



# Prospectus

## Spinoza Capital SICAV

An undertaking for collective investment in transferable securities (UCITS) in the form of an open-ended investment company with variable share capital (Société d'Investissement à Capital Variable - SICAV) subject to the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended.

The date of this Prospectus is April 2022



SPINOZA CAPITAL

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## **IMPORTANT INFORMATION**

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### **Company Structure and Authorisation**

Spinoza Capital SICAV (the "Company") is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment pursuant to Part I of the Law of 17 December 2010 on undertakings for collective investment and qualifies as a UCITS for the purpose of the UCITS Directive. The Company may issue several Classes of Shares which may, alone or jointly with other Classes of Shares, constitute Sub-Funds.

Authorisation of the Company and its Sub-Funds does not constitute a warranty by the supervisory authority as to the quality of the Shares or performance of the Sub-Funds.

### **Basis of Offer**

A subscription of Shares constitutes acceptance of all terms and provisions of this Prospectus and the Articles. Any information or representation given or made by any person not contained in or inconsistent with this Prospectus or in any other document which may be available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon.

This Prospectus may be amended from time to time and only the latest published versions may be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date of this Prospectus.

This Prospectus may be translated into other languages. To the extent that there is any inconsistency between the English version and the version(s) translated into any other language, then the English versions shall prevail except to the extent required by applicable law.

Investors should seek independent professional advice if they are in any doubt about the contents of this Prospectus.

### **Restricted Offer**

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation.

The Shares have not been registered under the United States Securities Act of 1933 and may not be offered directly or indirectly in the United States of America (USA) (including its territories and possessions) to nationals or residents (including Green Card holders) thereof or to persons normally resident therein, or to any partnership or persons connected thereto unless pursuant to any applicable statute, rule or interpretation available under United States law.

The distribution of this Prospectus and the offering of Shares in other jurisdictions may also be restricted; persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. This document does not constitute an offer by anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer.

### **Investment Risk**

Investment in any Sub-Fund carries risks normally attributable to investment in undertakings for collective investment of this type. Investors should carefully consider whether an investment in any Shares is suitable for them in the light of their circumstances and financial resources and seek independent professional advice where appropriate so as to be fully aware of how they may be affected financially by such risks. There can be no assurance that the investment objective of any Sub-Fund will be achieved and investment results may vary substantially over time. The attention of Investors is drawn to section 5 ('Risk Warnings').

**Right to Refuse Any Subscription Application**

The Company may reject a subscription application for any reason and is not obliged to disclose the reason, or reasons, for so rejecting such subscription application.

**Data Protection**

In accordance with the Data Protection Regulation, Investors are entitled to request information about their personal data at any time as well as to request their correction as fully disclosed in section 8 ('Data Protection').

**Applicable Law**

This Prospectus and any statements made therein are based on and subject to Luxembourg law.

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## DIRECTORY

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<b>Board of Directors</b>	Benjamin Kullmann, Managing Director, Spinoza Capital Management Ltd. Dr Philip Schnedler, Managing Director, Spinoza Capital GmbH Harald Strelen, Partner, AIQU TAX GmbH Prof. Joseph Falzon, Professor of Banking and Finance, University of Malta
<b>Registered Office</b>	<b>Spinoza Capital SICAV</b> 5, Allée Scheffer L- 2520 Luxembourg Grand Duchy of Luxembourg
<b>Management Company</b>	<b>Crestbridge Management Company S.A.</b> 1, Boulevard de la Foire L-1825 Luxembourg Grand-Duchy of Luxembourg
<b>Board of Directors of the Management Company</b>	Malcolm Graeme McArthur Daniela Klasén-Martin Supreetee Kumudini Saddul Michael Johnson
<b>Conducting Officers of the Management Company</b>	Daniela Klasén-Martin Supreetee Kumudini Saddul Christophe Sieger Anika Ratzmann Farid Rehbi Emmanuel Capraro
<b>Investment Manager</b>	<b>Spinoza Capital GmbH</b> Tower 185, 14. Stock Friedrich-Ebert-Anlage 35-37 D-60327 Frankfurt am Main Germany
<b>Depositary and Paying Agent</b>	<b>CACEIS Bank, Luxembourg Branch</b> 5, Allée Scheffer L- 2520 Luxembourg Grand Duchy of Luxembourg
<b>Administration Agent and Domiciliary Agent</b>	<b>CACEIS Bank, Luxembourg Branch</b> 5, Allée Scheffer L- 2520 Luxembourg Grand Duchy of Luxembourg
<b>Auditors</b>	<b>KPMG</b> 39, Avenue John F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg

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# 1 INTERPRETATION

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## 1.1 Definitions

The following words shall, unless the context otherwise requires or implies, have the meanings set opposite them when used in this Prospectus:

<b>Administration Agent</b>	CACEIS Bank, Luxembourg Branch, acting as registrar and transfer agent and providing the central administration function as further described in this Prospectus.
<b>AEI</b>	the Standard for Automatic Exchange of Financial Account Information in Tax Matters, also commonly known as the Common Reporting Standard, developed by the OECD as a single global standard for the multilateral exchange of certain information held by financial institutions regarding their non-resident investors between participating jurisdictions.
<b>AEI Law</b>	the Luxembourg law of 18 December 2015 enacting the global standard for automatic exchange of financial account information in tax matters developed by the OECD into Luxembourg law which entered into force as of 1 January 2016.
<b>Articles</b>	the articles of incorporation of the Company.
<b>AML Regulations</b>	the Luxembourg law of 27 October 2010 relating to the fight against money-laundering and the financing of terrorism, the law of 19 February 1973 on the sale of medicinal substances and the fight against drug addiction (as amended), the law of 12 November 2004 on the fight against money laundering and terrorist financing (as amended), and associated Grand Ducal, Ministerial and CSSF Regulations and the circulars of the CSSF applicable as amended from time to time.
<b>Appendix</b>	an appendix to this Prospectus.
<b>Base Currency</b>	the currency in which a particular Class of Shares of a particular Sub-Fund is denominated as stated in the respective Appendix.
<b>Benchmarks Regulation</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
<b>Board of Directors</b>	the board of directors of the Company.
<b>Business Day</b>	a full business day on which banks are opened in Luxembourg.
<b>Central Administration Services Agreement</b>	the agreement entered into between the Company, the Management Company and the Administration Agent dated 9 July 2020 (as amended from time to time) pursuant to which the Administration Agent acts as administrative agent as well as registrar and transfer agent of the Company.
<b>Class(es)</b>	within each Sub-Fund, separate class(es) of Shares whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum investment amount, taxation, distribution policy or other feature may be applied.

<b>Company</b>	Spinoza Capital SICAV.
<b>CSSF</b>	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg authority supervising the financial sector.
<b>Cut-off Time</b>	being a deadline (as further specified in the Appendix), before which applications for subscription, redemption, or conversion of Shares of any Class in any Sub-Fund must be received by the Administration Agent in relation to a Valuation Day.
<b>Data Protection Regulation</b>	the EU 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 accompanied with any implementing legislation applicable to them.
<b>Depository</b>	CACEIS Bank, Luxembourg Branch, acting as depository bank and paying agent, in the meaning of the Law.
<b>Depository Agreement</b>	the agreement entered into between the Depository, the Management Company and the Company dated 9 July 2020 (as amended from time to time) pursuant to which the Depository is appointed depository of the Sub-Funds in accordance with the Law and the UCITS Rules.
<b>EEA</b>	the European Economic Area.
<b>Eligible Investor</b>	shall have the same meaning ascribed thereto in the Prospectus and which may be different in respect of one Sub-Fund from another Sub-Fund as set forth in each relevant Appendix.
<b>Eligible Market</b>	a Regulated Market in an Eligible State.
<b>Eligible State</b>	any Member State or any other state in (Eastern and Western) Europe, Asia, Africa, Australia, North and South America and Oceania, as determined by the Board of Directors.
<b>Emerging Markets</b>	Less developed investment markets in the following countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. The Investment Manager defines this list by reference to the Bloomberg Global Equity Indices Methodology and regularly monitors the list for updates.
<b>EU</b>	the European Union.
<b>EUR</b>	the Euro as the single currency of certain Member States.
<b>Excess Return per Share</b>	The positive performance of the net asset value per Share, before deduction for any accrued performance fee, calculated net of all costs, achieved by the Class of Shares of the Sub-Fund concerned over the High Water Mark and in excess of the Hurdle Rate.

<b>FATCA</b>	the U.S. Foreign Account Tax Compliance Act as enacted by the U.S. Congress in March 2010, all subsequently published related regulations established by the U.S. Internal Revenue Service and as the case may be, the provisions of the intergovernmental agreement entered between Luxembourg and the United States and/or between the country of each Investor and the U.S.
<b>FATF</b>	Financial Action Task Force (also referred to as <i>Groupe d'Action Financière</i> ).
<b>High Water Mark</b>	The higher of (a) the initial Issue Price or (b) the highest net asset value per Share of the relevant Class issued in the history of the Sub-Fund concerned on the last Valuation Day of any previous calendar year. For the avoidance of doubt, the High Water Mark will not be reset and the reference period is the whole life of the relevant Sub-Fund.
<b>Hurdle Rate</b>	The higher of (a) the 12 month The Euro Interbank Offered Rate (EURIBOR) as last published by the European Money Markets Institute before the commencement of the relevant accounting period or (b) 0%. The European Money Markets Institute is as of the date of this visa-stamped Prospectus listed in the register referred to in article 36 of the Benchmarks Regulation and has obtained authorisation pursuant to Article 34 of the Benchmarks Regulation.
<b>Investment Manager</b>	Spinoza Capital GmbH, providing the investment management function, under delegation by the Management Company, as further described in this Prospectus.
<b>Investment Management Agreement</b>	The agreement entered into between the Management Company and the Investment Manager dated 1 January 2022 (as amended from time to time) pursuant to which the Investment Manager is appointed investment manager of the Company in accordance with the Law and the UCITS Rules.
<b>Investor</b>	any Shareholder, any former Shareholder, any person holding an interest in Shares through a nominee or any prospective investor in a Sub-Fund (as the case may be).
<b>Issue Price</b>	the net asset value per Share of the relevant Class of a Sub-Fund as determined on the applicable Valuation Day plus the applicable sales charge (if any).
<b>KIID</b>	the key investor information document as defined by the Law and applicable laws and regulations.
<b>Law</b>	the law of 17 December 2010 concerning undertakings for collective investments, as may be amended from time to time.
<b>Management Agreement</b>	the agreement entered into between the Management Company and the Company dated 9 July 2020 (as amended from time to time) pursuant to which the Management Company is appointed UCITS management company of the Company in accordance with the Law and the UCITS Rules.
<b>Management Company</b>	Crestbridge Management Company S.A., acting as UCITS management company to the Company.

<b>Member State</b>	a member state as defined in the Law.
<b>MiFID II</b>	the EU's markets in financial instruments directive (Directive 2014/65/EU) and its delegated acts and regulations.
<b>Minimum Initial Subscription Amount</b>	the minimum amount or minimum value of Shares for which an initial subscription may be made. In relation to any particular Class of Shares, see the relevant Appendix for details.
<b>Minimum Holding Amount</b>	the minimum amount or minimum value of Shares that must be held by any Shareholder in a Sub-Fund. In relation to any particular Class of Shares, see the relevant Appendix for details.
<b>Minimum Redemption Amount</b>	the minimum amount or minimum value of Shares for which a redemption may be made. In relation to any particular Class of Shares, see the relevant Appendix for details.
<b>OECD</b>	the Organisation for Economic Co-operation and Development.
<b>OTC Derivatives</b>	An 'over-the-counter' financial derivative instrument not dealt in on a Regulated Market.
<b>Reference Currency</b>	the currency used for a Sub-Fund's performance measurement and accounting purposes as specified as such in the relevant Appendix; it may differ from a Sub-Fund's investment currency or from one or more of the Base Currencies of the Classes of Shares comprised in that Sub-Fund.
<b>Regulated Market</b>	a market within the meaning of Article 4(1)14 of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC and any other market which is regulated, operates regularly and is recognised and open to the public.
<b>Settlement Day</b>	the Business Day on which the consideration for subscription or redemption is fully paid, which is to occur at the latest four (4) Business Days following the Valuation Day, unless otherwise provided in an Appendix.
<b>SFDR</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
<b>SFT</b>	a securities financing transaction being (i) a repurchase transaction; (ii) securities lending and securities borrowing; (iii) a buy-sell back transaction or a sell-buy back transaction as defined under the SFTR.
<b>SFT Agent</b>	any person involved in SFTs as agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Company's assets or any Sub-Fund's assets.
<b>SFTR</b>	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.

<b>Shares</b>	shares of each Sub-Fund of the Company, which details are specified in the relevant Appendix.
<b>Shareholder</b>	holder of Shares.
<b>Sub-Fund</b>	A specific portfolio of assets and liabilities within the Company having its own net asset value and represented by a separate Class or Classes of Shares, which are distinguished mainly by their specific investment policy and objective and/or by the Base Currency in which they are denominated. The specifications of each Sub-Fund are described in the Appendix.
<b>TRS</b>	total return swap, i.e., 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.
<b>UCI</b>	undertaking for collective investment within the meaning of the first and second indent of Article 1 (2) of the Directive, whether situated in a Member State or not.
<b>UCITS</b>	undertaking for collective investment in transferable securities as defined in the Directive and the Law.
<b>UCITS Directive</b>	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), as amended from time to time including by means of Directive 2014/91/EU.
<b>UCITS Rules</b>	the set of rules formed by the UCITS Directive and any derived or connected EU or national act, statute, regulation, circular or binding guidelines.
<b>U.S.</b>	the United States of America.
<b>U.S. Person</b>	any national, citizen or resident of the U.S. or of any of its territories or possessions or areas subject to its jurisdiction or any person who is normally resident therein (including the estate of any such person or corporations or partnerships created or organised therein) under the meaning given in Regulation S under the U.S. Securities Act of 1933, as amended.
<b>Valuation Day</b>	each Business Day unless otherwise is detailed for in the relevant Appendix. The Board of Directors may in its absolute discretion amend the Valuation Day for some or all of the Sub-Funds. In such case the Shareholders of the relevant Sub-Fund will be duly informed and the relevant Appendix be updated accordingly.

