UCITS or other UCI whose acquisition is contemplated, can, according to their fund rules or constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- (vi) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (vii) financial derivative instruments, including cash-settled equivalent instruments, dealt in on a regulated market referred to in Section 3.2(a)(i), (ii) and (iii) of the General Section; and/or OTC Derivatives, provided that:
 - (A) the underlying consists of instruments covered by this Section 3.2(a), financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-fund may invest according to its Investment Objectives as stated in the relevant Special Section;
 - (B) the counterparties to OTC Derivative transactions are institutions subject to prudential supervision and belonging to categories approved by the CSSF; and
 - (C) the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- (viii) Money Market Instruments other than those dealt in on a regulated market referred to in Section 3.2(a)(i) to 3.2(a)(iii) of the General Section if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
 - (A) issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in the case of a federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or
 - (B) issued by an undertaking, any securities of which are listed on a stock exchange or dealt in on regulated markets referred to in Section 3.2(a)(i), 3.2(a)(ii) or 3.2(a)(iii) of the General Section; or
 - (C) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
 - (D) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection rules equivalent to that laid down in the first, the second or the third indent and provided

that the issuer is a company whose capital and reserves amount to at least €10 million and which (I) represents and publishes its annual accounts in accordance with Directive 78/660/EEC, (II) is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or (III) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- (b) However, each Sub-fund may:
 - (i) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to under Section 3.2(a) of the General Section; and
 - (ii) hold liquid assets on an ancillary basis.

3.3 Risk diversification

- (a) In accordance with the principle of risk diversification, the Company is not permitted to invest more than 10% of the net assets of a Sub-fund in Transferable Securities or Money Market Instruments of the same issuer. The total value of the Transferable Securities and Money Market Instruments in each issuer in which more than 5% of the net assets are invested, must not exceed 40% of the value of the net assets of the respective Sub-fund. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.
- (b) The Company is not permitted to invest more than 20% of the net assets of a Sub-fund in deposits made with the same body.
- (c) The risk exposure to a counterparty of a Sub-fund in an OTC Derivative transaction may not exceed:
 - (i) 10% of its net assets when the counterparty is a credit institution referred to in Section 3.2(a)(vi) of the General Section; or
 - (ii) 5% of its net assets, in other cases.
- (d) Notwithstanding the individual limits laid down in Sections 3.3(a), 3.3(b) and 3.3(c) of the General Section, a Sub-fund may not combine:
 - (i) investments in Transferable Securities or Money Market Instruments issued by,
 - (ii) deposits made with, and/or
 - (iii) exposures arising from OTC Derivative transactions undertaken with,a single body in excess of 20% of its net assets.
- (e) The 10% limit set forth in Section 3.3(a) of the General Section can be raised to a maximum of 25% in case of certain bonds issued by credit institutions which have their registered office in an EU Member State and are subject by law, in that particular country, to specific public supervision designed to ensure the protection of bondholders. In particular the funds which originate from the issue of these bonds are to be invested, in accordance with the law, in assets which sufficiently cover the financial obligations resulting from the issue throughout the entire life of the bonds and which are allocated preferentially to the payment

of principal and interest in the event of the issuer's bankruptcy. Furthermore, if investments by a Sub-fund in such bonds with one and the same issuer represent more than 5% of the net assets, the total value of these investments may not exceed 80% of the net assets of the corresponding Sub-fund.

- (f) The 10% limit set forth in Section 3.3(a) of the General Section can be raised to a maximum of 35% for Transferable Securities and Money Market Instruments that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations of which one or more EU Member States are members.
- (g) Transferable Securities and Money Market Instruments which fall under the special ruling given in Sections 3.3(e) and 3.3(f) of the General Section are not counted when calculating the 40% risk diversification ceiling mentioned in Section 3.3(a) of the General Section.
- (h) The limits provided for in Sections 3.3(a) to 3.3(f) of the General Section may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments with this body will under no circumstances exceed in total 35% of the net assets of a Sub-fund.
- (i) Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in Sections 3.3(a) to 3.3(j) of the General Section.
- (j) A Sub-fund may invest, on a cumulative basis, up to 20% of its net assets in Transferable Securities and Money Market Instruments of the same group.

3.4 Exceptions which can be made

- (a) Without prejudice to the limits laid down in Section 3.7(a) of the General Section, the limits laid down in Sections 3.3(a) to 3.3(j) of the General Section are raised to a maximum of 20% for investment in shares and/or bonds issued by the same body if, according to the relevant Special Section, the Investment Objective and Investment Policy of that Sub-fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
 - (i) its composition is sufficiently diversified;
 - (ii) the index represents an adequate benchmark for the market to which it refers;
 - (iii) it is published in an appropriate manner.

The above 20% limit may be raised to a maximum of 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.

- (b) **The Company is authorised, in accordance with the principle of risk diversification, to invest up to 100% of the net assets of each Sub-fund in Transferable Securities and Money Market Instruments from various offerings that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, by another G20 Member State, Hong Kong or Singapore or by public international organisations in which one or more EU Member States are members. These securities must be**

divided into at least six different issues, with securities from one and the same issue not exceeding 30% of the total net assets of a Sub-fund.

3.5 Investment in UCITS and/or other UCIs

- (a) A Sub-fund may acquire the units of UCITS and/or other UCIs referred to in Section 3.2(a)(v) of the General Section, provided that no more than 20% of its net assets are invested in units of a single UCITS or other UCI. If a UCITS or other UCI has multiple compartments (within the meaning of article 181 of the 2010 Act) and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the above limit.
- (b) Investments made in units of UCIs other than UCITS may not exceed, in aggregate, 30% of the net assets of the Sub-fund.
- (c) 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 Sections 3.3(a) to 3.3(j) of the General Section.
- (d) When a Sub-fund invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, (regarded as more than 10% of the voting rights or share capital), that management company or other company may (I) neither charge subscription, conversion or redemption fees on account of the Sub-fund's investment in the units of such UCITS and/or other UCIs (II) nor any management fees exceeding 0.25% of the proportion of the Sub-fund's net assets invested in the units of such UCITS and/or other UCIs.
- (e) If a Sub-fund invests a substantial proportion of its assets in other UCITS and/or other UCIs that are not managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding (regarded as more than 10% of the voting rights or share capital), the maximum level of the management fees that may be charged both to the Sub-fund itself and to the other UCITS and/or other UCIs in which it intends to invest, will be disclosed in the relevant Special Section.
- (f) In the annual report of the Company it will be indicated for each Sub-fund the maximum proportion of management fees charged both to the Sub-fund and to the UCITS and/or other UCIs in which the Sub-fund invests.

3.6 Tolerances and multiple compartment issuers

- (a) If, because of reasons beyond the control of the Company or the exercising of subscription rights, the limits mentioned in this Section 3 of the General Section are exceeded, the Company must have as a priority objective in its sale transactions to reduce these positions within the prescribed limits, taking into account the best interests of the Shareholders.
- (b) Provided that they continue to observe the principles of risk diversification, newly established Sub-funds may deviate from the limits mentioned under Sections 3.3(a) to 3.5(d) of the General Section for a period of six months following the date of their initial launch.

- (c) If an issuer of Eligible Investment is a legal entity with multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the limits set forth under Sections 3.3(a) to 3.3(j), 3.4(a), 3.4(b) and 3.5(a) to 3.5(f) of the General Section.

3.7 Investment prohibitions

- (a) The Company is prohibited from:
 - (i) acquiring equities with voting rights that would enable the Company to exercise a significant influence over the management of the issuer in question;
 - (ii) acquiring more than:
 - (A) 10% of the non-voting shares of the same issuer;
 - (B) 10% of the debt securities issued by the same issuer;
 - (C) 10% of the Money Market Instruments issued by the same issuer; or
 - (D) 25% of the units of one and the same UCITS and/or other UCI.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

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

- (iii) Carrying out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments;
- (iv) acquiring precious metals or related certificates;
- (v) investing in real estate and purchasing or selling commodities or commodities contracts;
- (vi) borrowing on behalf of a particular Sub-fund, unless:
 - (A) the borrowing is in the form of a back-to-back loan for the purchase of foreign currency;
 - (B) the loan is only temporary and does not exceed 10% of the net assets of the Sub-fund in question;
- (vii) granting credits or acting as guarantor for third parties. This limitation does not refer to the purchase of Transferable Securities, Money Market Instruments and other Eligible Investments mentioned under subparagraphs (v), (vii) and (viii) of Section 3.2(a) of the General Section that are not fully paid up.

3.8 Risk management and limits with regard to derivative instruments

- (a) Each Sub-fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.
- (b) The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This will also apply to the following subparagraphs.
- (c) If a Sub-fund invests in financial derivative instruments the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in Sections 3.3(a) to 3.3(j) of the General Section. When the Sub-fund invests in index-based financial derivative instruments, these limits do not have to be combined with the limits laid down in Sections 3.3(a) to 3.3(j) of the General Section.
- (d) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this Section.

3.9 Investments between Sub-funds

- (a) A Sub-fund may invest in one or more other Sub-funds. Any acquisition of Shares of another Sub-fund (the **Target Sub-fund**) by the Sub-fund is subject to the following conditions:
 - (i) the Sub-fund may not invest more than 10% of its net assets in a single Target Sub-fund, this limit being increased to 20% if the Sub-fund is permitted, pursuant to its investment objective, to invest more than 10% of its net assets in units or shares of UCITS or other UCIs or in one single such UCITS or other UCIs;
 - (ii) the Target Sub-fund may not invest in the Sub-fund;
 - (iii) the Target Sub-fund may not invest more than 10% of its net assets in UCITS (including other Sub-funds) or other UCIs;
 - (iv) the voting rights attached to the Shares of the Target Sub-fund are suspended during the investment by the Sub-fund;
 - (v) the value of the Share of the Target Sub-fund held by the Sub-fund are not taken into account for the purpose of assessing the compliance with the EUR1,250,000, respectively the equivalent thereof in the consolidation currency (USD) of the Company, minimum capital requirement; and
- (b) The Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Sub-fund qualifying either as a feeder UCITS (a **Feeder UCITS**) or as a master UCITS (a **Master UCITS**), (ii) convert any existing Sub-fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest at least 85% of its assets in the units or shares of another Master UCITS. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- (i) ancillary liquid assets;
- (ii) financial derivative instruments, which may be used only for hedging purposes;

movable or immovable property which is essential for the direct pursuit of its business.

For the purposes of compliance with Section 3.5(d) to 3.8(d), the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent above with either:

- (A) the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
- (B) the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.

(c) **Benchmark Regulation**

The Benchmark Regulation entered into force on 1 January 2018 and introduces a new requirement according to which administrators of a benchmark who provide indexes used or intended to be used as reference indexes in the EU must obtain an authorisation or registration with the competent authority. With respect to the Sub-funds, the Benchmark Regulation prohibits the use of benchmark indexes unless they are provided by an administrator located in the EU authorised or registered by the ESMA or if they are benchmark indexes which are not located in the EU but are included in ESMA's public register under the third country regime.

The Management Company has put in place a contingency plan in the event that the relevant benchmarks change or cease to be provided, in accordance with article 28 of the Benchmark Regulation. This contingency plan is available at the registered office of the Management Company free of charge.

For each of the Sub-funds, investors are invited to the relevant Special Section setting-out the list of indices used as benchmarks within the meaning of the Benchmarks Regulation and the registration status of the administrators of such indices, in accordance with article 36 of the Benchmarks Regulation.

4. TECHNIQUES AND INSTRUMENTS

4.1 General

- (a) The Company is authorised to employ techniques and instruments relating to Transferable Securities and Money Market Instruments, provided that such techniques and instruments are used for the purpose of efficient portfolio management, ie they (i) are economically appropriate and realised in a cost-effective way, (ii) aim at a reduction of risk or cost and/or (iii) aim at generating additional capital or income for the Sub-fund with an appropriate level of risk, taking into account its risk profile and the risk diversification rules set out under this Section 4, and (iv) the risks are adequately captured by the risk management process of the Company.
- (b) Such techniques and instruments include securities lending transactions, sale with right of repurchase transactions (*operations à réméré*) and reverse repurchase transactions/repurchase transactions (*operations de prise/mise en pension*).
- (c) Under no circumstances will these operations cause a Sub-fund to diverge from its Investment Objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in this Prospectus.

4.2 Securities lending transactions

The Company may, in accordance with applicable laws and regulations, including in particular the provisions of CSSF circular 08/356, as amended or substituted from time to time, and the ESMA Guidelines on ETFs and other UCITS issues (ESMA/2014/937), as amended or substituted from time to time, enter into securities lending transactions subject to the following rules:

- (a) The Company may lend the securities to a counterparty either:
 - (i) directly; or
 - (ii) through a standardised lending system organised by a recognised clearing institution; or
 - (iii) through a lending system organised by a first class institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and specialising in this type of transaction.
- (b) The borrower must in all cases be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law.
- (c) The Company must receive collateral which complies with the requirements set out under Section 4.4(b) of the General Section, previously or simultaneously to the transfer of the securities lent, either by the borrower or the intermediary acting on its own account. In case the intermediary is a lending system as set out under Section 4.2(a)(ii) and (iii) of the General Section, securities lent may be transferred before the receipt of the collateral by the borrower if such intermediary assures the proper completion of the transaction.
- (d) The Company will ensure that the volume of the securities lending transactions is kept at an appropriate level that enables it, at all times, to meet redemption requests and that these transactions do not jeopardise the management of the Company's assets in accordance with its investment policy.
- (e) The global valuation of the securities lent during the reference period will be disclosed in the financial reports of the Company.
- (f) The revenues achieved from securities lending transactions, net of operational costs, remain with the Company to be re-invested accordingly. Direct and indirect operational costs that may be deducted from the revenues delivered to the Company may cover up to 0.5%. The Company and the Management Company ensure that sufficient collateral is provided consistent with regulatory requirements and best market practices.

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

(a) General rules

- (i) The Company may only enter into sale with right of repurchase transactions, reverse repurchase and repurchase agreement transactions with counterparties which are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law.
- (ii) The Company will provide separate information on securities (A) purchased with a repurchase option or under reverse repurchase agreements, or (B) sold with a

repurchase option or under repurchase agreements in its financial reports, disclosing the total amount of outstanding transactions on the date of reference of these reports.

- (iii) The Company will ensure to maintain the value of the relevant transactions at a level such that it is able, at all times, to meet redemption requests.

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

In addition to the rules set out under Section 4.3(a) of the General Section, the purchase of securities with a repurchase option and reverse repurchase agreement transactions by the Company will comply with applicable laws and regulations, including in particular the provisions of CSSF circular 08/356, as amended or substituted from time to time, and the ESMA Guidelines on ETFs and other UCITS issues (ESMA/2014/937), as amended or substituted from time to time, and are subject to the following rules:

- (i) Securities that are the subject of purchase with a repurchase option transaction or that may be purchased in reverse repurchase agreements are limited to:
 - (A) short term bank certificates or Money Market Instruments;
 - (B) bonds issued or guaranteed by a OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
 - (C) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
 - (D) bonds issued by non-governmental issuers offering an adequate liquidity;
 - (E) shares quoted or negotiated on a regulated market of an EU Member State or on a stock exchange of an OECD Member State, on the condition that these shares are included in a main index.
- (ii) During the duration of a purchase with a repurchase option agreement, the Company may not sell the securities which are the subject of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired, unless the Company has other means of coverage. During the duration of the reverse repurchase agreement, the Company may not sell or pledge/give as security the securities purchased through this contract, except if the Company has other means of coverage.
- (iii) The securities purchased with a repurchase option must be in accordance with the Company's investment policy and must, together with the other securities that the Company holds in its portfolio, globally comply with the Company's investment restrictions.

4.4 Limitation of net exposure and eligible collateral

(a) Limitation of net exposure

- (i) For each securities lending transaction, the collateral received by the Company in accordance with Section 4.2(c), must be, during the lifetime of the lending

agreement, at least equivalent to 90% of the global valuation (interests, dividends and other eventual rights included) of the securities lent.

- (ii) The net exposure (exposure less collateral received by the Company, subject to eligibility requirements set out in Section 4.4(b) below) to a single counterparty of the Company arising from one or more securities lending transactions, sale with right of repurchase transactions and/or reverse repurchase/repurchase transactions will be taken into account for the purpose of the 20% restriction set out in Section 3.3(b) above.