## 1.2 Appendices

Each Appendix forms an integral part of this Prospectus. In case of any discrepancy or inconsistency between provisions contained in the general part of this Prospectus and the Appendices, the provisions of the Appendices shall prevail. For the avoidance of doubt, all the definitions of sub-section 1.1 ('Definitions') shall apply to the Appendices.

### **1.3 General**

For the purposes of this Prospectus unless the context otherwise requires or implies:

- all references herein to times and hours are to Luxembourg local time;
- words importing the singular include the plural and vice versa;
- words which are gender neutral or gender specific include each gender;
- other parts of speech and grammatical forms of a word or phrase defined in the Prospectus has a corresponding meaning;
- an expression importing a natural person includes a company, partnership, joint venture, association, corporation or other body corporate and a government agency;
- a reference to “includes” means to include without limitation;
- a reference to a law, directive or regulation is a reference to that law, directive or regulation as amended, consolidated, replaced or recast;
- a reference to a document includes all amendments or supplements to that document, or replacements or novations of it;
- a reference to a section, sub-section, part, paragraph or appendix refers to a section, sub-section, part, paragraph or appendix of this Prospectus;
- a reference to an entity in the Prospectus (as the context requires) includes that entity’s successors and permitted assigns; and
- all references to currencies shall include any successor currency.

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## 2 THE COMPANY AND THE SUB-FUNDS

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### 2.1 Organisation of the Company

Spinoza Capital SICAV is an open-ended collective investment company organised as a *société d'investissement à capital variable* (SICAV) under the laws of the Grand-Duchy of Luxembourg and qualifies as a UCITS under Part I of the Law.

The Company is in the process of being registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*). The latest version of the articles of incorporation is in the process of being published in the *Recueil Electronique des Sociétés et Associations*. The articles of incorporation have been filed with the *Registre de Commerce et des Sociétés* (RESA), the central electronic platform of the Grand-Duchy of Luxembourg.

The Company consists of the following Sub-Funds, each of which is represented by and capitalised through the issue of one or more Classes of Shares:

- Spinoza Euro Assets Strategy Fund;
- Spinoza Global Assets Strategy Fund;
- Spinoza Global Quant Value Fund; and
- Spinoza Entrepreneur Fund.

For each Sub-Fund, the Company has issued an Appendix containing specific information directly related to the respective Sub-Fund and the Classes of Shares constituting that Sub-Fund.

The capital raised for each Sub-Fund will be invested in line with its investment objectives, subject to its investment policies and restrictions. The Board of Directors may, at any time, resolve to set up new Sub-Funds and/or create new Classes of Shares within each Sub-Fund and in such case, this Prospectus will be updated accordingly.

### 2.2 Segregated Assets and Liabilities

The Company is structured with segregated liability between its Sub-Funds pursuant to Luxembourg law and accordingly, the assets and liabilities of each Sub-Fund comprised in the Company shall constitute a patrimony separate from that of each other Sub-Fund and any other assets of the Company and segregated liability exists between the Sub-Funds.

The creditors of any Sub-Fund whose liabilities exceed its assets shall have no claim or right of action against the assets of the other Sub-Funds. No holder of Shares in a Sub-Fund shall have any claim or right to any asset allocated to any other Sub-Fund or any other assets of the Company. The Company may sue and be sued in respect of a particular Sub-Fund.

The Board of Directors will hold or cause to be held such separate accounts, records, statements and other documents as may be necessary to evidence the liabilities and assets of each Sub-Fund as distinct and separate from the assets and liabilities of all the other Sub-Funds.

The Articles establish that the assets and liabilities are allocated between the Sub-Funds in the following manner:

- i. the proceeds from the issue of each Share of each Sub-Fund are to be applied in the books of the Company to that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto are applied to such Sub-Fund subject to the provisions set forth hereafter;
- ii. where any asset is derived from another asset, such derivative asset is applied in the books of the Company to the same Sub-Fund as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value is applied to the relevant Sub-Fund;

- iii. where the Company incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability is allocated to the relevant Sub-Fund;
- iv. where the Company incurs a liability in connection with more than one Sub-Fund, such liability may be allocated to all the Sub-Funds pro-rata to the respective net asset value of the Sub-Funds concerned; and
- v. upon the payment of dividends or other distributions to the holders of Shares in any Sub-Fund, the net asset value of such Sub-Fund shall be reduced by the amount of such dividends or other distribution.

If different Classes of Shares are issued in the same Sub-Fund, all assets and liabilities of each such Class of Shares would form part of the total assets and liabilities of the Sub-Fund of which such a Class of Shares forms part but the above rules shall otherwise *mutatis mutandis* apply for the allocation of assets and liabilities amongst Classes.

Notwithstanding the foregoing, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation and in such circumstances the assets of one Sub-Fund may be exposed to the liabilities of another. There is no guarantee that the courts of any jurisdiction outside Luxembourg will respect the limitations on liability associated with each Sub-Fund.

### **2.3 Share Capital of the Company**

The share capital of the Company shall be equal at any time to the value of the issued share capital of the Company. Shares will be issued as fully paid and the actual value of the paid up share capital of any Sub-Fund shall be at all times equal to the value of the assets of any kind of the particular Sub-Fund after the deduction of such Sub-Fund's liabilities.

The minimum share capital of the Company is one million two hundred and fifty thousand euros (EUR 1,250,000.00) or its equivalent in another currency.

### **2.4 The Shares**

As further described in this Prospectus and each relevant Appendix, the Company may create within each Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund.

Each Class represents an interest in the net assets of a Sub-Fund, but may have its own specific features, such as a distinct fee structure, Base Currency, dividend policy minimum holding amount, eligibility requirements or other specific feature may apply. The Company may notably issue Shares reserved to retail investors and Shares reserved to institutional investors. The range of available Classes and their features are described in the relevant Appendix.

Shares will be issued in uncertified and registered form only. Fractional entitlements to Shares will be rounded to 2 decimal places. Subject to the restrictions described herein, Shares in each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to each Class of the relevant Sub-Fund. The rules governing such allocation are set forth under sub-section 2.2 (Segregation of Assets) above.

The Shares have no par value, must be fully paid upon issue, carry no preferential or pre-emptive rights and each one is entitled to one vote at all meetings of Shareholders. Shares redeemed by the Company become null and void.

Should the Shareholders, at an annual general meeting, decide any distributions in respect of any Shares, these will be paid within one month of the date of the annual general meeting. Under Luxembourg law, no distribution may be decided as a result of which the net assets of the Company would become less than the minimum provided for under Luxembourg law.

## 2.5 Merger or Liquidation of Sub-Funds

The Board of Directors may, subject to the approval of the CSSF, decide to liquidate any Sub-Fund by compulsory redemption of its Shares if a change in the economic or political situation relating to the Sub-Fund would justify such liquidation or if required by the interests of the Shareholders of the Sub-Fund. Such decision will be notified to the Shareholders concerned prior to the effective date of the liquidation and the notification will indicate the reasons for, and the procedures of, the liquidation. Unless the Board of Directors otherwise decides in the interests of the Shareholders of the Sub-Fund concerned, they may continue to request redemption or conversion of their Shares on the basis of the applicable net asset value, taking into account the estimated liquidation expenses. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Under the same circumstances, as provided above, the Board of Directors may, subject to the approval of the CSSF, decide to close down any Sub-Fund by merger into another Sub-Fund or into another UCI registered under Part I of the Law (the "new Sub-fund"). Such decision will be notified to Shareholders in the same manner as described in the preceding paragraph and, in addition, the notification will contain information in relation to the new Sub-fund in accordance with the Law and related regulations. Such notification will be made at least 30 calendar days before the last day for requesting the redemption or conversion of the Shares, free of charge.

Termination of a Sub-Fund by compulsory redemption of its Shares or its merger with another Sub-Fund or with another UCI registered under Part I of the 2010 Law, in each case for a reason other than those mentioned in the preceding paragraph, may be effected only upon its prior approval by the Shareholders of the Sub-Fund to be terminated or merged, at a duly convened meeting of the Shareholders of the Sub-Fund which may be validly held without a quorum and decide by a simple majority of the Shareholders of the relevant Sub-Fund present or represented.

## 2.6 Liquidation of the Company

The Company is incorporated for an unlimited period and liquidation shall normally be decided upon by an extraordinary general meeting of Shareholders. Such a meeting must be convened by the Board of Directors within forty (40) calendar days if the net assets of the Company become less than two thirds of the minimum capital required by law. The meeting, for which no quorum shall be required, shall decide on the dissolution by a simple majority of Shares represented at the meeting. If the net assets fall below one fourth of the minimum capital, the dissolution may be resolved by Shareholders holding one fourth of the Shares at the meeting.

Should the Company be liquidated, such liquidation shall be carried out in accordance with the provisions of the Law and which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and in this connection provides for deposit in escrow at the *Caisse de Consignation* in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds of each Sub-Fund shall be distributed to the Shareholders of the relevant Sub-Fund in proportion to their respective holdings.

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## **3 INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS**

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### **3.1 Objectives and Policies**

The specific investment objective and policy of each Sub-Fund is described in the relevant Appendix. There can be no assurance that the investment objectives of any Sub-Fund will be achieved.

### **3.2 Investment Restrictions**

The investment restrictions applying to each Sub-Fund are set out below. Any additional investment restrictions for a particular Sub-Fund will be stated in the relevant Appendix.

Each Sub-Fund is to be considered as a separate issuer for the purpose of the application of the investment restrictions set out below.

The Board of Directors may from time to time impose further investment restrictions.

The Sub-Funds may additionally only invest in accordance with the terms of the Depositary Agreement.

#### **I. Permitted Investments**

(1) The Company, for each Sub-Fund, may invest in:

- (a) transferable securities and money market instruments admitted to or dealt in on an Eligible Market;
- (b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
- (c) units of UCITS and/or other UCI, whether situated in a Member State or not, provided that:
  - i. such other UCIs comply with the requirements set out in CSSF press release 18/02 and have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - ii. the level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
  - iii. the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and
  - iv. no more than 10% of the assets of the UCITS or of the other UCIs whose acquisition is contemplated, can, according to their prospectus or constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- (d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the Luxembourg regulatory authority as equivalent to those laid down in EU law;
- (e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or OTC Derivatives, provided that:
  - i. the underlying consists of instruments covered by this paragraph (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to

- their investment objective;
- ii. the counterparties to OTC Derivatives are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - iii. the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- (f) money market instruments other than those dealt in on an Eligible Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- i. issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a third country or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong;
  - ii. issued by an undertaking any securities of which are dealt in on Eligible Markets;
  - iii. issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law, such as, but not limited to, a credit institution which has its registered office in a country which is a member state of both the OECD and the FATF; or
  - iv. issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection 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 EUR ten million and which (i) presents and publishes its annual accounts in accordance with the fourth 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.
- (2) In addition, the Company may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under paragraph (1) above.
- (3) The Company may hold on an ancillary basis cash.
- (4) The Company may acquire movable or immovable property which is essential for the direct pursuit of its business.

## **II. Investment Limits**

- (1) The Company, for each Sub-Fund, may not invest:
- (a) more than 10% of the net assets of any Sub-Fund in transferable securities and money market instruments issued by the same issuing body; or
  - (b) more than 20% of the net assets of any Sub-Fund in deposits made with the same body.
- (2) The risk exposure of a Sub-Fund to a counterparty in an OTC Derivative may not exceed 10% of its net assets when the counterparty is a credit institution referred to in sub-paragraph I. (1) (d) above or 5% of its net assets in other cases.
- (3) Where the Company holds on behalf of a Sub-Fund investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions

subject to prudential supervision.

- (4) Notwithstanding the individual limits laid down in paragraphs (1) and (2), the Company may not combine for each Sub-Fund:
  - (a) investments in transferable securities or money market instruments issued by,
  - (b) deposits made with, and/or
  - (c) exposures arising from OTC Derivatives undertaken with  
a single body in excess of 20% of the net assets of the Sub-Fund.
- (5) The limit of 10% laid down in sub-paragraph (1) (a) is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State.
- (6) The limit of 10% laid down in sub-paragraph (1) (a) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest. If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the Sub-Fund.
- (7) The transferable securities and money market instruments referred to in paragraphs (5) and (6) shall not be included in the calculation of the limit of 40% in paragraph (3).
- (8) The limits set out in paragraphs (1) to (6) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same body, in deposits or in financial derivative instruments effected with this body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets.
- (9) Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with the seventh Council Directive 83/349/EEC of 13 June 1983 based on the Article 54 (3) (g) of the Treaty on consolidated accounts, as amended, or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in paragraphs (1) to (8). However, the Company may cumulatively invest up to 20% of the net assets of a Sub-Fund in transferable securities and money market instruments within the same group subject to obtaining any required regulatory approval.
- (10) Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more Member States are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.
- (11) The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
- (12) The Company may acquire no more than:
  - (a) 10% of the non-voting shares of the same issuer;
  - (b) 10% of the debt securities of the same issuer; or
  - (c) 10% of the money market instruments of the same issuer.

The limits under the second and the third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

This provision shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States are members.

### **III. Investments in UCITS and other UCIs**

- (1) A Sub-Fund may acquire units of UCITS and/or other UCIs referred to in sub-paragraph I. (1) (c) provided that:
  - (a) no more than 20% of the Sub-Fund's net assets be invested in the units of a single UCITS or other UCI; and
  - (b) investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net asset of a Sub-Fund.

For the purpose of the application of this investment limit, each sub-fund of a UCITS and UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.

The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of the investment and borrowing restrictions set forth under paragraphs II. (1) to (8) above.

- (2) The Company may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the net amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all sub-funds combined.
- (3) When a Sub-Fund invests in the units of UCITS and/or other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Sub-Fund on account of its investment in the units of such other UCITS and/or UCIs, except for any applicable dealing charge payable to the UCITS and/or UCIs.
- (4) In the case where a substantial proportion of the net assets of a Sub-Fund are invested in units of UCITS and/or other UCIs linked to the Company by common management or control, the maximum total management fee (excluding any performance fee, if any) charged to the Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 2% of the relevant assets under management.
- (5) Each Sub-Fund may, subject to the conditions provided for in the Articles as well as this Prospectus, subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Fund(s) with respect to the subscription, acquisition and/or the holding by a company of its own Shares, under the condition however that:
  - (a) the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund;
  - (b) no more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may, be invested in aggregate in units of other UCIs;
  - (c) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports;
  - (d) in any event, for as long as these securities are held by the Company, their value will not be taken into consideration in the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and

- (e) there is no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund having invested in the target Sub-Fund, and this target Sub-Fund.

#### **IV. Investment Prohibitions**

- (1) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Company may acquire foreign currencies by means of back to back loans.
- (2) The Company may not grant loans to or act as guarantor on behalf of third parties. This restriction shall not prevent the Company from acquiring any transferable securities, money market instruments or other financial instruments referred to in paragraph I. (1).
- (3) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.
- (4) The Company may not acquire either precious metals or certificates representing them.

#### **V. Further Provisions**

- (1) The Company needs not comply with the limits laid down in this sub-section 3.2 when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets.
- (2) While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs II. (1) to (8) and III. (1) and (2) for a period of six months following the date of their creation.
- (3) If the limits referred to in this section are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its Shareholders.

### **3.3 Financial Derivative Instruments**

Each Sub-Fund may invest in financial derivative instruments within the limits laid down in sub-paragraph I. (1) (e) under sub-section 3.2 above. The exposure to the underlying assets of financial derivative instruments (including when combined, where relevant, with positions resulting from direct investments) may not exceed in aggregate the investment limits laid down in sub-paragraphs II. (1) to (9) under sub-section 3.2 above provided that this requirement shall not apply in the case of index-based financial derivative instruments. 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 restriction.

The Company shall ensure that a Sub-Fund's global exposure relating to financial derivative instruments does not exceed the total net value of its net assets. 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. The Company shall use the Commitment Approach or a Value at Risk model in order to measure the global exposure and leverage of any Sub-Fund arising out of its financial derivative instruments positions as set out in the Appendix relating to the relevant Sub-Fund.

The Sub-Funds may use financial derivative instruments for investment, hedging and efficient portfolio management purposes, within the limits of the Law. Under no circumstances shall the use of these instruments cause a Sub-Fund to diverge from its investment policy.

Financial derivative instruments and transferable securities with embedded derivatives will be used in conformity with the Law and article 9 of the Grand-Ducal Regulation of 8 February 2008.

### 3.4 SFTs and TRSs

The Company may in respect of any Sub-Fund employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes as further detailed below. Any use of SFTs shall be in line with the risk profile and risk diversification rules applicable to the relevant Sub-Fund and will be disclosed in the relevant Appendix. The Company may:

- i. enter into securities lending transactions whereby the Company transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the Company;
- ii. act as a buyer or seller in repurchase transactions consisting of the purchase or sale of securities subject to a contractual 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, representing a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;
- iii. act as a buyer or seller in buy-sell back transactions or sell-buy back transactions where the Company would either buy or sell securities while agreeing to sell or to buy back such securities or substituted securities of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities and a sell-buy back transaction for the counterparty selling them, such buy-sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse-repurchase agreement within the meaning of subparagraph (ii) above.

Securities lending transactions under (i) above will be entered into depending on the market opportunities and in particular depending on the market demand for the securities held in each Sub-Fund's portfolio at any time and the expected revenues of the transaction compared to the market conditions on the investment side. Securities lending transactions to be entered into exclusively aim to generate additional capital or income. As such, there is no restriction on the frequency under which a Sub-Fund may engage into such type of transactions.

Repurchase agreement transactions and reverse repurchase agreement transactions under (ii) above, buy-sell back or sell-buy back transaction under (iii) above will be entered into opportunistically and on a temporary basis, in circumstances where the Investment Manager considers that the market rates will allow the relevant Sub-Fund to benefit from more efficient cash management or improved portfolio returns when entering into any of these transactions. The Company intends to engage in such transactions for the purpose of efficient portfolio management and in accordance with the expected and maximum levels disclosed in Appendix for each Sub-Fund.

The Company may in respect of any Sub-Fund further enter into swap contracts, including TRSs, involving 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. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets. TRSs will be used for the purpose of risk reduction (hedging) and efficient portfolio management.

The Company or any of its delegates will report the details of any SFT and TRSs concluded to a trade repository or ESMA, as the case may be in accordance with the SFTR. SFTs and TRSs may be used in respect of any instrument that is eligible under article 50 of the UCITS Directive.

The maximum and expected proportion of assets that may be subject to SFTs and TRSs will be set out for each Sub-Fund in the relevant Appendix. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions. The maximum figure is a limit.

The counterparties to the SFTs and TRS will be selected on the basis of specific criteria taking into account notably their legal status, country of origin, and minimum credit rating (i.e. only first class institution). These financial counterparties will in any case align with the definition of a "financial counterparty" set out in article 3 of SFTR. The Company will not engage in SFTs with related parties which could give rise to a conflict of interest entailing a material risk of damage to the interest of any Sub-Fund.

The Company will collateralize its SFTs and TRSs pursuant to the provisions set forth under sub-section 3.5 ('Management of Collateral and Collateral Policy').

As a principle, assets subject to SFTs and TRSs become the property of the counterparty of the Company and the assets of equivalent type will be returned to the Company at the maturity of the transaction. As a consequence, during the lifetime of the transaction, the assets will not be held by the Depositary.

The net revenues achieved from efficient portfolio management transactions or SFTs remain with the relevant Sub-Fund.

Under no circumstances shall the above-mentioned operations cause a Sub-Fund to diverge from its investment objective as laid down in the Prospectus or result in additional risk higher than its profile as described in the Prospectus.

Direct and indirect operational costs and fees may be deducted from the revenues delivered to the Sub-Fund but shall not exceed 30% of the gross revenue. These fees may be paid to counterparties of the Company such as agents or other intermediaries as defined under article 3 of SFTR and providing services in connection with TRSs and SFTs as normal compensation of their services. Details of such amounts and counterparties will be disclosed in the annual report of the Company. The Company may appoint the Depositary or any of its affiliates as securities lending agent for any of the Sub-Funds. In this case, the Sub-Fund may pay a customary share of the gross revenues generated from securities lending activities as costs and fees to the lending agent. The Sub-Fund shall in any such case retain at least 70% of the gross revenues generated from securities lending activities. All costs and fees of running the programme are paid from the lending agent's portion of the gross income. This includes all direct and indirect costs and fees generated by the securities lending activities.

### **3.5 Management of Collateral and Collateral Policy**

Where the Company enters into OTC Derivatives, efficient portfolio management techniques, SFTs and/or TRSs, all collateral used to reduce counterparty risk exposure should comply at all times with the requirements as to liquidity, valuation, issuer credit quality, correlation and diversification established by ESMA Guidelines on ETFs and other UCITS issues (ESMA/2012/832), as revised from time to time, released by the CSSF under CSSF Circulars 08/356, 13/559 and 14/592.

The Company may accept:

- a. non-cash collateral which should not be sold, re-invested, re-used or pledged and must be:
  - (i) issued by an entity that is independent from the counterparty;
  - (ii) rated by a recognised rating agency as at least investment grade; and
  - (iii) traded on an Eligible Market or multilateral trading facility with sufficient liquidity and at least daily valuations; or
- b. cash collateral which should only be:
  - (i) placed on deposit with entities prescribed in sub-paragraph I. (1) (d) under sub-section 3.2 above;
  - (ii) invested in high-quality government bonds or short-term money market UCITS; or
  - (iii) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis.

Any non-cash collateral posted in favour of the Company or any of its Sub-Funds under a title transfer arrangement should be held by the Depositary. Such collateral may be held by one of the Depositary's correspondents or sub-custodians provided that the Depositary has delegated the custody of the collateral to such correspondent or sub-custodian and the Depositary remains liable subject to the provisions of the Law, if the collateral is lost by the sub-custodian. Collateral posted in favour of the Company or any of its Sub-Funds under a security interest arrangement (e.g., a pledge) can be held by the Depositary or a third party custodian

which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

In determining the required level of collateral, the Company applies a haircut policy depending on the asset type received as collateral in accordance with ESMA Guidelines on ETFs and other UCITS issues (ESMA/2012/832), CSSF Circulars 08/356, 13/559 and 14/592. The Company's haircut policy takes into account a variety of factors depending on the nature of received collateral, such as the credit quality of the issuer, the maturity, the currency, the price volatility as well as, if applicable, the results of stress-tests in normal and exceptional liquidity conditions.

No haircut will be required to be applied on cash collateral unless it is received in a currency different to the Reference Currency of the Sub-Fund.

No haircut will be required to be applied on non-cash collateral received in the form of high quality government bonds with a credit rating of A-1 or higher and a remaining maturity of two years or less. Should the Sub-Fund accept other non-cash collateral in the future, a conservative haircut of at least 3% is applied depending on the specific particulars of the asset received.

Collateral will be valued on a daily basis on the basis of market prices and taking into account the haircuts determined by the Company.

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## **4 RISK-MANAGEMENT PROCESS**

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

In accordance with the Law and the applicable regulations, in particular Circular CSSF 11/512 (as amended by Circular 18/698), the Management Company uses for each Sub-Fund a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational and sustainability-related risks, which are material to that Sub-Fund. The Management Company may use the Value-at-Risk (VaR) or commitment approach to monitor and measure the global exposure as further specified for each Sub-Fund in the relevant Appendix.

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## 5 RISK WARNINGS

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THE FOLLOWING IS A GENERAL DESCRIPTION OF A NUMBER OF RISKS WHICH MAY AFFECT THE VALUE OF SHARES. INVESTORS SHOULD ALSO SEE THE RELEVANT APPENDIX TO THE PROSPECTUS FOR A DISCUSSION (IF ANY) OF ADDITIONAL RISKS PARTICULAR TO A SPECIFIC ISSUE OF SHARES. THE DESCRIPTION OF THE RISKS MADE BELOW IS NOT, NOR IS IT INTENDED TO BE, EXHAUSTIVE. NOT ALL RISKS LISTED NECESSARILY APPLY TO EACH ISSUE OF SHARES, AND THERE MAY BE OTHER CONSIDERATIONS THAT SHOULD BE TAKEN INTO ACCOUNT IN RELATION TO A PARTICULAR ISSUE OF SHARES. WHAT FACTORS WILL BE OF RELEVANCE TO A PARTICULAR SUB-FUND WILL DEPEND UPON A NUMBER OF INTERRELATED MATTERS INCLUDING, BUT NOT LIMITED TO, THE NATURE OF THE SHARES AND THE SUB-FUND'S INVESTMENT POLICY.

NO INVESTMENT SHOULD BE MADE IN THE SHARES UNTIL CAREFUL CONSIDERATION OF ALL APPLICABLE RISK FACTORS HAS BEEN MADE. RISK FACTORS MAY OCCUR SIMULTANEOUSLY AND/OR MAY COMPOUND EACH OTHER.

THE ASSETS AND LIABILITIES OF A SUB-FUND MAY FLUCTUATE SUBSTANTIALLY FROM PERIOD TO PERIOD. ACCORDINGLY, INVESTORS SHOULD UNDERSTAND THAT THE RESULTS OF A PARTICULAR PERIOD WOULD NOT NECESSARILY BE INDICATIVE OF RESULTS IN FUTURE PERIODS AND THE VALUE OF AND INCOME FROM SHARES RELATING TO A SUB-FUND CAN GO DOWN AS WELL AS UP. INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN A SUB-FUND INVOLVES A HIGH DEGREE OF RISK, INCLUDING THE RISK OF LOSS OF THE ENTIRE AMOUNT INVESTED. AN INVESTMENT IN A SUB-FUND SHOULD BE REGARDED AS A LONG-TERM INVESTMENT AND MAY NOT BE APPROPRIATE FOR ALL INVESTORS. THERE CAN BE NO GUARANTEE THAT THE INVESTMENT OBJECTIVE OF ANY SUB-FUND WILL BE ACHIEVED.

INVESTORS SHOULD ONLY REACH AN INVESTMENT DECISION AFTER CAREFUL CONSIDERATION WITH THEIR LEGAL, TAX, ACCOUNTING, FINANCIAL AND OTHER ADVISERS. THE LEGAL, REGULATORY, TAX AND ACCOUNTING TREATMENT OF THE SHARES CAN VARY IN DIFFERENT JURISDICTIONS. ANY DESCRIPTIONS OF THE SHARES SET OUT IN THE PROSPECTUS, INCLUDING ANY APPENDIX, ARE FOR GENERAL INFORMATION PURPOSES ONLY.

### 5.1 Specific Risk Factors in Respect of Particular Financial Instruments

Subject to the investment restrictions set out in this Prospectus, a Sub-Fund may invest all or part of its assets, on a worldwide basis and without limitation, in money market instruments, transferable securities, financial derivative instruments, units of UCITS or other UCI and deposits with credit institutions which are each subject to the specific risk factors described herein and, to a varying degree, to the risk factors described under sub-section 5.2 ('General Investment Risks'). Certain financial instruments held by a Sub-Fund may not be listed on an Eligible Market.

#### Risks related to Shares in Companies

Shares in companies and equivalent securities (including preference shares, other special classes of shares and depositary receipts) may be subject to general market risk, firm-specific risk, liquidity risk, currency risk, country/region risk, industry/sector risk and/or other risks as further described below under sub-section 5.2 ('General Investment Risks'). The performance of shares in companies is difficult to predict and the possibility of sudden or prolonged market declines and risks associated with individual companies could cause a substantial decrease in or total loss of their value. Shares in companies are subordinate in the right of payment to other corporate securities. In the worst case (i.e. bankruptcy) this can lead to a complete loss of an investment concerned. Where shares in companies are included in an index (or excluded from the index having previously been included in it), such shares may also fluctuate due to investors basing their investment decisions on the constitution of such index.