(b) Eligible collateral

- (i) The Company must value on a daily basis the collateral received.
- (ii) The agreement concluded between the Company and the counterparty must include provisions to the effect that the counterparty must provide additional collateral at very short term in case the value of the collateral already granted appears to be insufficient in comparison with the amount to be covered. Furthermore, the aforementioned agreement must, if appropriate, provide for safety margins that take into consideration exchange risks or market risks inherent to the assets accepted as collateral.
- (iii) The collateral must normally take the form of cash, short term certificates, Money Market Instruments, bonds or shares satisfying at all times the following criteria:
 - (A) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 48 of the 2010 Act.
 - (B) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
 - (C) Issuer credit quality – collateral received should be of high quality.
 - (D) Correlation – the collateral received by the Company should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
 - (E) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Company receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of each Sub-fund's net asset value. When the Company is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By derogation to the above, a Sub-fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong. The Sub-fund should receive securities from at least six different issues, but securities

from any single issue should not account for more than 30% of its Net Asset Value. In case it is intended that a Sub-fund will be fully collateralised in securities issued or guaranteed by a Member State, this fact shall be disclosed in the relevant Special Section, along with an indication of the EU Member States, local authorities, or public international bodies issuing or guaranteeing securities.

- (F) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- (G) Where there is a title transfer, the collateral received should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (H) Collateral received should be capable of being fully enforced by the UCITS at any time without reference to or approval from the counterparty.
- (iv) For each class of assets which may be received as collateral, a haircut policy may be applied as determined by the Management Company based on the quality of the collateral. The haircut policy is a discount applied to the value of a collateral asset to account for the fact that its valuation or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Management Company that any collateral received by the Company shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

The Management Company will apply haircuts to the collateral received by the Company according to the below table:

Collateral Instrument Type	Haircut
Cash in the Reference Currency of the respective Sub-fund	100%

In case of unusual market volatility, the Management Company reserves the right to temporarily increase the haircut it applies to collateral for such period of time and in such measure as justified by the circumstances. As a consequence, the Company will receive more collateral to secure its counterparty exposure. Should that situation persist, this haircut policy will be updated accordingly.

- (v) The Company must make sure that:
 - (A) it is able to claim its rights on the collateral in case of occurrence of an event requiring the execution thereof;
 - (B) the collateral is available at all times, either directly or through the intermediary of a first class institution or a wholly-owned subsidiary of this institution; in such a manner that the Company is able to appropriate or realise the assets given as

collateral, without delay, if the counterparty does not comply with its obligation to return the securities;

- (C) that its contractual rights relating to the relevant transactions permit, in case of a liquidation, of a reorganisation or in any other situation of equal ranking, to discharge its obligation to return the assets received as collateral, if and to the extent that the restitution cannot be undertaken on the terms initially agreed; and
- (D) during the duration of the agreement the collateral is not sold or given as a security or pledged, except when the Company has other means of coverage.

4.5 Reinvestment of cash provided as collateral

- (a) If the collateral is given in the form of cash, such cash may be reinvested by the Company in:
 - (i) shares or units in money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
 - (ii) short-term bank deposits;
 - (iii) Money Market Instruments;
 - (iv) short-term bonds issued or guaranteed by an EU Member State, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
 - (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; and
 - (vi) reverse repurchase agreement transactions according to the provisions described under Sections 4.3(a) and 4.3(b) of the General Section.
- (b) Financial assets other than bank deposits and units or shares of UCIs acquired by means of reinvestment of cash received as collateral, must be issued by an entity not affiliated to the counterparty.
- (c) Financial assets other than bank deposits must not be safekept by the counterparty, except if they are segregated in an appropriate manner from the latter's own assets. Bank deposits must in principle not be safekept by the counterparty, unless they are legally protected from consequences of default of the latter.
- (d) Financial assets may not be pledged/given as collateral, except if the Company has sufficient liquid assets enabling it to return the collateral by cash payment.
- (e) Short-term bank deposits, Money Market Instruments and bonds referred to in Section 4.5(a)(ii) through (iv) of the General Section must be Eligible Investments.
- (f) The exposure arising from the reinvestment of collateral received by the Company must be taken into account for the purpose of the diversification rules applicable to Company as outlined above.
- (g) If the short-term bank deposits referred to in Section 4.5(a)(ii) of the General Section are likely to expose the Company to a credit risk vis-à-vis the safekeeper, the Company must not invest more than 20% of its assets in such deposits made with the same body.

- (h) The reinvestment must, in particular if it creates a leverage effect, be taken into account for the calculation of the Company's global exposure. Any reinvestment of collateral provided in the form of cash in financial assets providing a return in excess of the risk free rate, is subject to this requirement.
- (i) Reinvestments must be specifically mentioned with their respective value in an appendix to the financial reports of the Company.

5. DESCRIPTION OF THE SHARES

- (a) Shares may only be issued in registered form.
- (b) In respect of Shares issued in registered form, the entry into the register of Shareholders is conclusive evidence of ownership. The register of the Shareholders will be kept by the Registrar and Transfer Agent on behalf of the Company. The register will contain the name of each owner of registered Shares, his/her/its residence or elected domicile as indicated to the Company and the number and Class(es) of Shares held by his/her/it and the transfer of Shares and the dates of such transfers.
- (c) Each Share in the Company entitles the Shareholder to one vote at all general meetings of Shareholders. However, the exercise of voting rights associated with Shares held by Restricted Persons may in relation to those Shares be refused by the Company at general meetings of Shareholders.
- (d) All Shares must be fully paid up. Shares have no nominal value or preferential rights. Fractional Shares are issued up to three decimals. Fractional Shares confer no voting rights, but do entitle the Shareholder to participate proportionally in the distribution of net income and in the proceeds of liquidation of the respective Sub-fund or Share Class.
- (e) Unless otherwise provided for in the relevant Special Section, the Company will also have the right to accept subscriptions through contributions in kind of assets to a Sub-fund in lieu of cash in accordance with Section 6.6 below.
- (f) For each Sub-fund, the Directors may, in respect of Shares in one or several Class(es) if any, decide to close subscriptions temporarily or definitively, including those arising from the conversion of Shares of another Class or another Sub-fund.
- (g) All Shares in a Sub-fund have, as a matter of principle, the same rights, unless the Company decides to issue different Classes within a Sub-fund. From time to time, the Company can decide to create two or more Classes. In terms of their characteristics and rights, Classes can be distinguished according to the manner in which revenues are applied, to the fee structure, the use of foreign currency hedging contracts or other specific characteristics and rights. From Launch Date, all Shares participate equally in income, gains and liquidation revenue for their respective Class. Provided Classes have been established in respective Sub-fund, these are detailed in the relevant Special Section to this Prospectus, together with details of their specific characteristics and rights.
- (h) The use of foreign currency hedging contracts can occur for Shares whose Reference Currency, which is detailed in the relevant Special Section to this Prospectus, is not identical with the Reference Currency of the Sub-fund. By using foreign currency hedging contracts, the Company may try to hedge the currency risk of the Reference Currency of a Class against the Reference Currency of the Sub-fund. It is anticipated that currency risks will be hedged to a large extent although there is no guarantee that a complete hedging of the currency risk can be achieved. All fees and costs (as well as gains and losses) associated

with the currency hedging carried out for the specific purpose of the relevant hedged Class shall be borne by the Class in question. Based on a lack of segregation of assets between different share classes within a Fund, a contagion risk may exist between the currency hedged share class and other share classes. The Fund may be obliged to settle creditor's obligations arising from currency hedging transactions of the currency hedged share class, which has been concluded only for the benefit of this particular share class. In such case, the assets of the whole Fund might be at stake to settle a creditor's claim, provided that the assets allocated only to the currency hedged share class are not sufficient. An overview of all currency hedged share classes of the Fund will be available to the investors.

6. SUBSCRIPTION FOR SHARES

6.1 General

- (a) During the Initial Offering Period or on the Initial Offering Date or on the Class Launch Date, the Company is offering the Shares under the terms and conditions as set forth in the relevant Special Section. The Company may offer Shares in one or several Sub-funds or in one or more Classes in each Sub-fund. The Company or the Management Company may reject any subscription in whole or in part, in their absolute discretion and without liability.
- (b) After the Initial Offering Period, the Initial Offering Date or the Class Launch Date, the Company may offer Shares of each existing Class in each existing Sub-fund on any day that is a Transaction Day. The Company may decide that for a particular Class or Sub-fund no further Shares will be issued after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section). However, the Board reserves the right to authorise at any time and without notice the issue and sale of Shares for Classes or Sub-funds that were previously closed for further subscriptions. Such decision will be made by the Board with due regard to the interest of the existing Shareholders in the relevant Class or Sub-fund.
- (c) The Board may in its discretion decide to cancel the offering of a Sub-fund. The Board may also decide to cancel the offering of a new Class of Shares. In such case, investors having made an application for subscription will be duly informed and any subscription monies already paid will be returned. For the avoidance of doubt, no interest will be payable on such amount prior to their return to the relevant investors.
- (d) Shareholders or prospective investors may subscribe for Shares of a Class in a Sub-fund at a subscription price per Share equal to:
 - (i) the Initial Subscription Price where the subscription relates to the Initial Offering Period, the Initial Offering Date or the Class Launch Date; or
 - (ii) the Net Asset Value per Share or Adjusted Price calculated in respect of the relevant Valuation Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the Initial Offering Period, the Initial Offering Date or the Class Launch Date) of Shares of an existing Class in an existing Sub-fund.
- (e) The applicable Minimum Subscription Amount and Minimum Subsequent Subscription Amount may be waived or varied on a case-by-case basis, by the Company or the Management Company.
- (f) If an investor wants to subscribe Shares, a Subscription Fee may be added to the subscription price to be paid by the investor. The applicable Subscription Fee will be

stipulated in the relevant Special Section. This fee will be payable to the Company or the respective Sub-fund or Class, the Management Company or the Distributor, as specified in respect of a Sub-fund in the relevant Special Section. The subscription price may in addition be increased by other fees or charges as will be the case being specified in respect of a Sub-fund or Class in the relevant Special Section. Furthermore, specific charges may be incurred in the relevant jurisdiction where the Shares will be offered.

6.2 Subscription procedure

- (a) Subscription applications must be submitted to the Registrar and Transfer Agent, a Distributor or the paying agents. The respective collecting agents are obliged to forward the subscription applications to the Registrar and Transfer Agent without undue delay. The relevant date and time for the application of the Subscription Cut-Off-Time is the date and time of reception of the respective subscription application by the Registrar and Transfer Agent.
- (b) Complete subscription applications received by the Registrar and Transfer Agent by the Subscription Cut-Off-Time on the relevant Transaction Day at the latest as specified in respect of each Sub-fund in the relevant Special Section will be processed on the first Valuation Day following such Transaction Day on the basis of the Net Asset Value per Share or Adjusted Price calculated in respect of such Valuation Day. Any subscription applications received after the Subscription Cut-Off Time on the relevant Transaction Day will be deferred to the next Transaction Day and will be dealt with on the basis of the Net Asset Value per Share or Adjusted Price calculated in respect of the Valuation Day immediately following such next Transaction Day.
- (c) In the event that the subscription application is incomplete or unclear (ie all requested papers are not received by the Registrar and Transfer Agent or a Distributor by the relevant deadline set out above) the subscription order will be rejected and a new subscription order will have to be submitted.
- (d) Different time limits may apply if subscription applications are made through a Distributor. No Distributor is permitted to withhold subscription applications to personally benefit from a price change. Investors should note that they might be unable to purchase or redeem Shares through a Distributor on days that such Distributor is not open for business. Certain Distributors may be authorized to offer Shares via Internet, also assisted by other sub-distributors, in accordance with applicable laws and regulations in the relevant countries of distribution. The Company will however not accept any direct subscriptions via Internet.

6.3 Payment Procedure

- (a) The subscription monies will have to be credited to the account held by the Depositary in cleared funds for the full amount of the subscription price (plus any Subscription Fee or other applicable fees as specified in respect of a Sub-fund or Class in the relevant Special Section) of the Shares being subscribed for pursuant to the subscription application within 3 Business Days following the relevant Valuation Day (unless otherwise specified in respect of a Sub-fund or Class in the relevant Special Section).
- (b) If the Depositary does not receive the funds in time the investor will be liable for the costs of late or non-payment in which case the Board and the Management Company will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs. In circumstances where it is not practical or feasible to recoup a loss from an applicant for Shares, any losses incurred by the Company due to late or non-payment of

the subscription proceeds in respect of subscription applications received may be borne by the Company.

- (c) Subscribers for Shares must make payment in the Reference Currency or an Authorised Payment Currency of the relevant Sub-fund or Class. Subscription monies received in another currency than the Reference Currency (ie, an Authorised Payment Currency) will be exchanged by the Depositary on behalf of the investor at normal banking rates. Any such currency transaction will be effected by the Depositary at the investor's risk and cost. Such currency exchange transactions may delay any transaction in Shares.
- (d) Subscribers for Shares are to indicate the allocation of the subscription monies among one or more of the Sub-funds and/or Classes offered by the Company. Subscription requests are irrevocable, unless in the period during which the calculation of the Net Asset Value is suspended in accordance with Section 15 of the General Section.
- (e) In the event that the Company or the Management Company decides to reject any application to subscribe for Shares the monies transferred by a relevant applicant will be returned to the prospective investor without undue delay (unless otherwise provided for by law or regulations).

6.4 Issuance of Shares

- (a) The number of Shares issued to a subscriber or Shareholder in connection with the foregoing procedures will be equal to the subscription monies provided by the subscriber or Shareholder divided by:
 - (i) the Initial Subscription Price, in relation to subscriptions made in connection with an Initial Offering Period, an Initial Offering Date or a Class Launch Date; or
 - (ii) the Net Asset Value per Share or Adjusted Price of the relevant Class and in the relevant Sub-fund as of the relevant Valuation Day.
- (b) With regard to the Initial Offering Period or Initial Offering Date, Shares will be issued on the Launch Date. With regards to the Class Launch Date, Shares will be issued on the Class Launch Date.

6.5 Ownership Restrictions

A person who is a Restricted Person may not invest in the Company. The Shares have not been registered under the US Securities Act and the Company has not been registered under the US Investment Company Act. The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America, its territories or possessions or to US Persons (as defined in Regulation S under the US Securities Act). Neither the Shares nor any interest therein may be beneficially owned by any other US Person. The sale and transfer of Shares to US Persons is restricted and the Company may repurchase Shares held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to assure compliance with the US Securities Act.

6.6 Subscription in kind

At the entire discretion of the Board, Shares may be issued against contributions of transferable securities or other eligible assets to the Sub-funds provided that these assets are Eligible Investments and the contributions comply with the investment policies and restrictions laid out in the Prospectus and have a value equal to the issue price of the Shares concerned. The assets contributed to the Sub-fund, as described above, will be valued separately in a special report of the Auditor. These

contributions in kind of assets are not subject to brokerage costs. The Board will only have recourse to this possibility (a) at the request of the relevant investor and (b) if the transfer does not negatively affect current Shareholders. All costs related to the contribution in kind are borne by the Shareholder acquiring Shares in this manner.

6.7 Institutional Investors

- (a) The sale of Shares of certain Sub-funds or Classes may be restricted to Institutional Investors and the Company will not issue or give effect to any transfer of Shares of such Sub-funds or Classes to any investor who may not be considered as an Institutional Investor. The Company may, at its discretion, delay the acceptance of any subscription for Shares of a Sub-fund or Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of Shares of a Sub-fund or Class restricted to Institutional Investors is not an Institutional Investor, the Company will, at its discretion, either redeem the relevant Shares in accordance with Section 8.9 of this General Section or convert such Shares into Shares of a Sub-fund or Class which is not restricted to Institutional Investors (provided there exists such a Sub-fund or Class with similar characteristics) and which is essentially identical to the restricted Sub-fund or Class in terms of its investment object (but, for avoidance of doubt, not necessarily in terms of the fees and expenses payable by such Sub-fund or Class), unless such holding is the result of an error of the Company, the Management Company or their agents, and notify the relevant Shareholder of such conversion.
- (b) Considering the qualification of a subscriber or a transferee as Institutional Investor, the Company will have due regard to the guidelines or recommendations (if any) of the CSSF.
- (c) Institutional Investors subscribing in their own name, but on behalf of a third party, may be required to certify that such subscription is made either on behalf of an Institutional Investor or on behalf of a Retail Investor provided in the latter case that the Institutional Investor is acting within the framework of a discretionary management mandate and that the Retail Investor has no right to lay a claim against the Company or the Management Company for direct ownership of the Shares.

7. CONVERSION OF SHARES

- (a) Unless otherwise stated in the relevant Special Section, Shareholders are allowed to convert all, or part, of the Shares of a given Class into Shares of the same Class of another Sub-fund. However, the right to convert Shares is subject to compliance with any condition (including any Minimum Subscription Amounts and eligibility requirements) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the applicable Minimum Subscription Amount, the Board may decide not to accept the request for conversion of the Shares. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant Minimum Holding Amount as stipulated in the relevant Special Section, the Shareholder may be deemed (if the Board so decides) to have requested the conversion of all of his/her/its Shares. Shareholders are not allowed to convert all, or part, of their Shares into Shares of a Sub-fund which is closed for further subscriptions after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section).
- (b) If the criteria to become a Shareholder of such other Class and/or such other Sub-fund are fulfilled, the Shareholder will make an application to convert Shares by sending a conversion application to the Registrar and Transfer Agent, a Distributor or the paying agents.