#### Risks related to Money Market Instruments and Bonds

Money market instruments and bonds, may be subject to interest rate risk, credit and issuer-specific risk, liquidity risk, general market risk, country/region risk, industry/sector risk and, if denominated in a foreign currency, currency risk as further described below under sub-section 5.2 ('General Investment Risks'). A Sub-Fund may invest in a wide range of bonds including (but not limited to) fixed coupon bonds, variable and floating rate bonds, covered bonds, interest-only debt securities with perpetual duration and debt securities with

deferred or no interest (zero coupon bonds) of any maturity and any issuer (including but not limited to sovereigns, quasi-sovereigns, financial institutions or listed and unlisted companies). A Sub-Fund may also invest in debt securities that are considered predominantly speculative by traditional investment standards and may specifically invest in the following sub-types of debt securities with a particular risk profile:

- *Securities subordinated to the rights of other creditors of an issuer* which are thereby subject to an elevated credit and issuer-specific risk.
- *Mortgage- and asset-backed securities* which generally entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets (such as residential or commercial mortgages, motor vehicle loans or credit cards) and may be subject to higher credit/issuer, liquidity and interest rate risk compared to more traditional debt securities. In addition, these instruments may be subject to extension and prepayment risks, i.e. the risks that the underlying loans may be prepaid faster or slower than expected with potentially adverse effects on the return of the securities.
- *Contingent convertible instruments (CoCos)* which are a form of hybrid debt security generally subject to certain predetermined conditions (commonly known as "triggers") which, if triggered, may cause the principal amount invested to be lost on a permanent or temporary basis or to be converted into equity, potentially at a discounted price. Triggers can vary but are generally linked to certain regulatory requirements, capital thresholds or the share price of the issuer and expose the relevant Sub-Fund to specific trigger level or conversion risk. These instruments will, in the majority of circumstances, rank as subordinated to the rights of other creditors of the issuer. Coupon payments may be fully discretionary and may be cancelled at any time, for any reason, and expose the relevant Sub-Fund to specific coupon cancellation risk. CoCos may be issued as perpetual instruments with no stated maturity and the relevant Sub-Fund is subject to a call extension risk as the principal amount invested may not be repaid as expected on a specific call date or indeed at any date. Contrary to classic capital hierarchy, the holders of CoCos may suffer a loss of capital when equity holders do not and are as such subject to a specific capital structure inversion risk. CoCos are also generally subject to elevated credit, market and liquidity risks, in particular in times of adverse market conditions where the risk of capital loss is likely to increase. They contain an innovative structure which, to a certain extent, is untested in the market and exposes the relevant Sub-Fund to yet unknown risks. These securities are predominantly issued by banks and as such expose the relevant Sub-Fund to the related sector and industry risks. To correctly value CoCos, the Management Company needs to evaluate the probability of activating the trigger, the extent and probability of any losses upon trigger conversion (not only from write-downs but also from unfavourably timed conversion to equity), the underlying loss absorption mechanism, the likelihood of cancellation of coupons (if applicable) and also needs to consider whether the instrument is a perpetual note with discretionary coupons or has a stated maturity and fixed coupons. These risks may be highly challenging to model, in particular as certain factors are discretionary or difficult to estimate (e.g. individual regulatory requirements) and subject the relevant Sub-Fund to valuation risks.
- *Debt securities with a credit quality rated below investment grade by internationally recognised credit rating organisations or unrated debt securities* which generally have a significantly elevated credit/issuer risk and are subject to greater price volatility due to the uncertainty regarding such issuer's capacity to meet principal and interest obligations. Credit ratings are used as an indicator of investment quality. Consequently, the issuers of these securities, also commonly referred to as high yield bonds, are generally perceived to be less established, more leveraged and/or in weaker financial health and their ability to service debt obligations may be more adversely affected than issuers of investment grade securities by economic downturns, specific corporate developments or the issuer's inability to meet specific projected business forecasts. The market value of high yield bonds tends to reflect individual corporate developments to a greater extent than that of investment grade securities which react primarily to fluctuations in the general level of interest rates. High yield bonds are generally unsecured and can be subordinated to the rights of other creditors of the issuer. The secondary market for such debt securities may generally more be volatile and less liquid than the secondary market for investment grade securities and they are as such subject to elevated liquidity, volatility and valuation risks. Evaluating investments in non-investment grade and unrated securities is highly complex and there is no assurance that the Management Company will correctly evaluate the nature and magnitude of the various factors that could affect such investments.

- *Defaulted securities as well as other securities considered as distressed by traditional investment standards which have failed, or are likely to fail, to meet principal and/or interest obligations and as such involve a high degree of risk. The repayment of such debt securities is subject to significant uncertainties and might only occur after complex, lengthy, costly and difficult to predict bankruptcy or insolvency proceedings. Typically, such bankruptcy or insolvency proceedings result in only a partial recovery of the principal or an exchange of the defaulted obligation for other debt or equity securities of the issuer or its affiliates and there is a potential risk of loss by the Sub-fund of its entire investment. Such investments may furthermore require active participation by the Sub-Fund and its representatives during the bankruptcy or insolvency proceedings and may expose the Sub-fund to litigation risks or restrict the Sub-Fund's ability to dispose of its investments. Any litigation can be time-consuming and expensive, and can lead to unpredicted delays or losses. Many factors of the bankruptcy process, including court decisions, the size and priority of other claims, and the duration and costs of the bankruptcy process, are beyond the control of the Sub-Fund and can adversely affect its return on investment. Evaluating investments in distressed securities and related instruments is highly complex and there is no assurance that the Sub-Fund will correctly evaluate the nature and magnitude of the various factors that could affect such investment. The market for such securities is generally thinner and less active than other markets, reducing the probability of being able to sell investments in the short or medium term and making market prices, if any, subject to abrupt and erratic price volatility as well as high bid-ask spreads.*

#### Risks related to Other Transferable Securities

Transferable securities (other than shares in companies, bonds and money market instruments described above) may be subject to a wide range of risks involving, to a varying degree and as applicable, general market risk, credit and issuer/firm-specific risk, country/region risk, industry/sector risk, currency risk, interest rate risk, liquidity risk and/or leverage risk as further discussed below under sub-section 5.2 ('General Investment Risks'). A Sub-Fund may invest in specially structured debt securities that represent interests in, are backed by or reference to the value of another security, asset or pool of assets, currency, economic factor, rate, index, commodity or other measure and include (but are not limited to) convertible bonds, event-linked bonds, asset-backed securities, credit-linked securities, discount certificates, bonus certificates, reverse bonus certificates, interest rate certificates and exchange traded commodities. Such instruments may be structured in a wide variety of forms, and generally combine the risks of investing in debt securities with the risks associated with the underlying asset to which the instrument is linked (which could include distressed assets), often taking a hybrid form with other types of investments or embedding a derivative. Particular securities may be leveraged such that their exposure (i.e. price sensitivity) to the underlying is magnified making the security subject to greater volatility than direct investments in the underlying (and thereby entailing elevated risks including the risk of total loss of principal). While a Sub-Fund is restricted from directly investing in precious metals or commodities, a Sub-Fund may acquire transferable securities in the form of structured debt securities designed to track the market price of certain precious metals or commodities (i.e. exchange traded commodities). Risk relating to commodity exposure is discussed below under sub-section 5.2 ('General Investment Risks').

#### Risks related to Investments in UCIs

Units of UCITS or other UCIs may be subject to a wide range of risks involving, to a varying degree and as applicable, general market risk, firm/issuer-specific risk, counterparty risk, country/region risk, industry/sector risk, concentration risk, interest rate risk, currency risk, liquidity risk and/or leverage risk as further discussed below under sub-section 5.2 ('General Investment Risks'). UCIs can be actively or passively managed and have a wide range of risk profiles dependent on the pursued investment objective, policy and strategy as well as the applicable investment restrictions. No assurance can be given that the strategies employed by a UCI will be successful and in extreme cases a unit of a UCI could sustain a total loss of its value. Any UCI is furthermore subject to other forms of risk such as operational, tax, legal and regulatory risks. Investments in other UCIs could lead to inadvertent concentration in certain securities. Conversely, the holding of opposite positions in certain securities could lead to inefficient investment results. UCIs following an index tracking investment objective could synthetically replicate an index through the use of financial derivative instruments exposing them to the risks discussed below under the heading 'Risks related to Financial Derivative Instruments'. An investment in other UCIs incurs additional fees and commissions (such as management, performance, custody, administration, audit and transaction fees). To the extent these UCIs, in turn, invest in other UCIs, further additional fees may be incurred. Independent valuation sources, such as a listing on a Regulated Market, may not be available for certain UCIs and third party valuations or pricings may need to be relied upon. Prices of units in a UCI may diverge from their net asset value for prolonged periods of time. A Sub-Fund may also invest in units

of certain closed-end funds provided they fulfil the criteria applicable to transferable securities and meet certain other regulatory requirements.

#### Risks related to Financial Derivative Instruments

A Sub-Fund may use financial derivative instruments for efficient portfolio management or for investment purposes including (but not limited to) futures, options, forward contracts and TRSs. Financial derivative instruments may permit a high degree of leverage and can be linked to a wide variety of underlyings such as securities, baskets of securities, indices, interest rates, currency rates, and other assets, factors or indicators. Depending on the leverage factor associated with the financial derivative instrument, a relatively small movement in the price of an underlying may result in a profit or loss that is high in proportion to the capital invested or placed as initial margin. Certain financial derivative instruments can be highly volatile and have the potential for unlimited loss. Additional risks associated with financial derivative instruments may include counterparty risk, liquidity risk and valuation risk as further described below under sub-section 5.2 ('General Investment Risks'). Such risks may be elevated in case of an OTC Derivative (as they are not guaranteed by an Eligible Market or clearing house). In accordance with standard industry practice, a Sub-Fund may be required to place initial and/or variation margin deposits or assets with a broker or counterparty to secure its obligations when or before investing in financial derivative instruments. Such assets may not be segregated from the counterparty's or broker's own assets and are subject to credit and counterparty risks. Financial derivative instruments also involve managerial risk (e.g. the risk of failure in the Company's internal risk management systems) and legal risks (e.g. the risk of failure to enforce claims associated with a financial derivative instrument). While a Sub-Fund is not permitted to physically short-sell assets it may engage in synthetic short sales through financial derivative instruments, carrying the risk of theoretically unlimited losses. Financial derivative instruments may also facilitate a hedging transaction or an investment in an eligible commodity index subjecting a Sub-Fund to hedging risk or commodity exposure (as the case may be) as further described below under sub-section 5.2 ('General Investment Risks'). Investments in financial derivative instruments also require the Company to comply with the European Market Infrastructure Regulation as described below under sub-section 5.4 ('Regulatory and Legal Risks').

#### Risks relating to the use of SFTs

Subject to the conditions and limits set out in sub-section 3.4 ('SFTs and TRSs') and the relevant Appendix, a Sub-Fund may use SFTs for the purposes of hedging, generating income or cost reduction. A Sub-Fund may be in particular subject to the risk that the counterparty to a SFT defaults in the event of bankruptcy or similar proceedings or its failure to otherwise perform its obligations and involve as such elevated counterparty risk as described below under sub-section 5.2 ('General Investment Risks'). In such case, the relevant Sub-Fund could suffer losses, including losses of interest on or principal of the security and costs associated with delay and enforcement of the SFT as well as losses arising to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the relevant Sub-Fund in connection with the SFT are less than, as the case may be, the value or repurchase price of the underlying securities. The use of SFTs may furthermore be based on complex legal documents, affected by various legal requirements and involve as such elevated legal risks as further described below under sub-section 5.4 ('Regulatory and Legal Risks'). As a result, SFTs may be difficult to enforce or may become the subject of a legal dispute in certain circumstances and no assurance can be given that future legislation, administrative rulings or court decisions will not adversely affect a Sub-Fund. SFTs may also involve elevated operational risks as further described below under sub-sections 5.3 ('Internal and Operational Risks') and may be subject to a wide variety of further risks including (without limitation) depositary and sub-custodian risk, liquidity risk, currency risk, country/region risk, industry/sector risk, interest rate risk, valuation risk and/or other risks as further described below under sub-section 5.2 ('General Investment Risks').

#### Risks relating to the use of TRSs

Subject to the conditions and limits set out in sub-section 3.4 ('SFTs and TRSs') and the relevant Appendix, a Sub-Fund may use TRSs to obtain exposure through synthetic replication to strategies that would otherwise be costly and/or difficult to have access to with physical replication. A Sub-Fund may be in particular subject to the risk that the counterparty to a TRS defaults in the event of bankruptcy or similar proceedings or its failure to otherwise perform its obligations and involve as such elevated counterparty risk as described below under sub-section 5.2 ('General Investment Risks'). In such case, the relevant Sub-Fund's risk of loss consists in normal circumstances of the net amount of total return payments that the Sub-Fund is contractually entitled to receive.

Where a Sub-Fund enters into TRSs on a net basis, the two payment streams are netted out, with the Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. TRSs entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, the risk of loss with respect to TRSs is intended to be 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. ). TRSs may also involve elevated operational and legal risks as further described below under sub-sections 5.3 ('Internal and Operational Risks') and 5.4 ('Regulatory and Legal Risks') and may be subject to a wide variety of further risks including (without limitation) depositary and sub-custodian risk, liquidity risk, currency risk, country/region risk, industry/sector risk, interest rate risk, valuation risk and/or other risks as further described below under sub-section 5.2 ('General Investment Risks').

#### Risks related to Deposits held with the Depositary or other Credit Institutions

Deposits held with the Depositary and/or other credit institutions constitute a credit risk to the Company as a depositor. Such deposits may not be segregated in practice but may be co-mingled with cash belonging to other clients of the Depositary or such other credit institution (as the case may be). In the event of the insolvency of the Depositary or such other credit institution, the Company may be treated as a general unsecured creditor in relation to these deposits. The Company may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it at all, in which case the relevant Sub-Fund(s) will lose some or all of its/their cash holdings. A Sub-Fund is furthermore exposed to counterparty and other risks relating to the Depositary in its safe-keeping function of the Sub-Fund's securities described below under sub-section 5.2 ('General Investment Risks').