- (c) The respective collecting agents are obliged to forward the conversion applications to the Registrar and Transfer Agent without undue delay. The relevant date and time for the application of the Conversion Cut-Off-Time is the date and time of reception of the respective subscription application by the Registrar and Transfer Agent.
- (d) Complete conversion applications received by the Registrar and Transfer Agent by the Conversion Cut-Off Time on the relevant Transaction Day at the latest as specified in respect of a Sub-fund in the relevant Special Section will be processed on the first Valuation Day following such Transaction Day on the basis of the Net Asset Value per Share or Adjusted Price calculated in respect of such Valuation Day. Any conversion applications received after the Conversion Cut-Off Time on the relevant Transaction Day will be deferred to the next Transaction Day and will be dealt with on the basis of the Net Asset Value per Share or Adjusted Price calculated in respect of the Valuation Day immediately following such next Transaction Day.
- (e) The conversion request must state the number of Shares of the relevant Classes in the relevant Sub-fund, which the Shareholder wishes to convert.
- (f) If any application for conversion is received in respect of any one Transaction Day (the First Transaction Day) which either singly or when aggregated with other applications so received (including redemption requests), is more than 10% of the total net assets of the relevant Sub-fund, the Company reserves the right in its sole and absolute discretion (and taking into account the best interests of the remaining Shareholders) to scale down pro rata each application with respect to such First Transaction Day so that not more than 10% of the total net assets of the Sub-fund be redeemed or converted on such First Transaction Day. To the extent that any application is not given full effect on such First Transaction Day by virtue of the exercise of the power to prorate applications, it will be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Transaction Day and, if necessary, subsequent Transaction Days with a maximum of seven Transaction Days. With respect to any application received in respect of the First Transaction Day, to the extent that subsequent applications will be received in respect of following Transaction Days, such later applications will be postponed in priority to the satisfaction of applications relating to the First Transaction Day, but subject thereto will be dealt with as set out in the preceding sentence.
- (g) A Conversion Fee, in favour of Sub-fund from which the Shares are converted, of up to 1% of the Net Asset Value or Adjusted Price of the Shares of the relevant Class of the relevant new Sub-fund to be issued may be levied to cover conversion costs. The same rate of Conversion Fee will be applied to all conversion requests (deemed) received on the same Transaction Day.
- (h) Conversion of Shares will be effected on the first Valuation Day after the relevant Transaction Day, by the simultaneous:
 - (i) redemption of the number of Shares of the relevant Class in the relevant Sub-fund specified in the conversion request at the Net Asset Value per Share or Adjusted Price of the relevant Class in the relevant Sub-fund determined in relation to that Valuation Day; and
 - (ii) issue of Shares on that Valuation Day in the new Sub-fund or Class, into which the original Shares are to be converted, at the Net Asset Value per Share or Adjusted Price for Shares of the relevant Class in the (new) Sub-fund determined in relation to that Valuation Day.

- (i) Subject to any currency conversion (if applicable) the proceeds resulting from the redemption of the original Shares will be applied immediately as the subscription monies for the Shares in the new Class or Sub-fund into which the original Shares are converted.
- (j) Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued will be calculated by converting the proceeds resulting from the redemption of the Shares into the currency in which the Shares to be issued are denominated. The exchange rate for such currency conversion will be calculated in accordance with the rules laid down in Section 13 of the General Section.
- (k) If conversion requests would result in a residual holding in any one Sub-fund or Class of less than the Minimum Net Asset Value applicable, the Company reserves the right to compulsorily redeem the residual Shares in that Sub-fund or Class at the relevant redemption price and make payment of the proceeds thereof to the Shareholders.

8. REDEMPTION OF SHARES

8.1 Timing, form of redemption applications

- (a) Shares in a Sub-fund may be redeemed at the request of the Shareholders on any day that is a Transaction Day. Redemption applications must be sent to the Registrar and Transfer Agent, a Distributor or the paying agents. The respective collecting agents are obliged to forward the redemption applications to the Registrar and Transfer Agent without undue delay. The relevant date and time for the application of the Redemption Cut-Off-Time is the date and time of reception of the respective redemption application by the Registrar and Transfer Agent.
- (b) Complete redemption applications received by the Registrar and Transfer Agent by the Redemption Cut-Off Time on the relevant Transaction Day at the latest as specified in respect of each Sub-fund in the relevant Special Section will be processed on the first Valuation Day following such Transaction Day on the basis of the Net Asset Value per Share or Adjusted Price calculated in respect of such Valuation Day. Redemption applications received after the Redemption Cut-Off Time will be deferred to the next Transaction Day and will be processed on the basis of the Net Asset Value per Share or Adjusted Price calculated in respect of the Valuation Day immediately following such next Transaction Day.
- (c) The Board, the Management Company, the Registrar and Transfer Agent and the Distributor(s) will ensure that the relevant Redemption Cut-Off-Time is strictly complied with and will therefore take all adequate measures to prevent practices known as "Late Trading".
- (d) Redemption applications must be for either a number of Shares or an amount denominated in the Reference Currency or an Authorised Payment Currency of the Class of the Sub-fund. Redemption requests will not be accepted by telephone or telex. Redemption requests are irrevocable (except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of Shares is suspended) and proceeds of the redemption will be remitted to the account indicated by the Shareholder in its redemption request. The Company reserves the right not to redeem any Shares if it has not been provided with evidence satisfactory to the Company that the redemption application was made by a Shareholder of the Company. Failure to provide appropriate documentation to the Registrar and Transfer Agent may result in the withholding of redemption proceeds.

8.2 Redemption Price

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

8.3 Redemption Fee

If a Shareholder wants to redeem Shares of the Company, a Redemption Fee may be levied on the amount to be paid to the Shareholder. The applicable Redemption Fee will be stipulated in the relevant Special Section. This fee will be payable to the Company respectively Sub-fund or Class, unless otherwise specified in respect of a Sub-fund in the relevant Special Section. For the avoidance of doubt, the Redemption Fee is calculated on the redemption price of the Shares.

8.4 Payment of the redemption price

Payment of the redemption proceeds will be made generally within 3 Business Days following the relevant Valuation Day (unless otherwise specified in respect of a Sub-fund in the relevant Special Section). Where a Shareholder redeems Shares that he has not paid for within the required subscription settlement period, in circumstances where the redemption proceeds would exceed the subscription amount that he owes, the Company will be entitled to retain such excess for the benefit of the Company.

8.5 Minimum Holding Amount – Minimum Net Asset Value

- (a) If as a result of a redemption, the value of a Shareholder's holding would become less than the relevant Minimum Holding Amount as stipulated in the relevant Special Section, the Shareholder may be deemed (if the Board so decides) to have requested the redemption of all his/her/its Shares.
- (b) If redemption requests would result in a residual holding in any one Sub-fund or Class of less than the Minimum Net Asset Value applicable, the Company reserves the right to compulsorily redeem the residual Shares in that Sub-fund or Class at the relevant redemption price and make payment of the proceeds thereof to the Shareholder.

8.6 Suspension of redemption

Redemption of Shares may be suspended for certain periods of time as described under Section 15 of the General Section.

8.7 10% Gate

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

Transaction Day, to the extent that subsequent applications will be received in respect of following Transaction Days, such later applications will be postponed in priority to the satisfaction of applications relating to the First Transaction Day, but subject thereto will be dealt with as set out in the preceding sentence.

8.8 Redemption in-kind

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

8.9 Compulsory redemptions by the Company

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

- (a) any of the representations given by the Shareholder to the Company or the Management Company were not true and accurate or have ceased to be true and accurate; or
- (b) the Shareholder is or becomes a US Person (or is acting for or on behalf of a US Person); or
- (c) the Shareholder is or becomes a Restricted Person (or is acting for or on behalf of a Restricted Person); or
- (d) that the continuing ownership of Shares by the Shareholder would cause an undue risk of adverse tax consequences to the Company or any of its Shareholders; or
- (e) the continuing ownership of Shares by such Shareholder may be prejudicial to the Company or any of its Shareholders; or
- (f) further to the satisfaction of a redemption request received by a Shareholder, the number or aggregate amount of Shares of the relevant Class held by this Shareholder is less than the Minimum Holding Amount.

9. TRANSFER OF SHARES

- (a) All transfers of registered Shares will be effected by a transfer in writing in any usual or common form or any other form approved by the Company and every form of transfer will state the full name and address of the transferor and the transferee. The instrument of transfer of a registered Share will be signed by or on behalf of the transferor. The transferor will be deemed to remain the holder of the registered Share until the name of the transferee is entered on the Share register in respect thereof. The Company may decline to register any transfer of registered Share if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Share Class or Sub-fund as set out in this Prospectus or the relevant Special Section. The registration of transfer may be suspended at such times and for such periods as the Company may from time to time determine, provided, however, that such registration will not be suspended for more than five (5) days in any calendar year. The Company may decline to register any transfer of registered Shares unless the original instruments of transfer, and such other documents that the Company may require are deposited at the registered office of the Company or at such other place as the Company may reasonably require, together with such other evidence as the Company may reasonably require to show the right of the transferor to make the transfer and to verify the identity of the transferee. Such evidence may include among others a declaration as to whether the proposed transferee (i) is a US Person or acting for or on behalf of a US Person or (ii) is a Restricted Person or acting for or on behalf of a Restricted Person. Prior to the entering of the transferee on the Share register, all KYC requirements pursuant to Luxembourg law will have to be complied with in respect of the transferee.
- (b) The Company may decline to register a transfer of registered Shares:
 - (i) if in the opinion of the Company, the transfer will be unlawful or will result or be likely to result in any adverse regulatory, tax or fiscal consequences to the Company or its Shareholders; or
 - (ii) if the transferee is a US Person or is acting for or on behalf of a US Person; or
 - (iii) if the transferee is a Restricted Person or is acting for or on behalf of a Restricted Person; or
 - (iv) in relation to Classes reserved for subscription by Institutional Investors, if the transferee is not an Institutional Investor; or
 - (v) in circumstances as set out in Section 12(b) of this General Section.

10. LISTING OF THE SHARES

- (a) The Company may decide from time to time to apply for the listing of Shares of a particular Sub-fund or Class of Shares at the Luxembourg Stock Exchange as will be set out the case being in the specific Special Section.
- (b) To the extent that Shares will be listed at the Luxembourg Stock Exchange, such Shares shall be freely negotiable and transferable on the Luxembourg Stock Exchange upon their admission to trading thereon and the trades registered thereon may not be cancelled by the Company.
- (c) The transfer restrictions and eligibility requirements, as set out in particular under Section 9 above, will apply to any investor to which Shares are transferred on the Luxembourg Stock Exchange. Accordingly, the Company reserves the right to compulsorily redeem any Shares held in breach of any such transfer restrictions or eligibility requirements.

11. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS

- (a) Pursuant to international rules and Luxembourg laws and regulations, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering purposes.
- (b) Measures aimed towards the prevention of money laundering, as provided by (but not limited to) the Luxembourg laws of 19 February 1973 to combat drug addiction, as amended, of 5 April 1993, relating to the financial sector, as amended, and of 12 November 2004 on the fight against money laundering and terrorist financing, as amended (the **2004 Law**), the Grand Ducal Regulation of 1 February 2010 providing details on certain provisions of the 2004 Law, the CSSF Regulation N° 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing and the CSSF Circular 13/556 concerning the entry into force of CSSF Regulation N° 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, may require a detailed verification of a prospective investor's identity. These measures are the responsibility of the Company.
- (c) These measures may require the Registrar and Transfer Agent to request verification of the identity of any prospective investor. By way of example, an individual may be required to produce a copy of his/her passport or identification card duly certified by a competent authority (eg embassy, consulate, notary, police officer, financial institution domiciled in a country imposing equivalent identification requirements or any other competent authority). In the case of corporate applicants, this may require, amongst others, production of a certified copy of the certificate of incorporation (and any change of name) and investor's memorandum and articles of association (or equivalent), a recent list of its Shareholders showing a recent stake in its capital, printed on the letterhead of the investor duly dated and signed, an authorised signature list and an excerpt of the trade register. It should be noted that the above list is not exhaustive and that the investors may be required to provide further information to the Registrar and Transfer Agent in order to ensure the identification of the final beneficial owner of the Shares.
- (d) Until satisfactory proof of identity is provided by potential investors or transferees as determined by the Registrar and Transfer Agent, it reserves the right to withhold issue or approval of registration of transfers of Shares. Similarly, redemption proceeds will not be paid unless compliance with these requirements has been made in full. In any such event, the Registrar and Transfer Agent will not be liable for any interest, costs or compensation.
- (e) In case of a delay or failure to provide satisfactory proof of identity, the Registrar and Transfer Agent may take such action as it thinks fit.

12. MARKET TIMING AND LATE TRADING

- (a) Prospective investors and Shareholders should note that the Company may reject or cancel any subscription or conversion orders for any reason and in particular in order to comply with the Circular 04/146 relating to the protection of UCIs and their investors against Late Trading and Market Timing practices.
- (b) For example, excessive trading of Shares in response to short-term fluctuations in the market, a trading technique sometimes referred to as Market Timing, has a disruptive effect on portfolio management and increases the Sub-funds' expenses. Accordingly, the Company may, in the sole discretion of the Board or the Management Company, compulsorily redeem Shares or reject any subscription orders and conversions orders from any investor that the Company or the Management Company reasonably believes has engaged in Market Timing activity. For these purposes, the Company and the Management Company may consider an

investor's trading history in the Sub-funds and accounts under common control or ownership.

- (c) The Company, the Management Company and the Board will not be held liable for any loss resulting from rejected orders or mandatory redemption.
- (d) Furthermore, the Company will ensure that the relevant deadlines for requests for subscriptions, redemptions or conversions are strictly complied with and will therefore take all adequate measures to prevent practices known as Late Trading.

13. CALCULATION OF NET ASSET VALUE

- (a) The Company, each Sub-fund and each Class in a Sub-fund have a Net Asset Value determined in accordance with the Articles. The Consolidation Currency of the Company is the USD. The Net Asset Value of each Sub-fund and Class will be calculated in the Reference Currency of the Sub-fund or Class, as it is stipulated in the relevant Special Section, and will be determined by the Administrative Agent for each Valuation Day on the NAV Calculation Day, by calculating the aggregate of:
 - (i) the value of all assets of the Company which are allocated to the relevant Sub-fund in accordance with the provisions of the Articles; less
 - (ii) all the liabilities of the Company which are allocated to the relevant Sub-fund and Class in accordance with the provisions of the Articles, and all fees attributable to the relevant Sub-fund and Class, which fees have accrued but are unpaid on the relevant Valuation Day.
- (b) The Net Asset Value per Share for a Valuation Day will be calculated in the Reference Currency of the relevant Sub-fund and will be calculated by the Administrative Agent at such time as the Board shall determine on the NAV Calculation Day of the relevant Sub-fund by dividing the Net Asset Value of the relevant Sub-fund by the number of Shares which are in issue on such Valuation Day in the relevant Sub-fund (including Shares in relation to which a Shareholder has requested redemption to be processed on such Valuation Day).
- (c) If the Sub-fund has more than one Class in issue, the Administrative Agent will calculate the Net Asset Value per Share of each Class for a Valuation Day by dividing the portion of the Net Asset Value of the relevant Sub-fund attributable to a particular Class by the number of Shares of such Class in the relevant Sub-fund which are in issue on such Valuation Day (including Shares in relation to which a Shareholder has requested redemption to be processed on such Valuation Day).
- (d) The Net Asset Value per Share may be rounded up or down to the nearest whole hundredth share of the currency in which the Net Asset Value of the relevant Shares are calculated.
- (e) The allocation of assets and liabilities of the Company between Sub-funds (and within each Sub-fund between the different Classes) will be effected so that:
 - (i) The subscription price received by the Company on the issue of Shares, and reductions in the value of the Company as a consequence of the redemption of Shares, will be attributed to the Sub-fund (and within that Sub-fund, the Class) to which the relevant Shares belong.

- (ii) Assets acquired by the Company upon the investment of the subscription proceeds and income and capital appreciation in relation to such investments which relate to a specific Sub-fund (and within a Sub-fund, to a specific Class) will be attributed to such Sub-fund (or Class in the Sub-fund).
 - (iii) Assets disposed of by the Company as a consequence of the redemption of Shares and liabilities, expenses and capital depreciation relating to investments made by the Company and other operations of the Company, which relate to a specific Sub-fund (and within a Sub-fund, to a specific Class) will be attributed to such Sub-fund (or Class in the Sub-fund).
 - (iv) Where the use of foreign exchange transactions, instruments or financial techniques relates to a specific Sub-fund (and within a Sub-fund, to a specific Class) the consequences of their use will be attributed to such Sub-fund (or Class in the Sub-fund).
 - (v) Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques relate to more than one Sub-fund (or within a Sub-fund, to more than one Class), they will be attributed to such Sub-funds (or Classes, as the case may be) in proportion to the extent to which they are attributable to each such Sub-fund (or each such Class).
 - (vi) Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques cannot be attributed to a particular Sub-fund they will be divided equally between all Sub-funds or, in so far as is justified by the amounts, will be attributed in proportion to the relative Net Asset Value of the Sub-funds (or Classes in the Sub-fund) if the Company, in its sole discretion, determines that this is the most appropriate method of attribution.
 - (vii) Upon payment of dividends to the Shareholders of a Sub-fund (and within a Sub-fund, to a specific Class) the net assets of this Sub-fund (or Class in the Sub-fund) are reduced by the amount of such dividend.
- (f) The assets of the Company will be valued as follows:
- (i) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued 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 arrived at after making such discount as Directors or their delegate may consider appropriate in such case to reflect the true value thereof;
 - (ii) The value of Transferable Securities, Money Market Instruments and financial derivative instruments are valued on the basis of the last available price of the relevant stock exchange or regulated market on which these securities or assets are traded or admitted for trading. Where such securities or other assets quoted or dealt in on one or more than one stock exchange or regulated market, the Board or its delegate shall adopt policies as to the order of priority in which such stock exchanges or other regulated markets shall be used for the provisions of prices of securities or assets;

- (iii) If a Transferable Security is not traded or admitted on any official stock exchange or an regulated market, or in the case of Transferable Securities so traded or admitted where the last available price is not representative of their fair market value, the Board or its delegate shall proceed on the basis of their reasonably foreseeable sales price, which shall be valued with prudence and in good faith;
- (iv) Money market instruments not traded on a stock exchange or on another regulated market open to the public will be valued on the basis of the relevant curves. Curve-based valuations are calculated from interest rates and credit spreads. The following principles are applied in this process: The interest rate nearest the residual maturity is interpolated for each money market instrument. Thus calculated, the interest rate is converted into a market price by adding a credit spread that reflects the creditworthiness of the underlying borrower. This credit spread is adjusted if there is a significant change in the borrower's credit rating.
- (v) OTC Derivatives will be valued in accordance with market practice. For certain Sub-funds using OTC Derivatives as part of their main Investment Policy, the valuation method of the OTC Derivative may be further specified in the relevant Special Section;
- (vi) Units or shares of UCITS and UCIs shall be valued on the basis of their last available net asset value, as reported by such undertakings;
- (vii) Liquid assets and Money Market Instruments may be valued at nominal value plus any accrued interest.
- (g) If any of the aforementioned valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of a Sub-fund's assets, the Board or its delegate may adopt different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.
- (h) Determinations of the Net Asset Value are made generally in accordance with Luxembourg generally accepted accounting principles. In the absence of bad faith, negligence or manifest error, every decision in determining the Net Asset Value taken by the Management Company will be final and binding on the relevant Sub-fund and on present, past and future Shareholders.

14. PRICE ADJUSTMENT POLICY

- (a) The basis on which the assets of each Sub-fund are valued for the purposes of calculating the Net Asset Value per Share is set out in Section 13 of the General Section. The actual cost of purchasing or selling assets and investments for a Sub-fund may however deviate from the latest available price or net asset value used, as appropriate, in calculating the Net Asset Value per Share due to duties and charges and spreads from buying and selling prices of the underlying investments. These costs have an adverse effect on the value of a Sub-fund (and therefor on investors) and are known as "dilution". To mitigate the effects of dilution (detrimental to investors), the Board may at its discretion, make a price adjustment to the Net Asset Value per Share in a Sub-fund (unless otherwise provided in a relevant Special Section).
- (b) Shares will in principle be issued and redeemed on the basis of a single price, ie, the Net Asset Value per Share. However – to mitigate the adverse effect of dilution – the Net Asset Value per Share may be adjusted in respect of any Valuation Day in the manner set out

below depending on whether or not a Sub-fund is in a net subscription position or in a net redemption position in respect of such Valuation Day to arrive at the applicable adjusted price (the **Adjusted Price**). Where there is no dealing (ie., redemption or subscription) in a Sub-fund or Class of a Sub-fund in respect of any Valuation Day, the applicable price will be the unadjusted Net Asset Value per Share. The Board will retain the discretion in relation to the circumstances under which to make such a price adjustment. As a general rule, the requirement to make a price adjustment will depend upon the volume of subscriptions or redemptions of Shares in the relevant Sub-fund. The Board may make a price adjustment if, in its opinion, the existing Shareholders (in case of subscriptions) or remaining Shareholders (in case of redemptions) might otherwise be adversely affected. In particular, the price adjustment may be made where, for example but without limitation:

- (i) a Sub-fund is in continual decline (ie, is experiencing a net outflow of redemptions);
 - (ii) a Sub-fund is experiencing large levels of net subscriptions relevant to its size;
 - (iii) a Sub-fund is experiencing a net subscription position or a net redemption position in respect of any Valuation Day;
 - (iv) the actual costs of subscription or redemption deviate from more than 5% of the Net Asset Value of a Sub-fund;
 - (v) in any other case where the Company is of the opinion that the interests of Shareholders require the imposition of a price adjustment.
- (c) The price adjustment will involve adding to, when the Sub-fund is in a net subscription position, and deducting from, when the Sub-fund is in a net redemption position, the Net Asset Value per Share such figure as the Board considers represents an appropriate figure to meet duties and charges and spreads. In particular, the Net Asset Value of the relevant Sub-fund will be adjusted (upwards or downwards) by an amount which reflects (i) the estimated fiscal charges, (ii) dealing costs that may be incurred by the Sub-fund and (iii) the estimated bid/offer spread of the assets in which the Sub-fund invests. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. Adjustments will however be limited to a maximum of 2% of the then applicable Net Asset Value per Share.
- (d) The Adjusted Price of each Class in the Sub-fund will be calculated separately but any price adjustment will in percentage terms affect the Adjusted Price of each Class in an identical manner. On the occasions when the price adjustment is not made there may be an adverse impact on the total assets of a Sub-fund.
- (e) For the avoidance of doubt, the adjustment mechanism is applied on the capital activity at the level of the relevant Sub-fund and does not address the specific circumstances of each individual transaction and any performance fee will be calculated on the basis of a unadjusted Net Asset Value.

15. SUSPENSION OF DETERMINATION OF NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION OF SHARES

- (a) The Company or the Management Company may at any time and from time to time suspend the determination of the Net Asset Value of Shares of any Sub-fund or Class and/or the issue of the Shares of such Sub-fund or Class to subscribers and/or the redemption of the Shares of such Sub-fund or Class from its Shareholders as well as conversions of Shares of any Class in a Sub-fund:

- (i) when one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the assets of the relevant Sub-fund or Class, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the relevant Sub-fund or Class are denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
 - (ii) when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Board, disposal of the assets of the relevant Sub-fund or Class is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;
 - (iii) in the case of a breakdown in the normal means of communication used for the valuation of any investment of the relevant Sub-fund or Class or if, for any reason beyond the responsibility of the Board, the value of any asset of the relevant Sub-fund or Class may not be determined as rapidly and accurately as required;
 - (iv) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable or if purchases and sales of the Sub-fund's assets cannot be effected at normal rates of exchange;
 - (v) when the Board so decides, provided that all Shareholders are treated on an equal footing and all relevant laws and regulations are applied (A) upon publication of a notice convening a general meeting of Shareholders of the Company or of a Sub-fund for the purpose of deciding on the liquidation, dissolution, the merger or absorption of the Company or the relevant Sub-fund and (B) when the Board is empowered to decide on this matter, upon their decision to liquidate, dissolve, merge or absorb the relevant Sub-fund;
 - (vi) in case of the Company's liquidation or in the case a notice of termination has been issued in connection with the liquidation of a Sub-fund or a class of shares;
 - (vii) where, in the opinion of the Board, circumstances which are beyond the control of the Board make it impracticable or unfair vis-à-vis the Shareholders to continue trading the Shares.
- (b) Any such suspension may be notified by the Company or the Management Company in such manner as it may deem appropriate to the persons likely to be affected thereby. The Company or Management Company will notify Shareholders requesting redemption or conversion of their Shares of such suspension.
 - (c) Such suspension as to any Sub-fund will have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Sub-fund.
 - (d) Any request for subscription, redemption and conversion will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share in the relevant Sub-fund. Withdrawal of a subscription or of an application for redemption or conversion will only be effective if written notification (by electronic mail, regular mail, courier or fax) is received by the Registrar and Transfer Agent before termination of the period of suspension, failing which subscription, redemption applications not withdrawn will be processed on the first Valuation Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined for such Valuation Day.

16. FISCAL YEAR AND REPORTING – SHAREHOLDERS' MEETING

16.1 Fiscal Year – Reporting

- (a) The Fiscal Year will begin on 1 January and terminate on 31 December of each year.
- (b) Audited annual reports of the end of each Fiscal Year will be established as at 31 December of each year. Such reports will contain details on the underlying exposure obtained through financial derivative instruments and EPM Techniques, the identity of the counterparty(ies) to financial derivative transactions and EPM Techniques as well as the type and amount of collateral received by the Company to reduce counterparty exposure and the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred. In addition, unaudited semi-annual reports will be established as per the last day of the month of June. Those financial reports will provide for information on each of the Sub-fund's assets as well as the consolidated accounts of the Company and be made available to the Shareholders free of charge at the registered office of the Company and of the Management Company. The first audited annual report was established as at 31 December 2015 and the first unaudited semi-annual reports was established as at 30 June 2016.
- (c) The financial statements of each Sub-fund will be established in the Reference Currency of the Sub-fund but the consolidated accounts will be in USD.
- (d) Audited annual reports will be published within four months following the end of the accounting year and unaudited semi-annual reports will be published within two months following the end of period to which they refer.
- (e) The Net Asset Value per Share and Adjusted Price of each Class within in each Sub-fund will be made public at the offices of the Company, the Management Company and the Administrative Agent on each NAV Calculation Day.
- (f) Documents available for inspection by Shareholders free of charge, during usual business hours at the offices of the Company, the Management Company and the Administrative Agent in Luxembourg (copies of these documents may also be delivered without cost to Shareholders at their request):
 - (i) the Prospectus;
 - (ii) the Articles;
 - (iii) the Management Company Agreement;
 - (iv) the Depositary Agreement;
 - (v) the Administration Agreement; and
 - (vi) the most recent annual and semi-annual financial statements of the Company.
- (g) The above agreements may be amended from time to time by all the parties involved.
- (h) Shareholders can obtain the latest Prospectus, the key investor information documents, the most recent annual and semi-annual reports and the Articles from the website <http://greenash-partners.com/home> or at the registered office of the Company or the Management Company free of charge.

16.2 Information for the investors

Information and particularly notifications to investors will be made available on <http://greenash-partners.com/home>. If required by Luxembourg law or the CSSF, notifications to investors are also published in the RESA and in a Luxembourg newspaper, as well as in those media appropriate in countries where the Shares are publically distributed outside the Grand Duchy of Luxembourg.

16.3 General Meeting of Shareholders

- (a) The annual general meeting of the Shareholders in the Company shall be held at the registered office of the Company or on the place specified in the convening notice on the last Friday in May of each year at 2.00pm (Luxembourg time). If this day is a legal or banking holiday in Luxembourg, the annual general meeting will be held on the preceding Business Day.
- (b) Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-fund) will be mailed to each registered Shareholder at least eight days prior to the meeting and will be published to the extent required by Luxembourg law in the RESA and in any Luxembourg and other newspaper(s) that the Board may determine.
- (c) Such notices shall contain the agenda, the date and place of the meeting, the conditions of admission to the meeting and they shall refer to the applicable quorum and majority requirements. The meetings of Shareholders of Shares of a particular Sub-fund may decide on matters which are relevant only for the Sub-fund concerned. Financial statements of the Company will be made available to the Shareholders in accordance with Luxembourg law.
- (d) To the extent permitted by law, the convening notice to a general meeting may provide that the quorum and majority requirements will be assessed against the number of Shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the relevant meeting (the Record Date) in which case, the right of any Shareholder to participate in the meeting will be determined by reference to his/her/its holding as at the Record Date.

17. FEES AND EXPENSES

17.1 Fees and expenses payable directly by the Company

(a) Formation and launching expenses

- (i) The Company shall bear all the costs and expenses incurred in connection with the formation of the Company, including any setting up fees (which may be charged by the Management Company or any third party in relation to the preparation of the initial fund documents and the initial organisation of the Company) and notary fees, and the creation and launching of the Initial Sub-fund. Any such costs and expenses will be written off over a period not exceeding five years.
- (ii) Expenses incurred in connection with the creation and launching of any additional Sub-fund may be borne by the relevant Sub-fund and be written off over a period not exceeding five years. Hence, the additional Sub-funds will not bear a *pro rata* proportion of the formation and launching expenses incurred on behalf of, or in connection with, the formation of the Company and the launching of the Initial Sub-fund.

- (iii) In relation to the launching of a particular Sub-fund, a start-up fee to be borne out of the Sub-fund's assets may be provided for in respect of a particular Sub-fund or Class to cover the start up activity (which may extent over the first year) in relation to eg the initial structuring of the investment strategy and of the Sub-fund's portfolio, being however understood that such fee will not cover any transaction costs incurred in building up the portfolio. To the extent that such a start-up fee will be applicable in respect of a particular Sub-fund or Class, the details thereof will be set out in respect of the relevant Sub-fund or Class in the respective Special Section. Any such fee may be written off over a period not exceeding five years.

(b) Operation and administration expenses

- (i) The Company will pay out of the assets of the relevant Sub-fund all expenses incurred by it, which will include but not be limited to: all taxes which may be due on the assets and the income of the Company; the reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by the Depositary and any custody charges of banks and financial institutions to whom custody of assets of the Company is entrusted; usual banking fees due on transactions involving securities or other assets (including derivatives) held in the portfolio of the Company (such fees to be included in the acquisition price and to be deducted from the selling price); the fees, expenses and all reasonable out-of-pocket expenses properly incurred by the Company, the Service Providers and any other agent appointed by the Company; legal expenses incurred by the Company or the Service Providers while acting in the interests of the Shareholders; the cost and expenses of preparing and/or filing and printing the Articles and all other documents concerning the Company (in such languages as are necessary), including registration statements, prospectuses, key investor information documents and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Company or the offering of Shares of the Company; the costs of registering the Shares for public distribution and/or the maintenance of such registration; the cost of preparing, in such languages as are necessary for the benefit of the Shareholders (including the beneficial holders of the Shares), and distributing annual and semi-annual reports and such other reports or documents as may be required under applicable laws or regulations; the cost of accounting, bookkeeping and calculating the Net Asset Value (and Adjusted Price); the cost of preparing, distributing and publishing notices to the Shareholders; a reasonable share of the cost of promoting the Company, as determined in good faith by the Company, including reasonable marketing and advertising expenses; any director fees or remuneration (in an amount of up to EUR 10,000 p.a. per director) and reasonable travel expenses incurred by them; fees payable in respect of the domiciliation of the Company; costs for calculating the risk and performance figures and the calculation of performance-related fees for the Management Company by third parties appointed to do so; the costs related to the use of index names, in particular licence fees; costs charged at usual rates in relation to the assuming of the promoter function; auditors costs; the costs incurred with the admission and the maintenance of the Shares on the stock exchanges on which they are listed (if listed). The Company may accrue in its accounts of administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.
- (ii) The Depositary is entitled to receive fees out of the assets of each Class within each Sub-fund pursuant to the relevant agreement between the Depositary, the Management Company and the Company and in accordance with usual market

practice. The Depositary is entitled to receive, out of the assets of each Class within each Sub-fund, a variable fee of the Net Asset Value subject to a minimum fee per annum as further described in the Depositary Agreement. The respective variable fee will be set out in respect of each Sub-fund or Class, if applicable, in the relevant Special Section.

Further information on the custodian fee payable to the Depositary under the Depositary Agreement (including the applicable minimum fee per annum) can be obtained by investors from the Management Company upon request. In addition, the Depositary is entitled to recover from the Company sub-custody fees, transaction charges, and out-of-pocket expenses at normal commercial rates.