## **5.2 General Investment Risks**

Investments made by the Sub-Funds are subject to a high degree of risk including, but not limited to, the following risk factors. Subject to the investment restrictions set out in this Prospectus, there is no limit on the exposure a Sub-Fund may have to any of the risk factors described herein.

#### General Market Risk

Market fluctuations and general market or systematic risk is inherent to an entire investment market and as such, to a varying degree, in all of a Sub-Fund's investments. Price movements in an investment market can be volatile and are influenced, among other things, by changing market supply and demand, national and international political and economic events, changes in laws and fiscal policies as well as general economic conditions such as interest rates, availability of credit, inflation rates or economic uncertainty. Psychological market risk can also impact a Sub-Fund as moods, opinions and rumours can prompt a significant price fall in an entire market.

#### Asset Allocation and Asset Class Risk

The general construction of a portfolio and the allocation across different asset classes will determine a large proportion of a Sub-Fund's return as well as the volatility it is exposed to. Investing in asset classes with low volatility and low prospective returns generally reduces portfolio risk. On the other hand, attempting to escape volatility and near-term losses may expose a Sub-Fund to other types of risk, including the risk of not achieving its investment objective. No assurance can be given that a Sub-Fund's portfolio and asset allocation will be successful and that the investment objective will be met.

#### Firm-specific and Credit/Issuer Risk

The ability of a Sub-Fund to meet its investment objective is largely dependent upon the ability of the Management Company to assess and manage the specific risk related to an individual firm or issuer that is inherent to any financial instrument. Shares in companies or equivalent securities are subject to firm-specific risk while other transferable securities and money market instruments are subject to credit or issuer risk. Specific risk in regard to a private entity includes (without limitation) factors such as changes in a firm's market, distribution channels or competitive environment; sensitivity to changing economic conditions; lack of financial or managerial resources; errors in entrepreneurial judgment; political, regulatory or liability events; weaknesses in internal governance; fraud; or outside events such as natural disasters. A Sub-Fund may be exposed to small- to medium-sized and lesser-known firms/issuers or firms/issuers of a special speculative nature such as recently

restructured companies or those which may have experienced financial difficulties (and thereby have an elevated risk). A Sub-Fund may also be exposed to credit risk of a sovereign or quasi-sovereign being the risk of a government, regional authority or other public body becoming unable or unwilling to meet its debt obligations, or reneging on debts it guarantees. While the Management Company may be aware of potential sources of such specific risk, it is not possible to be aware of all of them or to know whether, when and to what extent they might occur. The Management Company may also place substantial reliance on credit ratings. Ratings assigned to securities by rating agencies may be withdrawn or revised at any time and may not fully reflect the true risks of an exposure.

#### Counterparty Risk

Any credit institution, the Depositary, a broker or any other counterparty with which a Sub-Fund holds deposits or financial instruments, enters into a financial derivative instrument transaction or SFT or otherwise transacts could fail to discharge an obligation or commitment that it has entered into with the Company. Such counterparties may be subject to the same specific risk factors as set out above under the heading 'Firm-specific and Credit/Issuer Risk' above. Key counterparty risks are described under the headings 'Risks related to Deposits held with the Depositary or other Credit Institutions' and 'Risks related to SFTs' above as well as 'Depositary and Sub-Custodian Risk' and 'Risks relating to Brokers and Clearing Houses' below.

#### Country/Region Risk

Country and region risks are constituted by various risks associated with investing in a particular country or geographic region and mainly include economic risk (the risk of recessions or other adverse economic conditions), political and regulatory risk (the risk of uncertainty, instability or adverse political or regulatory developments), sovereign risk (the risk that a country defaults on or does not honour its obligations which can harm the value of securities it has issued or guaranteed and have indirect effects on other financial assets), taxation risk (the risk of adverse changes to the applied tax regime) as well as transaction and custody risk (the risk of losses in relation to the trading, settlement and clearing of transactions and the custody of assets). Investments in certain countries or regions may also be subject to currency risk (as further explained below). Accounting, auditing and financial reporting standards; regulations of securities exchanges and markets; investor protection standards; as well as legal rules, procedures and systems may vary from country to country and may thereby affect firm-specific and credit/issuer risk (as explained above). A Sub-Fund may invest in less developed investment markets outside the EEA or the OECD which may be subject to greater risks and lower market liquidity than investments in more developed markets. In severe circumstances (such as the imposition of exchange and capital controls, civil or international conflict, nationalisation or expropriation actions, confiscatory taxation, trade sanctions or embargoes), a Sub-Fund may encounter delays in the recovery or suffer a significant or total loss of all or part of its assets held in or related to a certain country.

#### Emerging Markets Risk

A Sub-Fund may invest in Emerging Markets which may involve additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on realisation of investments, repatriation of invested capital and on the ability to exchange local currencies for the Reference Currency; (viii) increased likelihood of governmental involvement in and control over the economy; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the markets; (xii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of a Sub-Fund's financial instruments with brokers and securities depositories. Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. A Sub-Fund may be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by Emerging Market countries on interest or dividends paid on financial instruments held by a Sub-Fund or gains from the disposition of such financial instruments.

### Industry/Sector Risk

The financial instruments held by a Sub-Fund may be exposed to any industry or sector of the economy and subject to the risks associated with such industry or sector as well as the adverse consequences when such industry or sector becomes less valued. Certain industries or sectors are particularly vulnerable to business cycles exposing a Sub-Fund to the risk of losses if investments in certain securities are made at the wrong time point or such securities are held at an unfavourable phase in the business cycle.

### Currency Risk

Currency exchange rates may fluctuate significantly over short periods of time and can be affected unpredictably by various factors, including (but not limited to) international capital movements, economic and political developments, central bank or government action as well as currency controls. Concentrations in a particular currency will increase exposure to adverse developments affecting the value of a currency. A Sub-Fund's assets may be held in cash or invested in financial instruments denominated in currencies other than the Reference Currency of the relevant Sub-Fund (or the Base Currency of the relevant Class of Shares). Accordingly, a Sub-Fund may be adversely affected by a reduction in value of other currencies relative to its Reference Currency. A Sub-Fund may or may not seek to hedge all or any portion of its foreign currency exposure (hedging risk is further explained below). Besides direct risks, indirect currency risks may also influence the performance of a Sub-Fund. Additionally, Investors whose assets and liabilities are primarily denominated in a currency other than the Reference Currency of the relevant Sub-Fund and/or the Base Currency of the relevant Class of Shares should be aware of the potential risk of loss arising from fluctuations in the rate of exchange between their base currency and the Reference Currency of the Sub-Fund and/or the Base Currency of the relevant Class of Shares. A Sub-Fund will furthermore incur transaction costs in connection with any currency conversion which is generally effected on a customary spread between the price at which each currency can be bought and the price at which it can be sold.

### Concentration Risk

Diversification across different asset classes reduces a portfolio's exposure to specific risks common to an entire asset class. Within a given asset class, specific risks relating a firm/issuer, counterparty, country, region, industry, sector or currency, as described above, are also unsystematic risks which can be reduced through diversification. Conversely, the more assets of a Sub-Fund are concentrated in a particular asset class, firm/issuer, country, region, industry, sector or currency the more that Sub-Fund is subject to concentration risk which may further amplify other specific risks. Although a Sub-Fund's portfolio will generally be diversified to some degree, the level of diversification may vary and is limited in its extent by the Sub-Fund's investment objective, investment strategy as well as the Company's ability to select suitable investments. An overly diversified portfolio and an attempt to escape volatility and near-term losses through diversification may also limit a Sub-Fund's ability to achieve its investment objective. A significant percentage of the assets of a Sub-Fund may, at any time, be concentrated in a particular asset class, firm/issuer, counterparty, country, region, industry, sector and/or currency.

### Liquidity Risk

Investments made by a Sub-Fund may be illiquid and it may not always be possible for a Sub-Fund to buy or sell financial instruments or to liquidate an entire position in a timely manner and on terms which the Company believes are desirable, particularly during adverse market conditions. No assurance can be given that the Company will be able to liquidate financial instruments without losses. The liquidity risk is elevated in case of OTC Derivatives, unlisted transferable securities and money market instruments, transferable securities linked to smaller capitalised companies or traded only on less developed or established Eligible Markets or when trading has been suspended or restricted on a particular market or in a particular security. Any lack of liquidity could harm the performance of a Sub-Fund, the calculation of its net asset value and its ability to meet its liquidity requirements and redemption requests as and when made. For such reasons, the right to redeem Shares may be suspended in certain exceptional circumstances.

### Leverage Risk

A Sub-Fund may operate with a substantial degree of leverage by engaging in financial derivative instrument transactions or purchasing transferable securities that have embedded leverage. Such leverage may be a

significant investment technique of a Sub-Fund increasing both the possibilities for profit and the risk of loss, including the risk of a loss of the total amount invested.

#### Interest Rate Risk

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by (but not limited to) central bank or government action, macro-economic factors and currency rates. Prices of interest-bearing securities and other interest rate products are inversely related to changes in general interest rates. Accordingly, the prices of interest-bearing securities can fall substantially if market interest rates rise. Interest rate risk generally is greater for fixed interest rate products with relatively long maturities than for fixed interest rate products with shorter maturities. Assets which earn interest at a variable rate will suffer a decline in income if the relevant rate of interest declines. Other financial instruments may also be sensitive to changes in general interest rates. Interest rates affect, for instance, a company's financing costs and profitability and may thus influence prices of shares in companies. Interest rates also determine an investor's opportunity cost of capital and general asset allocation, thereby influencing the prices of various assets. If a Sub-Fund has borrowed funds, the borrowing rate may depend on current interest rates.

#### Borrowing Risk

A Sub-Fund may temporarily borrow for liquidity purposes. Such borrowings may typically be secured by securities and other assets. Under certain circumstances, such collateral could be liquidated in unfavourable conditions to satisfy obligations and harm the performance of the relevant Sub-Fund. The borrowing rate imposed by the entity a Sub-Fund may choose to borrow from may not be the most competitive. Fluctuating interest rates could impact the cost of any borrowing.

#### Hedging Risk

Financial derivative instruments and/or certain transferable securities with an embedded derivative may be utilised to hedge the relative values of certain portfolio positions against fluctuations in securities, indices, currency rates, interest rates and other rates, prices or indicators. Such hedging transactions may limit potential gains and are associated with costs. The ability to achieve the intended effect is dependent upon many factors, including (but not limited to) the liquidity of the market at the desired time of execution and the correlation between movements in the prices of financial derivative instruments and movements in the prices of the underlying instruments subject of the hedge. No assurance can be given that a hedging transaction will be effective or beneficial and it could result in losses greater than if it had not been used. Hedging transactions are also associated with other risks related to financial derivative instruments as discussed above in sub-section 5.1 under the heading 'Risks related to Financial Derivative Instruments'.

#### Real Estate Exposure

While restricted from investing directly in real estate, a Sub-Fund may invest in transferable securities with substantial real estate exposure and is in such case indirectly subject to the risks associated with investments in real estate and the factors that influence its market value including (but not limited to) changes in real estate values, property supply in particular markets, variations in rental income, occupancy levels, obsolescence of properties, mortgage costs, interest rates, inflation, demographic trends, macroeconomic developments, changes in operations costs and property taxes and changes in legislation affecting property markets. New legislation adversely affecting the operations of real estate companies could be e.g. rental caps limiting the upside from rent increases for real estate companies or new regulation targeting energy efficiency of real estate properties, which may trigger additional capital expenditure for landlords and not earn an adequate return on the deployed capital. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of a Sub-Fund's investments. In addition, higher interest rate may increase the discount rates used to value real estate properties, which may negatively impact the appraisal values of the real estate assets.

The real estate market has, at certain times, not performed in the same manner as equity and bond markets. As the real estate market sometimes performs differently e.g., positively or negatively correlated or without any correlation to the equity or bond markets, investments in real estate companies may result in a performance of a Sub-Fund not correlated with the performance of broader equity or bond markets.

### Commodities Exposure

While restricted from investing directly in precious metals or commodities, a Sub-Fund may invest in transferable securities with substantial exposure to precious metals or commodities and is in such case indirectly subject to the risks associated with investments in precious metals or commodities. Prices of precious metals and commodities can be highly volatile and may be directly or indirectly affected by many factors, including (but not limited to) fluctuations in supply and demand, real or perceived inflationary trends, interest rates, currency rates, political and economic developments, weather conditions, trade tariffs, demographic trends, competition from substitute products and other factors affecting a particular industry, precious metal or commodity.

### Valuation Risk

While the Company, the Management Company and the Administration Agent will use their best efforts to value all investments fairly, certain financial instruments held by a Sub-Fund may not be publicly traded and/or become illiquid. Such financial instruments may not have readily available prices and may therefore be difficult to value and subject to uncertainties as well as varying interpretations and judgmental determinations of value. If such valuations should prove to be incorrect, the value of the Shares could be adversely affected. Investors should be aware of possible conflicts of interest as disclosed in section 11 ('Conflicts of Interests') below.

### Depositary and Sub-Custodian Risk

While a Sub-Fund's securities are maintained by the Depositary and any sub-custodian in segregated accounts and should be protected in the event of insolvency of the Depositary or any sub-custodian, no guarantees can be given as to the compliance of such parties with the duty to segregate assets. Any delegation made by the Depositary pursuant to the Depositary Agreement poses credit or counterparty risk and operational and legal risk and may be susceptible to systemic risk. If any such risk materialises, it may not be possible to identify, reattribute, claim and/or recover assets of a Sub-Fund which may, as a result, be lost or become unavailable. The Depositary's liability for loss or prejudice arising from the insolvency, acts or omissions of sub-custodians and other delegates, and of clearing systems, settlement systems, dematerialised book entry systems, central securities depositories or similar systems used by the Depositary, may be limited by the Depositary Agreement. In the event of any loss or prejudice arising from the insolvency, acts and omissions of any such parties, the Company may have to enforce its rights against any relevant party directly. The Company may not be able to make (or may be required to dispose of) any investment in markets which are not (or cease to be) supported by the Depositary at its discretion.