- (iii) The Paying Agent is entitled to receive fees out of the assets of the Company, in accordance with usual market practice and pursuant to the Depositary Agreement.
- (iv) The Administrative Agent is entitled to receive, out of the assets of each Class within each Sub-fund, a variable fee which will be set out in respect of each Sub-fund or Class, if applicable, in the relevant Special Section and which will be calculated on the average net assets of the Sub-fund. This fee may be subject to a minimum fee per month as further described in the Administration Agreement. Further information on the administration fee payable to the Administrative Agent under the Administration Agreement (including the applicable minimum fee per annum) can be obtained by investors from the Management Company upon request. In addition, the Administrative Agent is entitled to any reasonable expenses properly incurred in carrying out its duties under the Administration Agreement.
- (v) The Registrar and Transfer Agent is entitled to receive such fees as will be set out in respect of each Sub-fund or Class, if applicable, in the relevant Special Section. This fee may be subject to a minimum fee as further described in the Registrar and Transfer Agent Agreement. Further information on the registrar and transfer agent fee payable to the Registrar and Transfer Agent under the Registrar and Transfer Agent Agreement (including the applicable minimum fee) can be obtained by investors from the Management Company upon request. In addition, the Registrar and Transfer Agent may be entitled to any reasonable expenses properly incurred in carrying out its duties.
- (vi) The Company shall bear costs for the provision of analysis material or services by third parties in relation to one or more financial instruments or other assets, or in relation to the issuers or potential issuers of financial instruments, or in close cooperation with a specific sector or a specific market. The amount of the costs for the provision of analysis material or services by third parties is shown in the Special Section of the respective Sub-fund.

(c) Management Company Fee and related expenses

In consideration for all services provided by the Management Company, the Management Company is entitled to a Management Company Fee which will be set out in respect of each Sub-fund or Class, if applicable, in the relevant Special Section and which will be calculated on the average net assets of the Sub-fund or Class, if applicable.

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

If an Investment Manager or Investment Adviser is entitled to receive a remuneration out of the assets of a Sub-fund, then such remuneration will be disclosed in respect of each Sub-fund or Class,

if applicable, in the relevant Special Section. The remuneration of the Investment Manager(s) or Investment Adviser(s) may be payable to the Management Company or be included in the Management Company Fee, in which case the Management Company will pay the respective Investment Manager or Investment Adviser out of such remuneration. If no separate remuneration of the Investment Manager(s) or Investment Adviser(s) will be disclosed in the Special Section, such remuneration may be deemed included in the Management Company Fee.

(e) Performance Fee

A performance related fee may be applicable in respect of a particular Sub-fund or Class within that Sub-fund. If a performance related fee will be applicable, the details thereof will be disclosed in respect of the concerned Sub-fund or Class in the relevant Special Section.

(f) Distribution Fees

The Distributors may be entitled for the services they render and for expenses incurred in connection with the sale of Shares and/or in connection with services rendered to Shareholders and for managing Shareholder accounts. If a distribution fee will be applicable, the details thereof will be disclosed in respect of the concerned Sub-fund or Class in the relevant Special Section.

(g) Annual subscription tax (Taxe d'abonnement)

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

17.2 Fees and expenses payable directly by the investor

(a) Subscription Fee

If an investor wants to subscribe Shares, a Subscription Fee may be added to the subscription price to be paid by the investor. The applicable Subscription Fee will be stipulated in the relevant Special Section. This fee will be payable to the Company respectively Sub-fund or the Distributor, unless otherwise specified in respect of a Sub-fund in the relevant Special Section.

(b) Redemption Fee

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

(c) Conversion Fee

A Conversion Fee, in favour of Sub-fund from which the Shares are converted, of up to 1% of the Net Asset Value or Adjusted Price of the Shares of the relevant Class of the relevant new Sub-fund to be issued may be levied to cover conversion costs. The same rate of Conversion Fee will be applied to all conversion requests received on the same Transaction Day.

(d) Total expense ratio

Additional costs for investors which, when units are acquired or brokered through third parties, are not identical to the costs disclosed in this prospectus and in the key investor information and may exceed the total expense ratio as described here. The reason for this may, in particular, be that the third party additionally takes into account the costs of its own operations (eg brokerage, advice or portfolio management). In addition, the third party may also take into account non-recurring costs such as sales charges and generally uses different calculation methods or estimates for the expenses incurred at fund level, which include the fund's transaction costs in particular. Divergences in the cost quotation may arise both in the case of information provided prior to conclusion of a contract and for regular cost information about the investment held within a long-term client relationship.

18. DIVIDEND POLICY

- (a) Each year the general meeting of Shareholders will decide, based on a proposal from the Board, for each Sub-fund, on the use of the balance of the year's net income of the investments. A dividend may be distributed, either in cash or Shares. Further, dividends may include a capital distribution, provided that after distribution the net assets of the Company total more than EUR1,250,000, respectively the equivalent thereof in the consolidation currency (USD) of the Company.
- (b) Over and above the distributions mentioned in the preceding paragraph, the Board may decide to the payment of interim dividends in the form and under the conditions as provided by law.
- (c) The Company may issue Accumulation Classes and Distribution Classes within the Classes of each Sub-fund, as indicated in the Special Section. Accumulation Classes capitalise their entire earnings whereas Distribution Classes pay dividends.
- (d) For Distribution Classes, dividends, if any, may be declared and distributed in principle on an annual basis. Distribution frequencies deviating from this principle (quarterly, monthly or other temporally basis) are determined in the relevant Special Section in respect of a Distribution Class. Moreover, interim dividends may be declared and distributed from time to time at a frequency determined by the Company within the conditions set forth by law. Under no circumstances may distributions be made if doing so would result in the net assets of the Company falling below EUR 1,250,000.
- (e) Payments will be made in the Reference Currency of the relevant Sub-fund. With regard to Shares held through Clearstream (or their successors), dividends shall be paid by bank transfer to the relevant bank. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-fund.
- (f) Unless otherwise stated for a particular Sub-fund in the relevant Special Section, the Company is authorised to make in-kind distributions/payments of securities or other assets with the consent of the relevant Shareholder(s). Any such distributions/payments in kind will be valued in a report established by an auditor qualifying as a *réviseur d'entreprises agréé* drawn up in accordance with the requirements of Luxembourg Law, the costs of which report will be borne by the relevant Shareholder.

19. LIQUIDATION AND MERGER OF SUB-FUNDS OR CLASSES

19.1 Dissolution of the Company

- (a) The duration of the Company is not limited by the Articles. The Company may be wound up by decision of an extraordinary general meeting of Shareholders. If the total net assets of the Company falls below two-thirds of the minimum capital prescribed by law (ie

EUR1,250,000, respectively the equivalent thereof in the consolidation currency (USD) of the Company), the Board must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed and which shall pass resolutions by simple majority of the Shares represented at the meeting.

- (b) If the total net assets of the Company fall below one-fourth of the minimum capital prescribed by law, the Board must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed. A resolution dissolving the Company may be passed by Shareholders holding one-fourth of the Shares represented at the meeting.
- (c) The meeting must be convened so that it is held within a period of forty days from the date of ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.
- (d) If the Company is dissolved, the liquidation shall be carried out by one or several liquidators appointed in accordance with the provisions of the 2010 Act. The decision to dissolve the Company will be published in the RESA and two newspapers with adequate circulation, one of which must be a Luxembourg newspaper. The liquidator(s) will realise each Sub-fund's assets in the best interests of the Shareholders and apportion the proceeds of the liquidation, after deduction of liquidation costs, amongst the Shareholders of the relevant Sub-fund according to their respective pro rata. Any amounts unclaimed by the Shareholders at the closing of the liquidation of the Company will be deposited with the *Caisse de Consignation* in Luxembourg for a duration of thirty (30) years. If amounts deposited remain unclaimed beyond the prescribed time limit, they shall be forfeited.
- (e) As soon as the decision to wind up the Company is made, the issue, redemption or conversion of Shares in all Sub-funds will be prohibited and shall be deemed void.

19.2 Merger

- (a) In accordance with the provisions of the 2010 Act and of the Articles, the Board may decide to merge or consolidate the Company with, or transfer substantially all or part of the Company's assets to, or acquire substantially all the assets of, another UCITS established in Luxembourg or another EU Member State. For the purpose of Sections 19.2(a) to 19.2(b), the term UCITS also refers to a sub-fund of a UCITS and the term Company also refers to a Sub-fund.
- (b) The decision of the Board to merge pursuant to 19.2(a) above must be approved by a general meeting of Shareholders (or, for a merger involving one or more Sub-funds, general meeting(s) of Shareholders of the relevant Sub-fund(s)), such decision to be taken by simple majority of the votes cast by Shareholders present or represented at the relevant general meeting of Shareholders. Any merger leading to termination of the Company must be approved by Supermajority Resolution at the Shareholders' meeting.
- (c) Shareholders will receive shares of the surviving UCITS or sub-fund and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares.
- (d) The Company will provide appropriate and accurate information on the proposed merger to its Shareholders so as to enable them to make an informed judgment of the impact of the merger on their investment and to exercise their rights under this Sections 19.2(a) to 19.2(g) and the 2010 Act.

- (e) The Shareholders have the right to request, without any charge other than those retained by the Company to meet disinvestment costs, the redemption of their Shares.
- (f) Under the same circumstances as provided by Section 19.3(a) below, the Board may decide to allocate the assets of a Sub-fund to those of another existing Sub-fund within the Company and to repatriate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described in Section 19.1(d) one month before its effectiveness (and, in addition, the publication will contain information in relation to the new Sub-fund), in order to enable the Shareholders to request redemption of their Shares, free of charge, during such period.
- (g) Notwithstanding the powers conferred to the Board by Section 19.2(f) above, a contribution of the assets and of the liabilities attributable to any Sub-fund to another Sub-fund within the Company may in any other circumstances be decided upon by a general meeting of Shareholders of the Class or Classes issued in the Sub-fund concerned for which there will be no quorum requirements and which will decide upon such a merger by resolution taken by simple majority of those present or represented and voting at such meeting.
- (h) For the interest of the Shareholders of the relevant Sub-fund or in the event that a change in the economic or political situation relating to a Sub-fund so justifies, the Board may proceed to the reorganisation of a Sub-fund by means of a division into two or more Sub-funds. Information concerning the new Sub-fund(s) will be provided to the relevant Shareholders. Such publication will be made one month prior to the effectiveness of the reorganisation in order to permit Shareholders to request redemption of their Shares free of charge during such one month prior period.

19.3 Liquidation of Sub-funds or Classes

- (a) If, for any reason, the net assets of a Sub-fund or attributable to any Class fall below the Minimum Net Asset Value, respectively 1/10 of the Minimum Net Asset Value or if a change in the economic or political environment of the relevant Sub-fund or Class may have material adverse consequences on the Sub-fund or Class's investments, or if an economic rationalisation so requires, the Board may decide on a compulsory redemption of all Shares outstanding in such Sub-fund or Class on the basis of the Net Asset Value per Share (after taking account of current realisation prices of the investments as well as realisation expenses), calculated as of the day the decision becomes effective. The Company will serve a notice to the holders of the relevant Shares at the latest on the effective date for the compulsory redemption, which will indicate the reasons of and the procedure for the redemption operations. Registered Shareholders will be notified in writing. Unless the Board decides otherwise in the interests of, or in order to keep equal treatment between the Shareholders, the Shareholders of the Sub-fund or Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charge. However, the liquidation costs will be taken into account in the redemption and conversion price. Liquidation proceeds which could not be distributed to the Shareholders upon the conclusion of the liquidation of a Sub-fund or Class will be deposited with the *Caisse de Consignation* on behalf of such beneficiaries.
- (b) Notwithstanding the powers granted to the Board as described in the previous paragraph, a general meeting of Shareholders of a Sub-fund or Class may, upon proposal of the Board, decide to repurchase all the Shares in such Sub-fund or Class and to reimburse the Shareholders on the basis of the Net Asset Value of their Shares (taking account of current realisation prices of the investments as well as realisation expenses) calculated as of the

Valuation Day on which such decision will become effective. No quorum will be required at this general meeting and resolutions will be passed by a simple majority of the Shareholders present or represented, provided that the decision does not result in the liquidation of the Company.

- (c) All the Shares redeemed will be cancelled.

20. TAXATION

20.1 Tax treatment of the Company

- (a) Under present Luxembourg Law and administrative practice, neither the Company nor any of its Sub-funds is liable for any Luxembourg corporate income tax, municipal business tax, and net wealth tax. The Company (or each of its Sub-funds) is however liable in Luxembourg to a subscription tax payable on its total net assets at a rate of 0.05% per annum (except, *inter alia*, for Sub-funds or Classes which are reserved to Institutional Investors or UCIs which are subject to a tax at a reduced rate of 0.01% p.a. on net assets), payable quarterly. In the case some Sub-funds are invested in other Luxembourg UCIs, which in turn are subject to the subscription tax provided for by the 2010 Act, no subscription tax is due by the Company on the portion of assets invested therein.
- (b) No capital duty (*droit d'apport*) is due upon the incorporation of the Company. However, a fixed registration duty of EUR 75.- has been introduced and has to be paid upon incorporation and upon subsequent amendments (if any) to the Articles.
- (c) As described below under section 20.3, dividends and interest, if any, received by the Company from investments may be subject to taxes and/or withholding taxes in the source countries concerned at varying rates, such (withholding) taxes usually not being recoverable. The Company may be liable for certain other foreign taxes.

20.2 Tax treatment of the Shareholders

- (a) Under current legislation, Shareholders are not subject to any taxation on income, taxation on capital gains, transfer or withholding tax in Luxembourg on the holding, sale, purchase, transfer or repurchase of Shares of the Company, except for those Shareholders domiciled, resident of or having a permanent establishment or permanent representative in Luxembourg.

20.3 Other jurisdictions

- (a) Interest, dividend and other income realised by the Company on the sale of securities, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Company will bear since the amount of the assets to be invested in various countries and the ability of the Company to reduce such taxes is not known.
- (b) It is expected that Shareholders may be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the tax consequences for each prospective investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances.

20.4 Future changes in applicable law

- (a) The foregoing description of Luxembourg tax consequences of an investment in, and the operations of, the Company is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company to income taxes or subject Shareholders to increased income taxes.
- (b) THE INFORMATION SET OUT ABOVE IS A SUMMARY OF THOSE TAX ISSUES WHICH COULD ARISE IN LUXEMBOURG AND DOES NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OF THE TAX ISSUES WHICH COULD AFFECT A PROSPECTIVE SUBSCRIBER.
- (c) THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SUBSCRIBERS. PROSPECTIVE SUBSCRIBERS SHOULD CONSULT THEIR OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY OTHER JURISDICTION WHICH MAY BE APPLICABLE TO THEM.

20.5 US Tax Withholding and Reporting under the Foreign Account Tax Compliance Act

- (a) Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a **Foreign Financial Institution**, or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. Person or should otherwise be treated as holding a "**United States account**" of the Company (a **Recalcitrant Holder**). The new withholding regime is now in effect for payments from sources with the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. The Company is classified as an FFI.
- (b) The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** (or, in the case of certain exempt entities, a "**Nonreporting FI**") not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. On 28 March 2014, the United States and the Grand Duchy of Luxembourg entered into an agreement (the **Luxembourg IGA**) based largely on the Model 1 IGA.
- (c) The Company expects to be treated as a Reporting FI pursuant to the Luxembourg IGA. It does not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Company would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Company and financial institutions through which payments on the Shares are made may be

required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Shares is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

- (d) If an amount in respect of FATCA were to be withheld either from amounts due to the Company or from any payments on the Shares, neither the Company nor any other Person would be required to pay additional amounts.
- (e) FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective Investors should consult their tax advisers on how these rules may apply to the Company and to payments they may receive in connection with the Shares.
- (f) Except as provided above with respect to FATCA, this summary does not address any U.S. federal income tax consequences that may be relevant to an investment in the Company, including, but not limited to, the U.S. federal income tax consequences of investments by the Company or distributions paid by the Company to Investors. Each prospective Investor should also note that this summary does not address the interaction of U.S. federal tax laws and any income or estate tax treaties between the United States and any other jurisdiction. Investors are encouraged to consult their own tax advisors regarding the U.S. federal income tax consequences that may be relevant to an investment in the Company.

20.6 Automatic exchange of information

- (a) The Company may be required to report certain information about its Shareholders and, as the case may be, about individuals controlling Shareholders that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 24 July 2015 concerning FATCA, as amended, and/or the Luxembourg law of 18 December 2015, as amended, implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the “Common Reporting Standard”), each as amended from time to time (each an **AEOI Law** and collectively the **AEOI Laws**). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Shares (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.
- (b) Each Shareholder and prospective investor agrees to provide, upon request by the Company (or its delegates), any such information, documents and certificates as may be required for the purposes of the Company’s identification and reporting obligations under any AEOI Law. The Company reserves the right to reject any application for Shares or to redeem Shares (i) if the prospective investor or Shareholder does not provide the required information, documents or certificates or (ii) if the Company (or its delegates) has reason to believe that the information, documents or certificates provided to the Company (or its delegates) are incomplete or incorrect and the Shareholder does not provide, to the satisfaction of the Company (or its delegates), sufficient information to cure the situation. Prospective investors and Shareholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Laws. Neither the Company nor any other person accepts any liability for any consequences that may result

from incomplete or inaccurate information provided to the Company (or its delegates). Any Shareholder failing to comply with the Company's information requests may be charged with any taxes and penalties imposed on the Company attributable to such Shareholder's failure to provide complete and accurate information.

- (c) Each Shareholder and prospective investor acknowledges and agrees that the Company will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the AEOI Laws. Each individual whose personal data has been processed for the purposes of any AEOI Law has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

21. RISK FACTORS

21.1 General

- (a) Before making an investment decision with respect to Shares of any Class in any Sub-fund, prospective investors should carefully consider all of the information set out in this Prospectus and the relevant Special Section, as well as their own personal circumstances. Prospective investors should have particular regard to, among other matters, the considerations set out in this Section and under the Sections 21 (Risk Factors) (if any) and "Profile of Typical Investor" in the relevant Special Section. The risk factors referred to therein, and in this document, alone or collectively, may reduce the return on the Shares of any Sub-fund and could result in the loss of all or a proportion of a Shareholder's investment in the Shares of any Sub-fund. The price of the Shares of any Sub-fund can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested in any Class or any amount at all.
- (b) The risks may include or relate to equity markets, bond markets, foreign exchange rates, interest rates, credit risk and the use of derivatives, counterparty risk, market volatility and political risks. The risk factors set out in this Prospectus and the relevant Special Section are not exhaustive. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.
- (c) An investment in the Shares of any Sub-fund is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.
- (d) Before making any investment decision with respect to the Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, solicitor, accountant and/or financial adviser and carefully review and consider such an investment decision in the light of the foregoing and the prospective investor's personal circumstances.
- (e) The Company is intended to be a medium to long-term investment vehicle (depending on the investment policy of the relevant Sub-funds). Shares may however be redeemed on each Transaction Day. Substantial redemptions of Shares by Shareholders within a limited period of time could cause the Company to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value per Share could make it more difficult for the Company to generate trading profits or recover losses.

- (f) Furthermore there can be a higher volatility on the composition of the Sub-fund's portfolio or the used methods of portfolio management.

21.2 General economic conditions

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the liquidity of the markets for both equities and interest-rate-sensitive securities. Certain market conditions, including unexpected volatility or illiquidity in the market in which the Company directly or indirectly holds positions, could impair the Company's ability to achieve its objectives and/or cause it to incur losses.

21.3 Indemnities

Certain Service Providers of a Sub-fund and their directors, managers, officers and employees may benefit from an indemnification under the relevant Service Agreement and could therefore, in certain circumstances, be indemnified out of the relevant Sub-fund's assets against liabilities, costs, expenses (including, eg, legal expenses) incurred by reason of such person or entity providing services to the relevant Sub-fund. In principle, however, indemnification Sections will generally contain carve outs in relation to acts or omissions that incur, eg, gross negligence, fraud, wilful default or reckless disregard.

21.4 Key Persons/

The success of the Company or of its Sub-funds will largely depend on the experience, relationships and expertise of the key persons within the Board, the Management Company or the Investment Manager, if any, which have long term experience in the respective area of investment. The performance of the Company or any Sub-fund may be negatively affected if any of the key persons involved in the management or investment process of the Company or particular Sub-fund would for any reason cease to be involved. Furthermore, the key persons might be involved in other businesses, including in similar projects or investment structures, and not be able to devote all of their time to the Company or the respective Sub-fund. In addition the involvement in similar projects or investment structures may create a source for potential conflicts of interest.

21.5 Exchange rates

Investors in the Shares should be aware that an investment in the Shares may involve exchange rate risks. For example (i) a Sub-fund may have direct or indirect exposure to a number of different currencies of emerging market or developed countries; (ii) a Sub-fund may invest in securities or other eligible assets denominated in currencies other than the Sub-fund's Reference Currency; (iii) the Shares may be denominated in a currency other than the currency of the investor's home jurisdiction; and/or (iv) the Shares may be denominated in a currency other than the currency in which an investor wishes to receive his/her/its monies. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets, which are influenced by macro-economic factors (such as the economic development in the different currency areas, interest rates and international capital movements), speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Shares.

21.6 Interest rate

- (a) Investors in the Shares should be aware that an investment in the Shares may involve interest rate risk in that there may be fluctuations in the currency of denomination of securities or other eligible assets in which a Sub-fund invests the Shares.

- (b) Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the securities or other eligible assets in which a Sub-fund invests are denominated may affect the value of the Shares.

21.7 Market volatility

Market volatility reflects the degree of instability and expected instability of the securities or other eligible assets in which a Sub-fund invests, the performance of the Shares, or the techniques used to link the net proceeds of any issue of Shares to OTC Derivatives underlying asset(s), where applicable. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

21.8 Operational risk

There shall be duplication of management fees and other operating fund related expenses, each time a Sub-fund invests in target funds. The maximum proportion of management fees charged both to the Sub-fund itself and to the target Sub-fund in which the Sub-fund invests shall be disclosed in the annual report of the Company. If the Company invests in the units or shares of target funds that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or other company may not charge subscription or redemption fees on account of the Sub-fund's investment in such units or shares. The value of an investment represented by a target fund in which the Company invests, may be affected by fluctuations in the currency of the country where such target fund invests, or by foreign exchange rules, the application of the various tax laws of the relevant countries, including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries. Furthermore, it is to be noted that the Net Asset Value per Share will fluctuate mainly in light of the net asset value of the target fund.

21.9 Credit risk

Investors in the Shares should be aware that such an investment may involve credit risk. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share.

21.10 Investments in emerging markets

- (a) In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial

markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the Sub-funds.

- (b) Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Company may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.
- (c) Settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the Sub-funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment will be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the Counterparty) through whom the relevant transaction is effected might result in a loss being suffered by Sub-funds investing in emerging market securities.
- (d) The Company will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Company will be successful in eliminating this risk for the Sub-funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.
- (e) There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Company's claims in any of these events.
- (f) In some Eastern European countries there are uncertainties with regard to the ownership of properties. As a result, investing in Transferable Securities issued by companies holding ownership of such Eastern European properties may be subject to increased risk.

21.11 Risks in transactions in currencies

In general, foreign exchange rates can be extremely volatile and difficult to predict. Foreign exchange rates may be influenced by, among other factors: changing supply and demand for a particular currency; trade, fiscal and monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries); political events; changes in balances of payments and trade; domestic and foreign rates of inflation; domestic and foreign rates

of interest; international trade restrictions; and currency devaluations and revaluations. In addition, governments from time to time intervene, directly and by regulation, in the currency markets to influence prices directly. Variance in the degree of volatility of the market from the Management Company, the Investment Manager and the Investment Adviser's expectations may produce significant losses to a Sub-fund, particularly in the case of transactions entered into pursuant to non-directional strategies.

21.12 Use of financial derivative instruments

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

(a) **Market risk**

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

(b) **Control and monitoring**

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

(c) **Convertible securities risk**

A Sub-fund may invest in convertible securities, which may be low-rated and which may act like a bond (and be sensitive to interest rate changes) when the underlying equity value is depressed or like a stock (and move in a similar pattern to the stock the security is convertible into) when the underlying equity value approaches or exceeds the initial par value of the convertible security. The values of convertible securities may be affected by the price movement of the underlying securities and the investment in convertible securities may be subject to risk of default, risk related to interest rate changes, and liquidity risk. The value and performance of the Sub-fund may also be affected as a result.

(d) **Liquidity risk**

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

(e) **Counterparty risk**

(i) The Sub-funds may enter into transactions in OTC markets, which will expose the Sub-funds to the credit of its counterparties and their ability to satisfy the terms of

such contracts. For example, the Sub-funds may enter into swap arrangements or other derivative techniques as specified in the relevant Special Sections, each of which expose the Sub-funds to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-funds could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. However this risk is limited in view of the Investment Restrictions laid down in the Section 3 of the General Section.

- (ii) Certain markets in which the Sub-funds may affect their transactions are over-the-counter or interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. To the extent a Sub-fund invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, such Sub-fund may take credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections. This exposes the Sub-funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Sub-fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Company has concentrated its transactions with a single or small group of counterparties. In addition, in the case of a default, the respective Sub-fund could become subject to adverse market movements while replacement transactions are executed. The Sub-funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, the Sub-funds have no internal credit function which evaluates the creditworthiness of their counterparties. The ability of the Sub-funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Sub-funds.

(f) **Lack of availability**

Because the markets for certain derivative instruments (including markets located in foreign countries) are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, the Management Company may wish to retain the respective Sub-fund's position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Sub-funds will engage in derivatives transactions at any time or from time

to time. The Sub-funds' ability to use derivatives may also be limited by certain regulatory and tax considerations.

(g) **Synthetic Short Selling**

Sub-funds may utilise synthetic short exposures through the use of cash settled derivatives such as swaps, futures and forwards in order to enhance their overall performance. A synthetic short sale position replicates the economic effect of a transaction in which a fund sells a security it does not own but has borrowed, in anticipation that the market price of that security will decline. When a Sub-fund initiates such a synthetic short position in a security that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. A Sub-fund may be required to pay a fee to synthetically short particular securities and is often obligated to pay over any payments received on such securities. Each Sub-fund maintains sufficiently liquid long positions in order to cover any obligations arising from its short positions. If the price of the security on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-fund will incur a loss; conversely, if the price declines, the Sub-fund will realise a short-term capital gain. Any gain will be decreased and any loss increased by the transactional costs described above. Although a Sub-fund's gain is limited to the price at which it opened the synthetic short position, its potential loss is theoretically unlimited. Stop loss policies are typically employed to limit actual losses, which would otherwise have to be covered by closing long positions.

(h) **Synthetic Leverage**

A Sub-fund's portfolio may be leveraged by using derivative instruments (including OTC Derivatives) ie as a result of its transactions in the futures, options and swaps markets. A low margin deposit is required in futures trading and the low cost of carrying cash positions permit a degree of leverage, which may result in exaggerated profits or losses to an investor. A relatively small price movement in a futures position or the underlying instrument may result in substantial losses to the Sub-fund resulting in a similar decline to the Net Asset Value per Share. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contract or security underlying the option which the writer must purchase or deliver upon exercise of the option. Contracts for differences and swaps may also be used to provide synthetic short exposure to a stock – the risks associated with using swaps and contract for differences are more fully disclosed in Section 22.32 below.

(i) **Use of specific derivative contracts**

The following only represents a limited choice of risks associated with derivatives the Sub-funds may elect to invest in. The Sub-funds are substantially unrestricted in their use of derivatives and may decide to use various other derivatives contracts associated with much higher or different risks, as the case may be.

(i) **Swap agreements**

Sub-funds may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Sub-funds' exposure to long-term or short-term interest rates, different currency values, corporate borrowing rates, or other factors such as

without limitation security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Sub-funds are not limited to any particular form of swap agreement if consistent with the respective Sub-fund's investment objective and policies. Swap agreements tend to shift the respective Sub-fund's investment exposure from one type of investment to another. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Sub-funds' portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Sub-funds.

Inter alia, in order to seek to reduce the interest rate risk inherent in the Sub-funds underlying investments especially associated with bonds and other fixed income investments, the Sub-funds may employ interest rate swaps or option transactions. Interest rate swaps involve the Sub-funds' agreement with the swap counterparty to pay a variable rate payment on a notional amount in exchange for the counterparty paying the Sub-funds a fixed rate payment on a notional amount that is intended to approximate the Sub-funds income on variable interest rates.

The use of interest rate swaps and options is a highly specialised activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. Depending on the state of interest rates, the respective Sub-fund's use of interest rate instruments could enhance or harm the overall performance on the Shares in the respective Sub-fund. To the extent there is an increase in interest rates, the value of the interest rate swap or option could go down, and could result in a decline in the Net Asset Value of the Shares. If interest rates are higher than the respective Sub-fund's fixed rate of payment on the interest rate swap, the swap will reduce the net earnings. If, on the other hand, interest rates are lower than the fixed rate of payment on the interest rate swap, the swap will enhance net earnings.

Interest rate swaps and options generally do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to interest rate swaps or options is limited to the net amount of interest payments that the Sub-funds are contractually obligated to make.

In addition, at the time the interest rate swap or option transaction reaches its scheduled termination date, there is a risk that the Sub-funds will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favourable as the terms of the expiring transactions. If this occurs, it could have a negative impact on the performance of the Shares in the respective Sub-fund.

(ii) Call options

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option that is covered (eg, the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security offset by the gain by the premium received if the option expires out of the money, and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged call option assumes the risk of a theoretically

unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security (if the market price of the underlying security declines).

(iii) Put options

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option that is covered (eg, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price of the short position of the underlying security offset by the premium if the option expires out of the money, and thus the gain in the premium, and the option seller gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged put option assumes the risk of a decline in the market price of the underlying security to zero.

The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

(iv) Forward trading

Each Sub-fund may invest in forward contracts and options thereon, which, unlike futures contracts, are not traded on exchanges, and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. For example, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank traded instruments rely on the fulfilment by the dealer or counterparty of its contract. As a result, trading in unregulated exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which the respective Sub-fund has forward contracts. Although the Board seeks to trade with responsible counterparties, failure by a counterparty to fulfil its contractual obligation could expose the Company to unanticipated losses. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Sub-funds due to unusually high or low trading volume, political intervention or other factors. The imposition of credit controls by government authorities might also limit such forward trading to less than that which the Management Company would otherwise recommend, to the possible detriment of the Sub-funds.

- (v) Performance swaps, interest rate swaps, currency swaps, total return swaps, credit default swaps and interest rate swaptions.

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

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

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

A Sub-fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, a Sub-fund may buy protection under credit default swaps without holding the underlying assets.

A Sub-fund may also sell protection under credit default swaps in order to acquire a specific credit exposure.

A Sub-fund may also purchase a receiver or payer interest rate swaption contract. Swaptions are options on interest rate swaps. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to

receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

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

(vi) Specific risk relating to the use of total return swap (**TRS**)

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

(vii) Contracts for differences

The Sub-funds may have an exposure in Contracts For Difference (**CFDs**). CFDs are synthetic instruments which mirror the profit (or loss) effect of holding (or selling) equities directly without buying the actual securities themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and the share price when the contract is closed. Accordingly, under such an instrument the relevant Sub-fund will make a profit if it has a purchase position and the price of the underlying security rises (and make a loss if the price of the underlying security falls). Conversely if the Sub-fund has a sale position, it will make a profit if the price of the underlying security falls (and make a loss if the price of the underlying security rises). As part of the normal market terms of trade the Company must comply with market participants terms and conditions and in particular initial margin has to be paid to cover potential losses (on set up) and variation margin on adverse price movements (during the term of the CFD). In addition it should be noted the relevant Sub-fund could suffer losses in event of the CFD issuer's default or insolvency.

(viii) Other derivative instruments.

The Sub-funds may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Sub-funds and legally permissible. Special risks may apply to instruments that are invested in by the Company in the future that cannot be determined at this time or until such instruments are developed or invested in by the Sub-funds. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

(j) **Risks of options trading**

In seeking to enhance performance or hedge assets, the Sub-fund may use options. Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price.

(k) **Investing in futures is volatile and involves a high degree of leverage**

Futures markets are highly volatile markets. The profitability of the Sub-fund will partially depend on the ability of the Board, the Management Company or the Investment Manager to make a correct analysis of the market trends, influenced by governmental policies and plans, international political and economic events, changing supply and demand relationships, acts of governments and changes in interest rates. In addition, governments may from time to time intervene on certain markets, particularly currency markets. Such interventions may directly or indirectly influence the market. Given that only a small amount of margin is required to trade on futures markets, the operations of the managed futures portion of the Sub-fund shall be characterised by a high degree of leverage. As a consequence, a relatively small variation of the price of a futures contract may result in substantial losses for the Sub-fund and a correlated reduction of the Net Asset Value of the Shares of the Sub-fund.

(l) **Futures markets may be illiquid**

Most futures markets limit fluctuation in futures contracts prices during a single day. When the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions can be neither taken nor liquidated unless the Board, the Management Company or the Investment Manager are willing to trade at or within the limit. In the past futures contracts prices have exceeded the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Sub-fund from promptly liquidating unfavourable positions and thus subject the Sub-fund to substantial losses. In addition, even if the prices do not get close to such limits, the Sub-fund may be in a position not to obtain satisfying prices if the volumes traded on the market are insufficient to meet liquidation requests. It is also possible that a stock exchange, the Commodity Futures Trading Commission in the United States or another similar institution in another country suspends the listing of a particular contract, instructs the immediate liquidation of the contract or limits transactions on a contract to the sole transactions against delivery.