### Risks relating to Brokers and Clearing Houses

A Sub-Fund is subject to the risk of failure, including (without limitation) insolvency, bankruptcy and fraud of brokers, clearing houses, credit institutions and other service providers used by that Sub-Fund which could result in significant losses. Subject to the requirements of applicable laws and regulations such counterparties may be under an obligation to segregate assets of a Sub-Fund from its other assets but no guarantees can be given as to the compliance of such counterparties with the duty to segregate and the ability to recover a Sub-Fund's assets in case of a failure of a relevant counterparty.

### Settlement Risk

A Sub-Fund may be exposed to possible losses due to the failure to settle a transaction as expected because of non-payment or non-delivery by a counterparty, a market disruption event or human error in the settlement process.

### Voting Rights and Corporate Actions

The Company, at its discretion, may or may not elect to exercise voting or other rights which may be exercisable in relation to securities held by a Sub-Fund or it may be restricted from exercising such rights. From time to time, the issuer of a security may initiate a corporate action relating to that security which may include (but is not limited to) an offer to tender, convert or redeem existing or purchase new securities. The Company, at its discretion, may or may not elect to participate in a voluntary corporate action and it may only be able to make such election if sufficient advance notice is received. Participation or lack of participation in a corporate action may result in a negative impact on the net asset value of a Sub-Fund.

#### Portfolio Turnover and Transaction Costs

A Sub-Fund's portfolio may have a high portfolio turnover which involves correspondingly greater expenses than a lower portfolio turnover due to higher brokerage fees and other transaction costs.

#### Monetary Value Risk

Inflation can reduce the net asset value of a Sub-Fund in terms of purchasing power. A Sub-Fund's real return in terms of purchasing power could be negative in case the inflation rate is higher than the increase in the net asset value of the Sub-Fund.

### **5.3 Internal and Operational Risks**

#### Substantial Redemptions

Substantial redemptions of Shares within a limited period of time could adversely affect the value of both the Shares being redeemed and the remaining outstanding Shares of the respective Sub-Fund by requiring the liquidation of positions more rapidly than would otherwise be desirable. Substantial redemptions of Shares and the resulting reductions in a Sub-Fund's asset size may also increase expenses per Share and have an adverse impact on the ability of a Sub-Fund to successfully conduct its business, follow its investment strategy and generate profits or recover losses.

#### Restrictions on and Suspension of Redemption Rights

Although Shareholders may request the redemption of all or any of their Shares on any Valuation Day at the prevailing net asset value per Share, redemption rights may be temporarily suspended or restricted in certain exceptional circumstances. In such cases, the Shareholder may be unable to redeem Shares within the normal time frames described in this Prospectus. Investors should carefully review sub-section 6.5 ('Redemption of Shares') below and the relevant Appendix to ascertain when and how such provisions may apply.

### Lack of Liquidity and Listing of Shares

Shares may not be listed on a Regulated Market and there may be no or no sufficiently liquid secondary or other ready market for Shares. Consequently, Shareholders can normally dispose of Shares only by means of a redemption as described in this Prospectus. Redemption rights may be temporarily suspended or restricted in certain exceptional circumstances as described in this Prospectus. An investment in a Sub-Fund may not be suitable for an investor in need of liquidity.

### Limited Transferability

The Board of Directors may decline to register a transfer of Shares. Consequently, Shareholders may not be able to dispose of Shares privately but only by means of a redemption as described in this Prospectus.

### Compulsory Redemption

The Company reserves the right to require a Shareholder to redeem its total shareholding in certain exceptional circumstances. Investors should review sub-sections 2.5 ('Merger or Liquidation of Sub-Funds'), 2.6 ('Liquidation of the Company') and 6.1 ('Minimum Subscription and Holding Amounts and Eligibility for Shares') to ascertain when and how such provisions may apply. A compulsory redemption may crystallise losses and/or deprive an Investor of the opportunity to gain from investing in the Sub-Fund concerned.

### Confidential Information

The Management Company may, in connection with its other business activities, acquire material non-public confidential information that may restrict it from purchasing assets or selling assets for itself or its clients (including the Company) or otherwise using such information for the benefit of its clients or itself.

### Conflicts of Interest

Conflicts of interest may arise between the Company and certain persons or entities involved in the management of the Company or offering services to it. Investors should read carefully the disclosures made in the section 11 ('Conflicts of Interests') below.

### Performance Fee

A performance fee (which is not subject to any cap or maximum amount) may be payable in relation to a Sub-Fund based on net realised and net unrealised gains and losses as at the end of each accounting period. As such, a performance fee may be paid on unrealised gains which may subsequently never be realised. The Company may not operate an equalisation account nor any other method to ensure the equal treatment for the payment of a performance fee irrespective of the timing of the application for or redemption of Shares. When purchasing and/or redeeming Shares, investors may accordingly indirectly underpay or overpay an under-performance accrual or an over-performance accrual (as the case may be). The performance fee may encourage the Management Company to take higher risks. When calculating the performance fee, a Sub-Fund may be using a benchmark within the meaning of the Benchmarks Regulation. In such case, the attention of Investors is drawn to relevant disclosure in relevant Appendix.

### Management Risk

A Sub-Fund is open to the risk of losses incurred or profits foregone as a result of poor management decisions and other failures to take certain actions at the right time. No assurance can be given that the policies, strategies, investment techniques and risk analysis employed for a Sub-Fund will be successful and that the investment objective will be met. Subject to applicable law, neither the Directors nor the Management Company shall have personal liability to Investors.

### Dependence on Key Individuals

The performance of a Sub-Fund could be materially adversely affected if certain key individuals cease to participate in the operation of the Company or the Management Company (e.g. through death, disability, retirement or leaving the employment of the Management Company).

### Model risk

Investment decisions for a Sub-Fund could be made based on the application of certain quantitative models. The risk exists that such models fail or otherwise do not perform the tasks they were designed to.

### Failure in Systems and Technology

Information technology systems relied upon by a Sub-Fund, the Management Company, a Sub-Fund's service providers (including, but not limited to, the auditors, the Depositary and the Administration Agent) and/or the issuers of securities in which a Sub-Fund invests may be vulnerable to damage or interruption from computer viruses, infiltrations, security breaches, usage errors, power outages, natural disasters and other failures. The failure of these systems for any reason could cause significant interruptions in the operations of a Sub-Fund, the Management Company, a service provider and/or the issuer of a security in which a Sub-Fund invests. Such failures could also lead to the loss or corruption of data, the unintended disclosure of sensitive and/or confidential information as well as inaccurate accounting and reporting. The Management Company's ability to adequately assess and adjust investments and formulate strategies, monitor investment portfolios and provide adequate risk controls could furthermore be materially limited. Any such information technology related failure could harm the performance of a Sub-Fund and may otherwise adversely affect the Company's, the Management Company's, a service provider's and/or an issuer's reputation, business and/or financial performance.

### Outsourcing Risk

The Company may delegate certain functions to service providers and other third parties (including, but not limited to, the Management Company). Such parties may fail to comply with contractual obligations or otherwise cause errors, disruptions and/or losses and may not be held liable due to the terms of the respective agreement and/or any indemnity given by the Company.

### Other Operational Risks

The operational infrastructure used by the Company carries the inherent risk of potential losses due to, among other things, processes, systems, staff and external events. Accordingly, an investment in a Sub-Fund is subject to other operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, changes in personnel, fraud, theft and infiltration by unauthorised persons or outside events such as natural disasters. Notwithstanding the existence of policies and procedures designed to detect and prevent such risks as well as business continuity and disaster recovery measures designed to mitigate any such risk or disruption, such other operational risks may potentially result in a Sub-Fund incurring significant losses.

## **5.4 Regulatory and Legal Risks**

### Segregation of Liability

The liability between Sub-Funds is segregated under Luxembourg law and as such the assets of one Sub-Fund will not be available to satisfy the liabilities of another Sub-Fund. The Company is, however, a single legal entity which may operate or have assets held on its behalf or be subject to claims in jurisdictions outside Luxembourg. There can be no guarantee that the courts of any such jurisdiction will respect the segregated liability of the Sub-Funds.

### Cross Liability between Classes of Shares

The right of holders of any Class of Shares to participate in the assets of the Company is limited to the assets (if any) of the relevant Sub-Fund to which the Shares relate and all the assets comprising a Sub-Fund will be available to meet all of the liabilities of that Sub-Fund, regardless of the different amounts stated to be payable on the separate Classes of Shares constituting that Sub-Fund.

### Insolvency Risk

If the Company fails for any reason to meet its obligations or liabilities, or is unable to pay its debts, a creditor may be entitled to make an application for the winding-up of the Company. The commencement of such

proceedings may entitle creditors (including counterparties) to terminate contracts with the Company and the Sub-Funds and claim damages for any loss arising from such early termination. Notwithstanding that Luxembourg law caters for the insolvency of a Sub-Fund distinctly from that of the Company, so that the insolvency of any Sub-Fund does not affect the Company or its unaffected Sub-Funds, the commencement of such proceedings may result in the Company being dissolved and its assets (including the assets of all Sub-Funds) being realised and applied to pay the fees and expenses of the appointed liquidator or other insolvency officer, then in satisfaction of debts preferred by law and then in payment of the Company's liabilities, before any surplus is distributed to the Shareholders of the Company. In the event of proceedings being commenced, the Company may not be able to pay, in full or at all, any amounts due in terms of this Prospectus to the Shareholders, including the redemption amounts for repurchased Shares.

#### Change in Laws and Regulations

The value of Shares and the possibility to purchase, sell or redeem them may be affected by changes in laws, regulations or government policies in Luxembourg, the country of residence or nationality of the Investor or in countries where a Sub-Fund is invested.

#### Repatriation Risk

It may not be possible for a Sub-Fund to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. A Sub-Fund could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of a consent granted or to the imposition of new restrictions.

#### Title and Beneficial Ownership Risks

Where securities are held in custody on a cross-border basis, such securities may be subject to specific title and beneficial ownership risks. Foreign courts may consider that any nominee or custodian as registered holder of securities would have full ownership thereof, and that those securities would form part of the pool of assets of such entity available for distribution to its creditors and/or that a beneficial owner may have no rights in respect thereof. Consequently, the Company and the Depositary cannot ensure that the Sub-Fund's ownership of these securities or title thereto is assured. Such risks may be in particular elevated for securities purchased through the Shanghai-Hong Kong Stock Connect programme where HKSCC, as nominee holder, does not guarantee the title to such securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners.

#### Anti-Money Laundering

Investors should carefully review the provisions and procedures established by the Company to comply with applicable anti-money laundering legislation as set out in section 7 ('Anti-Money Laundering Procedures'). If the Company believes that Shares could be held or are being applied for by any person or entity that is suspected to act, directly or indirectly, in violation of any national or international laws, regulations or other applicable legal provisions, in particular in regard to money laundering or other serious crimes, the Company must inform the law enforcement agencies of Luxembourg about any relevant transaction. The assets of such person or entity invested in a Sub-Fund might be frozen, confiscated, forfeited or otherwise dealt with in a manner prescribed by law enforcement agencies and/or courts of competent jurisdiction.

#### European Market Infrastructure Regulation ("EMIR")

The Company is required to comply with the European Market Infrastructure Regulation ("EMIR") in respect of transactions in financial derivative instruments. EMIR's requirements include (but are not limited to) the mandatory clearing of OTC Derivatives declared subject to certain clearing obligations, risk mitigation techniques in respect of uncleared OTC Derivatives and reporting and record-keeping requirements in respect of all transactions in financial derivative instruments. No assurance can be given that a Sub-Fund will be compliant given the complexity of EMIR and its implementation. It is possible that EMIR raises the costs of entering into financial derivative instrument transactions and may adversely affect a Sub-Fund's ability to make use of financial derivative instruments.

## MiFID II

The Company is required to comply with MiFID II. No assurance can be given that a Sub-Fund will be compliant given the complexity of MiFID II and its implementation.

## Commodity Futures Trading Commission Regulations

By investing in certain financial derivative instruments the Company and/or a Sub-Fund may be subject to applicable rules and regulations of the U.S. Commodity Futures Trading Commission. While the Company will use its best efforts to comply with any such rules and regulations, no assurance can be given that a Sub-Fund will be compliant.

## Nominee Arrangements

Where Shares are held by a nominee on behalf of an Investor and/or an Investor holds an indirect interest in Shares through a clearing system, such Investor will only receive payments in respect of redemption proceeds and/or any dividends attributable to the Shares on the basis of the arrangements entered into by the Investor with the nominee or clearing system (as the case may be). Any such Investor will not appear on the register of Shareholders, will have no direct right of recourse against the Company and must look exclusively to the nominee or clearing system for all payments attributable to the relevant Shares. The Company will recognise as Shareholders only those persons who are at any time shown on the register of Shareholders for the purposes of the payment of dividends and other payments due to be made to Shareholders (as applicable); the circulation of documents to Shareholders; the attendance and voting by Shareholders at any meetings of Shareholders; and all other rights of Shareholders attributable to Shares. None of the Company, the Directors, the Management Company, the Administration Agent, the Depositary or any other person will be responsible for the acts or omissions of any nominee or clearing system, nor make any representation or warranty, express or implied, as to the services provided by any nominee or clearing system.

## Indemnities

The constitutional documents of the Company as well as agreement with various parties such as the Management Company, the Administration Agent, the Depositary, any credit institution, any broker and any other service provider may contain provisions indemnifying certain natural or legal persons against claims or lawsuits arising out of the activities of the Company and any Sub-Fund. As a result, there is a risk that the assets of a Sub-Fund have to be used to satisfy such liabilities. The Company or a Sub-Fund may or may not purchase any insurance relating to such indemnity obligations.