(m) **Options on futures**

The Company, the Management Company or the Investment Manager may engage in the management of options, in particular options on futures contracts. Such management carries risks similar to the risks inherent to the uncovered management of futures contracts on commodities as far as such options are volatile and imply a high degree of leverage. The specific movements of the commodities and futures contracts markets, which represent the underlying assets of the options may not be predicted with precision. The buyer of an option may lose the entire purchase price of the option. The seller of an option may lose the difference between the premium received for the option and the price of the commodity or of the futures contract underlying the option that the seller must buy or deliver, upon the exercise of the option.

(n) EPM Techniques / SFT

Unless otherwise provided for in a relevant Special Section, a Sub-fund may enter into Repurchase Transaction agreements and reverse Repurchase Transaction agreements as a buyer or as a seller subject to the conditions and limits set out in Section 4 of the General Section. If the other party to a Repurchase Transaction agreement or reverse Repurchase Transaction agreement should default, the Sub-fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Sub-fund in connection with the Repurchase Transaction agreement or reverse Repurchase Transaction agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the Repurchase Transaction agreement or reverse Repurchase Transaction agreement or its failure otherwise to perform its obligations on the repurchase date, the Sub-fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the Repurchase Transaction agreement or reverse Repurchase Transaction agreement.

A Sub-fund may enter into Securities Lending transactions subject to the conditions and limits set out in Section 4 of the General Section. If the other party to a Securities Lending transaction should default, the Sub-fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Company in connection with the Securities Lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the Securities Lending transaction or its failure to return the securities as agreed, the Sub-fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the Securities Lending agreement.

The Sub-funds will only use Repurchase Transaction agreements, reverse Repurchase Transaction agreements or Securities Lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant Sub-fund. When using such techniques, the Sub-fund will comply at all times with the provisions set out in Section 4 of the General Section. The risks arising from the use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and Securities Lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and Securities Lending transactions will generally not have a material impact on a Sub-fund's performance, the use of such techniques may have a significant effect, either negative or positive, on a Sub-fund's NAV.

A Sub-fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-fund

to the counterparty as required by the terms of the transaction. The Sub-fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-fund.

Securities lending, repurchase or reverse Repurchase Transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

The Company may enter into Securities Lending, repurchase or reverse Repurchase Transactions with other companies. Affiliated counterparties, if any, will perform their obligations under any Securities Lending, repurchase or reverse Repurchase Transactions concluded with the Company in a commercially reasonable manner. In addition, the Management Company or the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the respective Sub-fund and its Shareholders. However, Shareholders should be aware that the Management Company or the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties

The use of EPM Techniques, in particular with respect to the quality of the collateral received and/or reinvested, may lead to several risks such as liquidity risk, counterparty risk, issuer risk, valuation risk and settlement risk, which can have an impact on the performance of the Sub-fund concerned

In respect of Margin Lending Transactions, the Company and any of its Sub-funds cannot extend credit and may only receive credit subject to the restrictions in the General Section.

The use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and Securities Lending transactions is generally not expected to have a material adverse impact on a Sub-fund's performance or risk profile, subject to the above described risk factors.

(o) Other risks

- (i) Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-fund. However, this risk is limited as the valuation method used to value OTC Derivatives must be verifiable by an independent auditor.
- (ii) Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Sub-fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following a Sub-fund's Investment Objective.

21.13 Fixed-interest securities

- (a) Investment in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in currency exchange rates and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the reference currency of the Company would reduce the value of certain portfolio securities that are denominated in the former currency. The following risks may also be associated with fixed-interest securities:
- (b) Issuers are generally subject to different accounting, auditing and financial reporting standards in different countries throughout the world. The volume of trading, volatility of prices and liquidity of issuers may differ between the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies differs from one country to another. The laws of some countries may limit the Company's ability to invest in securities of certain issuers.
- (c) Different markets also have different clearing and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of a Sub-fund is uninvested and no return is earned thereon. The inability of the Company to make intended security purchases due to settlement problems could cause a Sub-fund to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Sub-fund due to subsequent declines in value of the portfolio security or, if a Sub-fund has entered into a contract to sell the security, could result in possible liability to the purchaser.
- (d) An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.

21.14 High-yield securities

Sub-funds may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, each Sub-fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments (neither Sub-fund is required to hedge, and may choose not to do so). High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

21.15 Equities

The risks associated with investments in equity (and equity-type) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company. Potential investors should also consider the risk attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

21.16 Use of structured finance securities

- (a) Structured finance securities include, without limitation, securitised credit and portfolio credit-linked notes.
- (b) Securitised credit is securities primarily serviced, or secured, by the cash flows of a pool of receivables (whether present or future) or other underlying assets, either fixed or revolving. Such underlying assets may include, without limitation, residential and commercial mortgages, leases, credit card receivables as well as consumer and corporate debt. Securitised credit can be structured in different ways, including "true sale" structures, where the underlying assets are transferred to a special purpose entity, which in turn issues the asset-backed securities, and "synthetic" structures, in which not the assets, but only the credit risks associated with them are transferred through the use of derivatives, to a special purpose entity, which issues the securitised credit.
- (c) Portfolio credit-linked notes are securities in respect of which the payment of principal and interest is linked directly or indirectly to one or more managed or unmanaged portfolios of reference entities and/or assets ("reference credits"). Upon the occurrence of a credit-related trigger event ("credit event") with respect to a reference credit (such as a bankruptcy or a payment default), a loss amount will be calculated (equal to, for example, the difference between the par value of an asset and its recovery value).
- (d) Securitised credit and portfolio credit-linked notes are usually issued in different tranches: Any losses realised in relation to the underlying assets or, as the case may be, calculated in relation to the reference credits are allocated first to the securities of the most junior tranche, until the principal of such securities is reduced to zero, then to the principal of the next lowest tranche, and so forth.
- (e) Accordingly, in the event that (i) in relation to securitised credit, the underlying assets do not perform and/or (ii) in relation to portfolio credit-linked notes, any one of the specified credit events occurs with respect to one or more of the underlying assets or reference credits, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share. In addition the value of structured finance securities from time to time, and consequently the Net Asset Value per Share, may be adversely affected by macro-economic factors such as adverse changes affecting the sector to which the underlying assets or reference credits belong (including industry sectors, services and real estate), economic downturns in the respective countries or globally, as well as circumstances related to the nature of the individual assets (for example, project finance loans are subject to risks connected to the respective project). The implications of such negative effects thus depend heavily on the geographic, sector-specific and type-related concentration of the underlying assets or reference credits. The degree to which any particular asset-backed security or portfolio credit-linked note is affected by such events will depend on the tranche to which such security relates; junior tranches, even having received investment grade rating, can therefore be subject to substantial risks.

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

21.17 Financial failure of intermediaries

There is always the possibility that the institutions, including brokerage firms and banks, with which the Sub-funds do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair their operational capabilities or result in losses to the Company.

21.18 Specific restrictions in connection with the Shares

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

21.19 Taxation

- (a) Shareholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of a Sub-fund, capital gains within a Sub-fund, whether or not realised, income received or accrued or deemed received within a Sub-fund etc, and this will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder.
- (b) Shareholders should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Sub-fund. Taxes might be calculated based on income received and/or deemed to be received and/or accrued in a Sub-fund in relation to their direct investments, whereas the performance of a Sub-fund, and subsequently the return Shareholders receive after redemption of the Shares, might partially or fully depend on the performance of underlying assets. This can have the effect that the investor has to pay taxes for income or/and a performance which he does not, or does not fully, receive.
- (c) Shareholders who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, Shareholders should be aware that tax regulations and their application or interpretation by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

21.20 Change of law

The Company must comply with regulatory constraints, such as a change in the laws affecting the Investment Restrictions and limits applicable to UCITS, which might require a change in the Investment Policy and Investment Objective followed by a Sub-fund.

21.21 Performance allocation and fees

Certain Sub-funds may provide for the right of the Management Company, the Investment Manager or the Investment Adviser to receive a performance fee or similar remuneration schemes. The fact that the remuneration is based on the performance of the relevant Sub-fund may create an incentive for the Management Company or the relevant Service Provider to cause the Sub-fund to make

investments that are more speculative than would be the case in the absence of performance-based compensation. However, such incentive may be tempered somewhat by the fact that losses will reduce the Sub-fund's performance and thus the Management Company or Investment Manager's performance fee or similar remuneration scheme.

21.22 Political factors

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

21.23 Securities lending

- (a) Securities lending transactions involve counterparty risk, including the risk that the lent securities may not be returned or returned in a timely manner. Should the borrower of securities fail to return the securities lent by a Sub-fund, there is a risk that the collateral received may be realized at a lower value than the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements, decrease in the credit rating of the issuer of the collateral or the illiquidity of the market in which the collateral is traded, which could adversely impact the performance of the Sub-fund.
- (b) The Company and the Management Company undertake to use their reasonable endeavours to resolve fairly any conflicts of interest that may arise in relation to securities lending (having regard to their respective obligations and duties) and to ensure that the interests of the Fund and the Shareholders are not unfairly prejudiced.

21.24 Distributors and nominees

- (a) The Company and the Management Company may enter into distribution agreement(s) to appoint Distributor(s) to distribute Shares of different Sub-funds from time to time.
- (b) The Company and the Management Company expect that in relation to Shares to be offered to investors the relevant Distributor(s) will offer to enter into arrangements with the relevant investors to provide nominee services to those investors in relation to the Shares or arrange for third party nominee service providers to provide such nominee services to the underlying investors.
- (c) All Distributors that are entitled to receive subscription monies and/or subscription, redemption or conversion orders on behalf of the Company and nominee service providers must be (a) professionals of the financial sector of a FATF member country which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg law or (b) professionals established in a non-FATF member State provided they are a subsidiary of a professional of the financial sector of a FATF member State and they are obliged to follow anti money laundering and terrorism financing rules equivalent to those required by Luxembourg law because of internal group policies. Whilst and to the extent that such arrangements subsist, such underlying investors will not appear in the register of Shareholders of the Company and will have no direct right of recourse against the Company.
- (d) Any Distributor or nominee service providers holding their Shares through Euroclear or Clearstream or any other relevant clearing system as an accountholder also will not be recognised as the registered Shareholder in the register of Shareholders. The relevant nominee of Euroclear or Clearstream or the other relevant clearing system will be recognised

as the registered Shareholder in the register of Shareholders in such event, and in turn would hold the Shares for the benefit of the relevant accountholders in accordance with the relevant arrangements.

- (e) The terms and conditions of the distribution agreement(s) with arrangements to provide nominee services will have to allow that an underlying investor who (a) has invested in the Company through a nominee and (b) is not a Restricted Person, may at any time, require the transfer in his/her/its name of the Shares subscribed through the nominee. After this transfer, the investor will receive evidence of his shareholding at the confirmation of the transfer from the nominee.
- (f) The Management Company and any Investment Manager or Investment Adviser may enter into retrocession fee arrangements with any Distributor or sub-distributor in relation to their distribution services.
- (g) Distributors, with regard to the distribution of certain Classes' may be entitled to a distribution fee payable by the Company. This fee is accrued daily and paid periodically in arrears. Distributors may have the right to reallocate such fee, in whole or in part, to sub-distributors.

22. CONFLICTS OF INTERESTS

22.1 General

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

22.2 Interested dealings

- (a) The Directors, the Management Company, the Distributor(s), the Investment Manager(s), the Investment Adviser(s), the Depositary and the Administrative Agent and any of their respective subsidiaries, affiliates, associates, agents, directors, officers, employees or delegates (together the **Interested Parties** and, each, an **Interested Party**) may:
 - (i) contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company, in securities in any company or body any of whose investments or obligations form part of the assets of the Company or any Sub-fund, or be interested in any such contracts or transactions;
 - (ii) invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party; and
 - (iii) deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the Company through, or with, the Management Company,

the Investment Manager or the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof.

- (b) Any assets of the Company in the form of cash may be invested in certificates of deposit or banking investments issued by any Interested Party. Banking or similar transactions may also be undertaken with or through an Interested Party (provided it is licensed to carry out this type of activities).
- (c) There will be no obligation on the part of any Interested Party to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party.
- (d) Any such transactions must be carried out as if effected on normal commercial terms negotiated at arm's length.
- (e) Notwithstanding anything to the contrary herein and unless otherwise provided for in a Special Section for a particular Sub-fund, the Management Company and/or the Investment Manager(s) or Investment Adviser(s) (if any) and their respective Affiliates may actively engage in transactions on behalf of other investment funds and accounts which involve the same securities and instruments in which the Sub-funds will invest. The Management Company and/or the Investment Manager(s) or Investment Adviser(s) (if any) and their respective Affiliates may provide investment management/advisory services to other investment funds and accounts that have investment objectives similar or dissimilar to those of the Sub-funds and/or which may or may not follow investment programs similar to the Sub-funds, and in which the Sub-funds will have no interest. The portfolio strategies of the Management Company and/or the Investment Manager(s) or Investment Adviser(s) (if any) and their respective Affiliates used for other investment funds or accounts could conflict with the transactions and strategies advised by the Management Company and/or the Investment Manager(s) or Investment Adviser(s) (if any) in managing a Sub-fund and affect the prices and availability of the securities and instruments in which such Sub-fund invests.
- (f) The Management Company and/or the Investment Manager(s) or Investment Adviser(s) (if any) and their respective Affiliates may give advice or take action with respect to any of their other clients which may differ from the advice given or the timing or nature of any action taken with respect to investments of a Sub-fund. The Management Company and/or the Investment Manager(s) or Investment Adviser(s) (if any) have no obligation to advise any investment opportunities to a Sub-fund which they may advise to other clients.
- (g) The Management Company and/or the Investment Manager(s) or Investment Adviser(s) (if any) will devote as much of their time to the activities of a Sub-fund as they deem necessary and appropriate. The Management Company and/or the Investment Manager(s) or Investment Adviser(s) (if any) and their respective Affiliates are not restricted from forming additional investment funds, from entering into other investment advisory/management relationships, or from engaging in other business activities, even though such activities may be in competition with a Sub-fund. These activities will not qualify as creating a conflict of interest.
- (h) Additional considerations relating to conflicts of interest may be applicable, as the case may be, for a specific Sub-fund as further laid down in the relevant Special Section.

23. DATA PROTECTION INFORMATION

In accordance with the provisions of the Luxembourg Law of 1 August 2018 on the organisation of the National Data Protection Commission and the general data protection framework, as amended, and Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to

the processing of personal data and on the free movement of such data (the “data protection legislation”), the Company acts as a data controller and collects, stores and processes, by electronic or other means, the data provided by investors for the purpose of performing the services required by investors and in order to meet the Company’s legal and supervisory obligations.

The data processed includes in particular the investor’s name, contact details (including their postal or email address), bank account details, the amount and the nature of the investments in the Company (and if the investor is a legal entity, the data of natural persons connected with this legal entity, such as its contact person(s) and/or beneficial owner(s)) (“personal data”).

Investors may decline to transfer personal data to the Company at their own discretion. However, in this case the Company is entitled to reject orders to subscribe shares. Investors’ personal data is processed when they enter into a relationship with the Company and in order to carry out the subscription of shares (i.e. to fulfil a contract), to safeguard the Company’s legitimate interests and to meet the Company’s legal obligations. Personal data is processed for the following purposes in particular: (i) to carry out subscriptions, redemptions and conversions of shares, pay dividends to investors and administer client accounts; (ii) to manage client relationships; (iii) to carry out checks relating to excess trading and market timing practices and for tax identification that may be mandated by Luxembourg or foreign legislation and regulations (including laws and regulations relating to FATCA and the CRS); (iv) to comply with applicable anti-money laundering regulations. Data provided by shareholders is also processed (v) to administer the Company’s register of shareholders. In addition, personal data may be used (vi) for marketing purposes.

The above-mentioned legitimate interests include:

- the purposes listed in points (ii) and (vi) of the previous paragraph of this data protection section for which data may be processed;
- meeting the accounting and supervisory obligations of the Company in general;
- carrying out the Company’s business in accordance with appropriate market standards.

For this purpose and in accordance with the provisions of the data protection legislation, the Company may transfer personal data to its data recipients (the “recipients”), who may be affiliated or external companies that assist the Company in its activities in relation to the above-mentioned purposes. These include in particular the management company, the administrative agent, the distributors, the depositary, the paying agent, the investment manager, the domiciliary agent, the global distributor, the auditor and the legal advisor of the Company.

The recipients may pass on the personal data on their own responsibility to their representatives and/or agents (the “subrecipients”), who may process the personal data solely for the purpose of assisting the recipients in performing their services for the Company and/or in meeting their legal obligations.

The recipients and sub-recipients may be located in countries inside or outside the European Economic Area (EEA) where data protection legislation may not provide an appropriate level of protection.

When transferring personal data to recipients and/or sub-recipients located in a country outside the EEA which does not have appropriate data protection standards, the Company shall establish contractual safeguards to ensure that investors’ personal data is afforded the same protection as that provided by the data protection legislation and may use the model clauses approved by the European Commission to do so. Investors are entitled to request copies of the relevant documents that enable

the transfer of personal data to these countries by sending a written request to the Company's address listed above.

When subscribing to shares, every investor is explicitly reminded that their personal data may be transferred to and processed by the above-mentioned recipients and sub-recipients, including companies located outside the EEA and in particular in countries that may not offer an appropriate level of protection.

The recipients and sub-recipients may process the personal data as processors when handling the data on the Company's instructions, or as controllers in their own right when processing the personal data for their own purposes, i.e. to meet their own legal obligations. The Company may also transfer personal data to third parties in accordance with the applicable legislation and regulations, such as government and supervisory authorities, including tax authorities inside or outside the EEA. In particular, personal data may be passed on to the Luxembourg tax authorities which in turn act as controllers and can forward this data to foreign tax authorities.

In accordance with the provisions of the data protection legislation, every investor has the right, by sending a written request to the Company's address listed above, to the following:

- information on their personal data (i.e. the right to a confirmation from the Company about whether their personal data is being processed, the right to certain information about how the fund is processing their personal data, the right to access this data and the right to a copy of the personal data that has been processed (subject to statutory exemptions));
- to have their personal data corrected if it is incorrect or incomplete (i.e. the right to request the Company to update and correct incomplete or incorrect personal data or errors);
- to restrict usage of their personal data (i.e. the right to demand that the processing of their personal data is restricted under certain circumstances until they have given consent for this data to be stored);
- to object to the processing of their personal data, including prohibiting processing of their personal data for marketing purposes (i.e. the right to prohibit the Company, for reasons relating to the investor's particular situation, from processing data in order to carry out a task in the public interest or based on its legitimate interests; the Company will then cease to process this data, unless it can demonstrate that there are legitimate and overriding grounds for processing the data which take precedence over the interests, rights and freedoms of the investor, or that processing the data is necessary to enforce, implement or defend legal claims);
- to have their personal data deleted (i.e. the right to request the deletion of their personal data in certain circumstances, in particular if the Company no longer needs to process this data for the purpose for which it was collected or processed);
- data portability (i.e. the right, if technically feasible, to request the transfer of the data to the investor or another controller in a structured, widely-used and machine-readable format).

Investors also have the right to lodge a complaint with the National Data Protection Commission at 1, Avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, Grand Duchy of Luxembourg, or with another national data protection authority if they are resident in another Member State of the European Union.

Personal data will not be stored for longer than required for the purpose for which the data is being processed. The relevant statutory time limits for data storage shall apply.

24. DISCLOSURE OF IDENTITY

- (a) The Company, the Management Company or the Depositary may be required by law, regulation or government authority or where it is in the best interests of the Company to disclose information in respect of the identity of the shareholders.
- (b) The Company is required under Luxembourg law to (i) obtain and hold accurate and up-to-date information (ie full names, nationality/ies, date and place of birth, address and country of residence, national identification number, nature and extent of the interest in the Company) about its beneficial owners (as such term is defined under the Luxembourg act of 12 November 2004 on the fight against money laundering and terrorist financing, as amended (the **AML Act**)) and relevant supporting evidence and (ii) file such information and supporting evidence with the Luxembourg Register of beneficial owners (the **RBO**) in accordance with the Luxembourg act of 13 January 2019 creating a Register of beneficial owners (the **RBO Act 2019**).
- (c) The attention of shareholders is drawn to the fact that the information contained in the RBO (save for the national identification number and address of the beneficial owner) will be available to the public as from 1 September 2019, unless a limited access exemption is applied for and granted. Luxembourg national authorities and professionals (as referred to in the AML Act) may request that the Company gives them access to the information on the beneficial owner(s) of the Company (as well as its legal owners). Investors, their direct or indirect (share)holders who are natural persons, the natural person(s) who directly or indirectly control(s) the Company, the natural person(s) on whose behalf Investors may act, may qualify as beneficial owner(s), and beneficial ownership may evolve or change from time to time in light of the factual or legal circumstances. Beneficial owners are under a statutory obligation to provide to the Company all relevant information about them as referred to above. Non-compliance with this obligation may expose beneficial owners to criminal sanctions.
- (d) Each shareholder, by subscribing to Shares, accepts and agrees that the Company and any of its services providers cannot incur any liability for any disclosure about a beneficial owner made in good faith to comply with Luxembourg laws.
- (e) Each shareholder, by subscribing to Shares, accepts and agrees to make such representations and warranties that it will promptly provide upon request, all information, documents and evidence that the Company may require to satisfy its obligations under any applicable laws and in particular the RBO Act.
- (f) For the purpose of the above and in accordance with the AML Act, the term "Beneficial owner" shall mean, as of the version of the current Prospectus, any natural person(s) who ultimately owns or controls the entity or any natural person(s) on whose behalf a transaction or activity is being conducted. The concept of beneficial owner shall include at least:
 - (i) in the case of corporate entities:
 - (A) any natural person who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership;

- (B) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under point (i) is identified, or if there is any doubt that the person(s) identified are the beneficial owner(s), any natural person who holds the position of senior dirigeant (manager);
- (ii) in the case of fiducies and trusts:
 - (A) the settlor;
 - (B) any fiduciaire or trustee;
 - (C) the protector, if any;
 - (D) the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;
 - (E) any other natural person exercising ultimate control over the fiducie or trust by means of direct or indirect ownership or by other means;
- (iii) in the case of legal entities such as foundations, and legal arrangements similar to trusts, any natural person holding equivalent or similar positions to those referred to in point (b).

SPECIAL SECTION – GREEN ASH SICAV – MULTI ASSET FUND

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to **Green Ash SICAV – Multi Asset Fund** (the **Sub-fund**).

<p>Investment Objective</p>	<p>The Investment Objective is to achieve positive real returns, over a wide variety of market conditions, from a thematic, actively managed, diversified strategy that is unconstrained in terms of its global allocation to individual equities, bonds, currencies and alternative asset classes.</p>
<p>Investment Philosophy</p>	<p>The Sub-fund's investment philosophy takes a macroeconomic, thematic approach which is regionally agnostic to identify the most attractive investment opportunities in the global, liquid capital markets. The investment process identifies, but is not limited to, valuation opportunities and sentiment extremes investing across global asset classes, countries, sectors and themes. For this purpose, “sentiment extremes” refers to market conditions when investor sentiment and positioning is at an extreme. This can be measured quantitatively and qualitatively by examining indicators such as mutual fund positioning, put/call ratios, implied volatility forward curves, etc, as well as listening to market participants and their anecdotes. These factors help the Investment Manager identifying opportunities</p> <p>Asset class and regional exposure are typically unconstrained and can vary significantly from month to month on an opportunistic and dynamic basis. Assets are geographically diverse, and can be in both developed and/or emerging markets.</p> <p>A thematic investment style with equal emphasis on credit and equity market analysis, enabling the Sub-fund to extract maximum value across the capital structure and perform strongly in a number of market environments. Foreign exchange is treated as an independent asset class, opening up additional opportunities to source outperformance. The unconstrained approach allows for allocation of capital dynamically within and across the global liquid asset class spectrum, aiming to access the best opportunity set available. The experienced investment team have a broad and extensive understanding of both fundamental and technical aspects of financial markets.</p>
<p>Investment Policy</p>	<p>The Sub-fund will seek to achieve these Investment Objectives by investing directly in and getting indirect exposure to a wide range of asset classes, including, but not limited to, equity and debt securities, equity related and/or debt related securities, alternative asset classes, deposits with credit institutions, Money Market Instruments and currencies.</p> <p>The equity or equity related securities may be issued by companies of any market capitalisation located anywhere in the world including emerging markets and may include, without limitation, common stocks, depositary receipts (ADRs, EDRs or GDRs), convertibles, preferred stocks and warrants. Investments made in emerging markets are however limited to 30% of the Sub-fund’s net assets.</p>

The debt and debt related securities may include, without limitation, all varieties of fixed and floating rate income securities, bonds, debt instruments and obligations, treasury bills and debentures, issued or guaranteed by government and government-related issuers, banks, corporate or other commercial issuers worldwide. The Sub-fund may invest in below investment grade of which up to 40% may be invested in high yield bonds (which, at time of investment, will not be distressed) and in unrated debt securities of any credit quality for up to 10%.

The indirect exposure, in particular but without limitation, in respect of the alternative asset classes (such as commodities, real estate and infrastructure investments) may be achieved via financial derivative instruments and/or structured products (as further detailed hereinafter), REITs (qualifying as transferable securities), shares or units of UCITS and/or other UCIs and their respective sub-funds, including in particular open-ended exchange traded funds (ETFs) – provided that the Sub-fund's investment in shares or units of UCITS and/or other UCIs is limited to 10% of its Net Asset Value.

The Sub-fund has a flexible approach to asset allocation, which may vary significantly and exposure to certain markets, sectors or currencies may be concentrated from time to time. The Sub-fund may use both long and short positions (the later being achieved through the use of financial derivative instruments – as further detailed hereinafter) to vary exposure to different asset classes, geographic regions, currencies and market sectors in response to market conditions and opportunities.

The Sub-fund may, in accordance with the provisions under the Investment Restrictions in Section 3 of the General Section, utilise financial derivative instruments, whether dealt on a regulated market or OTC, for hedging, efficient portfolio management and/or investment purposes. In particular, but without limitation, the Sub-fund may, in that respect, use futures, options, forwards and other fixed income and currency derivatives. In addition, the Sub-fund may invest in structured products (eg certificates), qualifying as transferable securities, provided that if such structured products embedding derivatives, the underlying assets will have to be eligible.

Subject to the diversification rules set out in Section 3 of the General Section, the Sub-fund may at any time at the Investment Manager's discretion move, temporary, the entire portfolio (ie up to 100% of its Net Asset Value) to cash or cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial papers, Money Market Instruments such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), call money and time deposits).

For the avoidance of doubt, the Sub-fund will not use securities lending transactions.

There can be no assurance that the investment objective and policy of the Sub-fund will be achieved.

Additional Investment Restrictions	In addition to the Investment Restrictions set out in Section 3 of the General Section, the Sub-fund will not invest in aggregate more than 10% of its assets in UCIs or UCITS. Furthermore investments in asset backed securities (ABS) or mortgage backed securities (MBS) will be excluded for the Sub-fund.
Regulation (EU) no. 2015/2365	The Sub-fund will not enter into any transactions falling under the scope of Regulation (EU) no. 2015/2365.
Investment Manager	Green Ash Partners LLP , with registered offices at 11 Albemarle Street, London, W1S 4HH, United Kingdom. Green Ash Partners LLP is an independent investment management firm under the supervision of the Financial Conduct Authority (FCA) United Kingdom, active in discretionary and advisory asset management services for professional clients only.
Management Company Fee	up to 0.15% p.a. based on the average Net Asset Value, subject to a minimum fee of EUR 35,000,- p.a.
Depository Fee	up to 0.06% p.a. calculated monthly based on the average Net Asset Value, subject to a minimum fee of EUR 15,000,- p.a.
Administration Agent Fee	up to 0.06% p.a. calculated monthly based on the average Net Asset Value, subject to a minimum fee of EUR 30,000, p.a.-
Registrar and Transfer Agent Fee	included in the Administration Agent Fee
Risk Management	The Sub-fund will use the commitment approach to monitor the global exposure.
Launch Date	16 June 2015
Reference Currency of the Sub-fund	USD
Valuation Day	Every Luxembourg Banking Day
NAV Calculation Day	The NAV Calculation Day will be the first Business Day following the relevant Valuation Day
Valuation Date (Subscription/Redemption)	The subscription monies will have to be credited to the account held by the Depository in cleared funds for the full amount of the subscription price of the Shares being subscribed for pursuant to the subscription application within 3 Business Days following the relevant Valuation Day
Price adjustment policy	The Board may apply the price adjustment mechanism described under Section 14 of the General Section.

Subscription Cut-Off-Time/Redemption Cut-Off-Time/Conversion Cut-Off Time	5pm (Luxembourg Time) on every Luxembourg Banking Day
Risk profile of the Sub-fund	<p>The risks pertaining to an investment in the Sub-fund are those related to equity, debt securities and the use of Derivatives. The Sub-fund may have additional risks related to currency.</p> <p>In addition to the risks named in the general section, Risk Factors, the company-specific risk, the general market risk, and the counterparty risk and the risk of settlement default, and to a lesser extent, the emerging-markets risks, the liquidity risk, the country and transfer risks, and the custodial risk should also be mentioned.</p>
Profile of the typical investor	<p>A typical investor is an investor prepared to accept a degree of medium to high volatility particularly over short term periods and which is seeking a diversified investment with a medium to high level of risk. The typical investor will seek to achieve exposure to a wide range of asset classes and a return on investment in the medium to long term.</p> <p>The Sub-fund is most suitable for investors who have an investment horizon of at least three years.</p>
Additional costs	<p>Costs are deducted from the sub-fund's assets for the provision of analysis material or services by third parties in relation to one or more financial instruments or other assets, or in relation to the issuers or potential issuers of financial instruments, or in close cooperation with a specific sector or a specific market, up to p.a. of the annual average net asset value of the investment fund, calculated on the basis of the figures at the end of each month.</p>
Term of the Sub-fund	Infinite

Classes of Shares	Class IA GBP Shares	Class ID GBP Shares	Class IA EUR Shares	Class RA EUR Shares
Reference Currency of Share Class	GBP	GBP	EUR	EUR
ISIN	LU1171480509	LU1171480681	LU1171480764	LU1171480848
WKN	A14TNR	A14TNS	A14TNT	A14TNU
Type of Shares	Registered Shares	Registered Shares	Registered Shares	Registered Shares
Initial Offer Period	8 July 2016	To be determined by decision of the Board		
Initial Subscription Price	GBP 100	GBP 100	EUR 100	EUR 100

Classes of Shares	Class IA GBP Shares	Class ID GBP Shares	Class IA EUR Shares	Class RA EUR Shares
Valuta Date for Initial Subscription Period (Paying of Initial Price)	8 July 2016	To be determined by decision of the Board		
First NAV Valuation Day	8 July 2016	To be determined by decision of the Board		
Eligible Investors	Professional Investors	Professional Investors	Professional Investors	No restriction
Minimum Subscription Amount	GBP 500,000	GBP 500,000	EUR 500,000	EUR 10,000
Minimum Subsequent Subscription Amount	GBP 100,000	GBP 100,000	EUR 100,000	EUR 1,000
Subscription Fee	None	None	None	None
Redemption Fee	None	None	None	None
Investment Management Fee	0.80%	0.80%	0.80%	Up to 1.50%
Performance Fee	None	None	None	None
Distribution Fee	None	None	None	None
Distribution Policy	Accumulating	Distributing	Accumulating	Accumulating
Subscription Tax (Taxe d'Abonnement)	0.01% of the average Net Asset Value, payable quarterly	0.01% of the average Net Asset Value, payable quarterly	0.01% of the average Net Asset Value, payable quarterly	0.05% of the average Net Asset Value, payable quarterly

Classes of Shares	Class IA USD Shares	Class RA USD Shares
Reference Currency of Share Class	USD	USD
ISIN	LU1171480921	LU1171481069
WKN	A14TNV	A14TNW
Type of Shares	Registered Shares	Registered Shares
Initial Offer Period	16 June 2015 until 24 June 2015	To be determined by decision of the

Classes of Shares	Class IA USD Shares	Class RA USD Shares
		Board
Initial Subscription Price	USD 100	USD 100
Valuta Date for Initial Subscription Period (Paying of Initial Price)	29 June 2015	To be determined by decision of the Board
First NAV Valuation Day	24 June 2015	To be determined by decision of the Board
Eligible Investors	Professional Investors	No restriction
Minimum Subscription Amount	USD 500,000	USD 10,000
Minimum Subsequent Subscription Amount	USD 100,000	USD 1,000
Subscription Fee	None	None
Redemption Fee	None	None
Investment Management Fee	0.80%	Up to 1.50%
Performance Fee	None	None
Distribution Fee	None	None
Distribution Policy	Accumulating	Accumulating
Subscription Tax (Taxe d'Abonnement)	0.01% of the average Net Asset Value, payable quarterly	0.05% of the average Net Asset Value, payable quarterly