## Litigation Risks

With the Company and the Sub-Funds engaging the services of various persons and service providers as well as transacting with various parties, it cannot be excluded that the Company and/or a Sub-Fund may be subject to legal disputes and litigations in Luxembourg or abroad.

## Other Legal Risks

A Sub-Fund may be subject to various other legal risks that could make a Sub-Fund subject to penalties due to non-compliance or otherwise adversely affect a Sub-Fund.

## Risks linked with dealing in securities via Stock Connect

To the extent that the relevant Sub-Fund's investments in China are dealt via Stock Connect, such dealing may be subject to additional risk factors. The Sub-Funds may invest in eligible China A shares ("China Connect Securities") through Stock Connect. Stock Connect is a securities trading and clearing linked program developed by, amongst others, The Stock Exchange of Hong Kong Limited ("SEHK"), Shanghai Stock Exchange ("SSE"), Shenzhen Stock Exchange ("SZSE"), Hong Kong Securities Clearing Company Limited ("HKSCC") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"), with an aim to achieve mutual stock market access between mainland China and Hong Kong. For investment in China Connect Securities, Stock Connect provides the "Northbound Trading Link". Under the Northbound link, investors, through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to place orders to trade China Connect Securities listed on the SSE and the SZSE by routing orders to the SSE and the SZSE. Under Stock

Connect, HKSCC, also a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (“HKEx”), will be responsible for the clearing, settlement and the provision of nominee and other related services of the trades executed by Hong Kong market participants and investors. The relevant regulations are subject to change. Stock Connect is subject to quota limitations which may restrict the relevant Sub-Fund’s ability to deal via Stock Connect on a timely basis. This may impact the Sub-Fund’s ability to implement its investment strategy effectively. Currently, the scope of Stock Connect includes all constituent stocks of the SSE 180 Index, the SSE 380 Index, the SZSE Component Index, the SZSE Small/Mid Cap Innovation Index (with market capitalization of Renminbi “RMB” 6 billion or above) as well as all China A Shares dual-listed on either the SSE or SZSE and the SEHK except for listed shares which are not traded in RMB and/or which are under ‘risk alert’ or under delisting arrangements. Shareholders should note further that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the relevant Sub-Fund’s ability to meet its investment objective, e.g. when the Investment Manager wishes to purchase a security which is recalled from the scope of Stock Connect.

#### *Beneficial owner of the SSE/SZSE Shares*

Stock Connect currently comprises the Northbound link, through which Hong Kong and overseas investors like the Fund may purchase and hold China A Shares listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange (“SSE/SZSE Shares”), and the Southbound link, through which investors in Mainland China may purchase and hold shares listed on the Stock Exchange of Hong Kong. The relevant Sub-Fund trades SSE/SZSE Shares through its broker affiliated to the fund sub-custodian who is SEHK exchange participants. These SSE/SZSE Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System (“CCASS”) maintained by the Hong Kong Securities and Clearing Corporation Limited (“HKSCC”) as central securities depository in Hong Kong and nominee holder. HKSCC in turn holds SSE/SZSE Shares of all its participants through a “single nominee omnibus securities account” in its name registered with ChinaClear, the central securities depository in Mainland China. Because HKSCC is only a nominee holder and not the beneficial owner of SSE/SZSE Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that SSE/SZSE Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in SSE/SZSE Shares in Mainland China. Foreign Investors like the concerned Sub-Fund investing through the Stock Connect holding the SSE/SZSE Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only.

#### *Not protected by Investor Compensation Fund*

Investors should note that any Northbound or Southbound trading under Stock Connect will not be covered by Hong Kong’s Investor Compensation Fund nor the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.

Hong Kong’s Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

#### *Pre-trade checking*

Mainland China law provides that SSE and SZSE may reject a sell order if an investor (including the relevant Sub-Fund) does not have sufficient available China A shares in its account. SEHK will apply similar checking on all sell orders of China connect securities on the Northbound link at the level of SEHK’s registered exchange participants (“Exchange Participants”) to ensure there is no overselling by any individual Exchange Participant (“Pre-Trade Checking”).

#### *Quota limitations*

Trading under Stock Connect will be subject to a maximum daily quota (“Daily Quota”). The Northbound link will be subject to a separate set of Daily Quota, which is monitored by SEHK. The Daily Quota limits the maximum net buy value of cross-border trades via the Northbound link under Stock Connect each day. The applicable quota may change from time to time without prior notice and consequently affect the buy trades on the Northbound link. In particular, once the remaining balance of the Daily Quota applicable to the Northbound link

drops to zero or such Daily Quota is exceeded, new buy orders will be rejected (though investors will be allowed to sell their China connect securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Sub-Funds' ability to invest in China connect securities through Stock Connect on a timely basis.

#### *Difference in trading day and trading hours*

Due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the two Mainland China markets, Shanghai Stock Exchange (SSE) and Shenzhen Stock Exchange (SZSE), and Hong Kong Stock Exchange (HKSE). Stock Connect will thus only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any China A Shares trading in Hong Kong. The investment manager should take note of the days and the hours during which Stock Connect is open for business and decide according to its own risk tolerance capability whether or not to take on the risk of price fluctuations in China A Shares during the time when Stock Connect is not trading.

#### *Restriction on Day Trading*

Day (turnaround) trading is not permitted on the China A Share market. Therefore, a Sub-Fund buying China Connect Securities on T day can only sell the shares on and after T+1 day subject to any China Connect rules. This will limit the Sub-Fund's investment options, in particular where a Sub-Fund wishes to sell any China Connect Securities on a particular trading day. Settlement and Pre-Trade Checking requirements may be subject to change from time to time.

#### *Order Priority*

Where a broker provides the Stock Connect trading services to its clients, proprietary trades of the broker or its affiliates may be submitted to the trading system independently and without the traders having information on the status of orders received from clients. There is no guarantee that brokers will observe client order priority (as applicable under relevant laws and regulations).

#### *Best Execution Risk*

China connect securities trades may, pursuant to the applicable rules in relation to Stock Connect, be executed through one or multiple brokers that may be appointed for the relevant Sub-Fund for trading via the Northbound Trading Link. In order to satisfy the Pre-Trade checking requirements, the Sub-Fund may determine that they can only execute China connect securities trades through certain specific broker(s) or Exchange Participant(s) and accordingly such trades may not be executed on a best execution basis. In addition, the broker may aggregate investment orders with its and its affiliates' own orders and those of its other clients, including the relevant Sub-Fund. In some cases, aggregation may operate to the Sub-Funds disadvantage and in other cases aggregation may operate to the Sub-Funds advantage.

#### *Limited off-exchange trading and transfers*

"Non-trade" transfers (i.e. off-exchange trading and transfers) through Stock Connect are generally not permitted except in limited circumstances provided under Stock Connect rules.

#### *Clearing, settlement and custody risks*

HKSCC and ChinaClear have established the clearing links between SEHK and SSE and SZSE and each has become a participant of each other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. China Connect Securities traded through Stock Connect are issued in scripless form, so investors will not hold any physical China Connect Securities. Under Stock Connect, Hong Kong and overseas investors which have acquired China Connect Securities through the Northbound link, should maintain such China Connect Securities with their brokers' or custodians' stock accounts with CCASS operated by HKSCC. There are risks involved in dealing with the custodians or brokers who hold the Sub-Funds' investments or settle the Sub-Funds' trades under this arrangement. It is possible that, in

the event of the insolvency or bankruptcy of a custodian or broker, the Sub-Funds would be delayed or prevented from recovering the relevant assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets. Due to a short settlement cycle for China Connect Securities, the CCASS clearing participant acting as custodian may act upon the exclusive instruction of the selling broker duly instructed by the relevant Sub-Fund's investment manager. For such purpose, the Depository may have to waive, at the risk of the Sub-Fund, its settlement instruction right in respect of CCASS clearing participant acting as its custodian in the market. Accordingly, the selling brokerage and custody services may be provided by one entity, whereas the Sub-Fund may be exposed to risks resulting from potential conflict of interests which will be managed by appropriate internal procedures. The Sub-Funds' rights and interests in China Connect Securities will be exercised through HKSCC exercising its rights as the nominee holder of the China Connect Securities credited to HKSCC's RMB common stock omnibus account with ChinaClear.

#### *Risk of CCASS Default and ChinaClear Default*

Investors should note that China Connect Securities held with relevant brokers' or custodians' accounts with CCASS may be vulnerable in the event of a default, bankruptcy or liquidation of CCASS. In such case, there is a risk that the Sub-Funds may not have any proprietary rights to the assets deposited in the account with CCASS, and/or the Sub-Funds may become unsecured creditors, ranking *pari passu* with all other unsecured creditors, of CCASS. Further, the Sub-Funds' assets under relevant brokers' or custodians' accounts with CCASS may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Sub-Funds. In particular, there is a risk that creditors of CCASS may assert that the securities are owned by CCASS and not the Sub-Funds, and that a court would uphold such an assertion, in which case creditors of CCASS may seek to seize assets of the Sub-Funds. In the event of any settlement default by HKSCC, and a failure by HKSCC to designate securities or sufficient securities in an amount equal to the default such that there is a shortfall of securities to settle any China Connect Securities trades, ChinaClear will deduct the amount of that shortfall from HKSCC's RMB common stock omnibus account with ChinaClear, such that the Sub-Funds may share in any such shortfall. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission. Should the remote event of ChinaClear's default occur and ChinaClear be declared as a defaulter, HKSCC has stated that it will in good faith, seek recovery of the outstanding China Connect Securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant China Connect authorities. In that event, the Sub-funds may suffer delay in the recovery process or may not be able to fully recover their losses from ChinaClear.

#### *Participation in corporate actions and shareholders' meetings*

Following existing market practice in the PRC, investors engaged in trading of China Connect Securities on Northbound link will not be able to attend meetings by proxy or in person of the relevant SSE-listed company or the relevant SZSE-listed company. The Sub-Funds will not be able to exercise the voting rights of the invested company in the same manner as provided in some developed markets. In addition, any corporate action in respect of China Connect Securities will be announced by the relevant issuer through the SSE website or the SZSE website and certain officially appointed newspapers. However, SSE-listed issuers and SZSE-listed issuers publish corporate documents in Simplified Chinese only, and English translations will not be available. HKSCC will keep CCASS participants informed of corporate actions of China Connect Securities. Hong Kong and overseas investors will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of China Connect Securities may be as short as one business day only. Therefore, the Sub-Funds may not be able to participate in some corporate actions in a timely manner. Further, as multiple proxies are not available in Mainland China, the Sub-Funds may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of China Connect Securities. There is no assurance that CCASS participants who participate in the Stock Connect Scheme will provide or arrange for the provision of any voting or other related services.

#### *Short swing profit rule risk*

According to the Mainland China securities law, a shareholder holding 5% or more, aggregating its positions with other group companies, of the total issued shares ("Major Shareholder") of a Mainland China incorporated company which is listed on a stock exchange in Mainland China (a "PRC Listco") has to return any profits obtained from the purchase and sale of shares of such PRC Listco if both transactions occur within a six-month

period. In the event that the Fund becomes a Major Shareholder of a PRC Listco by investing in China Connect Securities via Stock Connect, the profits that the Sub-Funds in question may derive from such investments may be limited, and thus the performance of the Sub-Funds may be adversely affected depending on the Fund's size of investment in China Connect Securities through Stock Connect.

#### *Disclosure of Interests Risk*

Under the Mainland China disclosure of interest requirements, in the event the Fund becomes a Major Shareholder of a PRC Listco may be subject to the risk that the Fund's holdings may have to be reported in aggregate. This may expose the Company's holdings to the public with an adverse impact on the performance of the Sub-Fund in question.

#### *Foreign Ownership Limits*

Since there are limits on the total shares held by all underlying foreign investors and/or a single foreign investor in one PRC Listco based on thresholds as set out under the Mainland China regulations (as amended from time to time), the capacity of the Sub-Funds to make investments in China Connect Securities will be affected by the relevant threshold limits and the activities of all underlying foreign investors. It will be difficult in practice to monitor the investments of the underlying foreign investors since an investor may make investment through different permitted channels under Mainland China laws.

#### *Operational risk*

Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in Stock Connect subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Further, the "connectivity" in Stock Connect requires routing of orders across the border of Hong Kong and Mainland China. This requires the development of new information technology systems on the part of SEHK and Exchange Participants (i.e. China Stock Connect) to be set up by SEHK to which Exchange Participants need to connect. There is no assurance that the systems of SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in China Connect Securities through Stock Connect could be disrupted. The Sub-Funds' ability to access the China A Share market through Stock Connect (and hence to pursue its investment strategy) may be adversely affected.

#### *Regulatory risk*

Stock Connect is a new program to the market and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in Mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Stock Connect.

#### *Differences in trading day*

Stock Connect will only operate on days when both Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but investors cannot carry out any China Connect Securities trading. The Sub-Funds may be subject to a risk of price fluctuations in China Connect Securities during the time when Stock Connect is not trading as a result.

#### *Risks relating to suspension of the Mainland China stock markets*

Securities exchanges in Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges, whereby trading in any China A Shares on the relevant stock exchange may be suspended if the trading price of the security fluctuates beyond the trading band limit. Such a suspension would make any dealing with the existing positions impossible and would potentially expose the Sub-Funds concerned to losses.

### *Mainland China tax risk*

Under Caishui [2014] No. 81 for the Shanghai-Hong Kong Connect scheme and Caishui [2016] No. 127 for the Shenzhen- Hong Kong Connect scheme jointly issued by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on 14 November 2014 and 5 November 2016 respectively, investors investing in China Connect Securities through Stock Connect are exempt from income tax on capital gains derived from the sales of China Connect Securities. However, there is no guarantee on how long the exemption will last and there can be no certainty that the trading of China Connect Securities will not attract a liability to such tax in the future. The Mainland China tax authorities may in the future issue further guidance in this regard and with potential retrospective effect. In light of the uncertainty as to how gains or income that may be derived from the Sub-Fund's investments in Mainland China will be taxed, the Fund reserves the right to increase the tax burden which is caused by withholding tax on such gains or income and withhold tax for the account of the investments for and on behalf of the Sub-Fund in question.

### *Risks relating to ChiNext Board of SZSE*

Certain eligible China A Shares under the Shenzhen-Hong Kong Connect scheme are listed on the SZSE's ChiNext Board, which will be limited to the institutional professional investors at the initial stage of Shenzhen Connect. Generally, stocks listed on ChiNext Board contain higher risk than those listed on main board and small and medium enterprise board ("SME").

### *Regulatory risk*

The listing requirements of ChiNext Board are less stringent than main board and SME, e.g. requiring a shorter track record period and lower net profit, revenue and operating cash flow. Moreover, the disclosure rules applied to the ChiNext Board are different from main board and SME Board. For example, ad hoc reports of ChiNext companies are only required to be published on a CSRC designated website and on the issuers' website. If investors continue to check information through the usual disclosure channels for main board and SME Board, they may miss out some important information disclosed by ChiNext companies.

### *Operating risk*

Companies listed on ChiNext Board are generally in the early stage of development, whose business is unstable, profitability is low, and less resilient against market and industry risks. Operating risks experienced by these companies often include technical failure, new products are not well-received by the market, failure to catch up the market development and any changes in the founder, management team and core technician team.

### *Delisting risk*

Compared to the main board, the proportion of companies delisting is higher on the ChiNext Board.

### *Fluctuation in stock price*

As companies listed on ChiNext Board are relatively small and their business performance are unstable, they are more vulnerable to speculation. Share price of the ChiNext stocks is more volatile.

### *Technical risk*

Companies listed on ChiNext Board are mainly high technology companies, whose success is subject to technical innovations. However, these companies are exposed to the risks and challenges relating to technical innovation, such as high R&D costs, technical failure, and rapid development and replacement in technology and product market.

### *Risks relating to valuation*

Generally, it is difficult to estimate the value of a company listed on ChiNext Board as they are in the early stage of development with short operating history and unstable profits and cash flow. Therefore, traditional valuation method, such as price-to-earnings ratio and price-to-book ratio, is difficult to be applied. No application has been submitted or will be submitted, nor any registration has been or will be sought, by the Management

Company to or from any of the PRC governmental or regulatory authorities in connection with the advertising, offer, distribution or sale of the Shares of a Sub-Fund in or from the PRC and the Management Company does not intend to or will not, directly or indirectly, advertise, offer, distribute or sell the Shares to persons resident in the PRC. The Shares are not intended to be offered or sold within the PRC or to PRC investors. Any PRC investor shall not subscribe for Shares unless it is permitted to do so under all relevant PRC laws, rules, regulations, notices, directives, orders or other regulatory requirements in the PRC issued by any PRC governmental or regulatory authority that are applicable to the investor, the Fund or the investment manager of the Sub-Fund in question (whether or not having the force of law) as may be issued and amended from time to time. Where applicable PRC investors are responsible for obtaining all necessary governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission and/or other relevant regulatory bodies as applicable, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations. If an investor fails to comply with the above, the Fund may take any action in good faith and acting on reasonable grounds in relation to such investor's Shares to comply with relevant regulatory requirements, including effecting compulsory redemption of Shares owned by the relevant investor, subject to the Articles of Incorporation, and applicable laws and regulations. Persons into whose possession this prospectus or any Shares may come must inform themselves about and observe any such restrictions.

#### *Recalling of eligible stocks and trading restrictions*

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Manager. The Investment Manager should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE/SZSE and HKSE. Under Stock Connect, the Investment Manager will only be allowed to sell China A Shares but restricted from further buying if: (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A Share is subsequently under "risk alert"; (iii) the corresponding H share of the China A Share subsequently ceases to be traded on SEHK and/or (iv) in respect of SZSE Shares only, such Shares, based on any subsequent periodic review, that are determined to have a market capitalisation of less than RMB 6 billion. Investors should also note that price fluctuation limits would be applicable to China A Shares.

#### *Trading costs*

In addition to paying trading fees and stamp duties in connection with China A Shares trading, the relevant Sub-Fund carrying out Northbound trading via Stock Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined by the relevant authorities.

#### *Currency risks*

Northbound investments by the relevant Sub-Fund in the SSE/SZSE securities will be traded and settled in Renminbi. If the relevant Sub-Fund holds a class of shares denominated in a local currency other than RMB, the Sub-Fund will be exposed to currency risk if the relevant Sub-Fund invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the relevant Sub-Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Sub-Fund purchases it and when the Sub-Fund redeems / sells it, the Sub-Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.

The above may not cover all risks related to Stock Connect and any above-mentioned laws, rules and regulations are subject to change.

#### Risks related to investments in China

To the extent that the relevant Sub-Funds made investments in China, operations and financial results could be adversely affected by adjustments in the People's Republic of China's ("PRC's") state plans, political, economic and social conditions, changes in the policies of the PRC government and laws and regulations, in particular where investments are made through any of the investment regime introduced by the PRC government. In

particular, it should be noted that although the PRC government has constantly reiterated its intention to maintain the stability of the Renminbi, the exchange rate has been very volatile in the past and it cannot be excluded that this will remain so in the future. Any devaluation of the Renminbi could adversely affect the net asset value of the Sub-Fund in question. Further, accounting, auditing and financial reporting standards and practices applicable to companies in PRC may be different to those standards and practices applicable in other countries. For example, there may be differences in the valuation methods for properties and assets and in the requirements for disclosure of information to investors. The legal system of PRC in general and for securities markets in particular has been undergoing a period of rapid change over recent years which may lead to difficulties in interpreting and applying newly evolving regulations. The revised securities law which came into force on 1 January 2006 has made a comprehensive revision to the previous regulatory framework relating to the issuing, listing and trading systems of securities. The PRC government has implemented a number of tax reform policies in recent years. There can be no assurance that the current tax laws and regulations will not be revised or amended in future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of companies in the PRC.

#### Risks related to investments in Russia

To the extent that the relevant Sub-Funds made investments in Russia, operations and financial results could be adversely affected as a result of a number of considerations, including potentially significant geopolitical, legal, regulatory and economic risks. Such considerations may include greater risk of economic and financial sanctions, market shutdown, greater governmental involvement in the economy, less complete and reliable official data and, in some cases, greater volatility, greater liquidity risks, greater unpredictability and higher risk of civil, military or international conflict. Investments in Russia may also be exposed to greater political and economic risks, such as the possibility of nationalisation, expropriation, capital controls, political changes, social instability, adverse currency movements or other developments which could adversely affect the Sub-Funds' investments in Russia. There is also a risk that investments in Russia may be adversely affected by trading restrictions, low or no market liquidity, or regulatory prohibitions to trade (buy or sell) the respective securities. It is also possible that any legal title to any assets in Russia may not be exercised and a full write-off of the relevant Sub-Funds' assets invested in Russia may occur.

### **5.5 Taxation Risks**

#### Tax Status of the Company and the Sub-Funds

Any change in the tax laws of Luxembourg or of any jurisdiction where a Sub-Fund is registered, listed, marketed or invested could adversely affect the tax status of the Company and any Sub-Fund, the value the investments of any Sub-Fund, the ability of any Sub-Fund to achieve its investment objective and/or the post-tax returns of Shares. The purchase, holding, proceeds or sale and repatriation of investments made by a Sub-Fund may furthermore be subject to taxation outside of Luxembourg (i.e. withholding tax) which is subject to change. No assurance can be given that taxes may not be additionally imposed or increased at any time in the future as a result of any change in applicable laws, treaties or rules or the interpretation thereof. The Company may not be able to avoid or recover such tax and any such change could harm the performance of a Sub-Fund. The Company is subject to the risk of fines or penalties imposed by any fiscal authority and may be required to file tax returns or provide other documentation to the authorities of certain jurisdictions. It cannot be guaranteed that such authorities will accept or agree with the Company's return or calculations. Investors should carefully review the disclosures set out in section 13 ("Taxation") below.

#### Impact of Tax Claims and Liabilities

As a result of uncertainty relating to a Sub-Fund's potential tax claims and liabilities (including on any historical realised or unrealised gains, as well as claims and liabilities that may arise as a result of investments which have tax claims or liabilities not reflected in their valuation), the net asset value of a Sub-Fund on any Valuation Day may not accurately reflect tax claims or liabilities (including those that are imposed with retrospective effect). In the event that a Sub-Fund determines to accrue for tax liabilities and/or is required to pay amounts relating to tax liabilities that had not previously been accrued and/or any investment results in tax liabilities that were not reflected in their valuation (including historic investments), the amount of any such determination or payment will generally reduce the net asset value of the Sub-Fund at the time of such determination or payment, rather than when the income or transaction to which such taxes relate was earned or occurred. In the event that a Sub-

Fund determines to accrue for tax claims and/or receives a tax claim payment that had not previously been accrued and/or that an accrual for potential tax liabilities exceeds or will exceed the liability for such taxes, the benefit from any such determination will generally be for the Shareholders of the relevant Sub-Fund at the time of such determination, rather than when the income or transaction in respect of which such taxes were accrued was earned or occurred, and Investors who previously redeemed Shares of that Sub-Fund will not receive additional compensation or otherwise share such benefit. Investors will not be notified of any of the foregoing determinations or payments.

#### Taxation Risks of a Shareholder

Investors should be aware that a Shareholder may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp duty or any other kind of tax according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and/or in the country of residence and/or nationality of the Shareholder. Such taxes might be payable on (but are not limited to) a sale or deemed sale of Shares, distributions or deemed distributions of a Sub-Fund, income or deemed income within a Sub-Fund (whether received, accrued or deemed received) and/or capital gains within a Sub-Fund (whether or not realised) whereas the performance of the Sub-Fund, and subsequently the return Investors receive after redemption of the Shares, might partially or fully differ from the respective tax liability (potentially making the Investor liable to taxes on income and/or a performance which he does not, or does not fully, receive). Investors should be aware that tax regulations and their application or interpretation by the relevant tax authorities may be subject to change. Accordingly, it may not be possible to predict the precise tax treatment applicable at any given time. Investors should read carefully the information included in section 13 ('Taxation') below and are encouraged to seek, as necessary, their own professional advice in regard to an investment in Shares.

#### FATCA

Investors should read carefully the information set out in sub-section 13.5 ('FATCA'), particularly in relation to the consequences of the Company being unable to comply with FATCA. No assurance can be given that a Sub-Fund will be compliant given the complexity of the FATCA and its implementation. If a Sub-Fund becomes subject to a FATCA withholding tax, the return of all investors may be materially affected. In this case, the Company shall not be held liable for any losses. The Company may mandatorily redeem the Shares of any Shareholder that fails to cooperate with the Company's efforts to comply with FATCA and may take any other action described in this Prospectus in relation to the Shares held by such Shareholder. It is possible that the administrative costs arising from tax compliance may cause an increase in the operating expenses of any Sub-Fund.

#### AEI

Investors should read carefully the information set out in sub-section 13.4 ('AEI'). No assurance can be given that the Company will be compliant given the complexity of the AEI and its implementation. The Company may mandatorily redeem the Shares of any Shareholder that fails to cooperate with the Company's efforts to comply with the AEI Law and may take any other action described in this Prospectus in relation to the Shares held by such Shareholder. It is possible that the administrative costs arising from tax compliance may cause an increase in the operating expenses of the Sub-Funds.

#### Financial Transaction Taxes

A number of jurisdictions have implemented, or are considering implementing, certain taxes on the sale, purchase or transfer of financial instruments (including derivatives), such taxes commonly known as the "Financial Transaction Tax" ("FTT"). The imposition of any such taxes may impact the Sub-Funds and their respective performance in a number of ways and notably as follows:

1. where a Sub-Fund enters directly into transactions for the sale, purchase or transfer of financial instruments, FTT may be payable by this Sub-Fund and the net asset value of this Sub-Fund may be adversely impacted;
2. where underlying UCIs enter into transactions for the sale, purchase or transfer of financial instruments, FTT may be payable by the underlying UCIs and the net asset value of such underlying UCIs may be adversely impacted, which may in turn adversely affect the net asset value of the relevant Sub-Fund; and/or
3. subscriptions, transfers and redemptions of a Sub-Fund's Shares may be affected by FTT.

## 5.6 Sustainability-related Risks

Sustainability risk is defined as an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent risks of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long term risk-adjusted returns for investors. The assessment of sustainability risks is complex and may be based on environmental, social, or governance data, which is difficult to obtain, incomplete, estimated, out of date and/or otherwise materially inaccurate. Even if identified, there can be no guarantee that such data can be correctly assessed.

The impact of the occurrence of a sustainability risk can be broad and varied, depending on the specific risk, region or asset class. In general, when a sustainability risk materialises in respect of an asset, there will be a negative impact and potentially a total loss of value and, consequently, the net asset value of the impacted Sub-Fund will be negatively impacted.

The Company believes that the integration of sustainability risk into the investment decision-making process may help to enhance long term risk-adjusted returns for investors, in accordance with the investment objectives and policies of the Sub-Funds. The Investment Manager identifies and integrates sustainability risk as part of its investment management process. Different asset classes, investment strategies and investment universes may require different approaches to the integration of such risks in investment decision-making. The Investment Manager will typically analyse potential investments by assessing (alongside other relevant considerations), for example, the overall costs and benefits to society and the environment that an issuer may generate or how the market value of an issuer may be influenced by individual sustainability risks such as a rise in carbon tax. The Investment Manager will also typically consider the relevant issuer's relationships with its key stakeholders – customers, employees, suppliers and regulators - including an assessment of whether those relationships are managed in a sustainable manner and, therefore, whether there are any material risks to the market value of the issuer. A range of proprietary tools may be used to perform these assessments, along with supplementary metrics from external data providers and the Investment Manager's own due diligence, as appropriate. This analysis informs the Investment Manager's view of the potential impact of sustainability risks on a Sub-Fund's overall investment portfolio and, alongside other risk considerations, the likely financial returns of the Sub-Fund. The Management Company identifies and integrates sustainability risk as part of its risk management process.

Unless otherwise provided for a specific Sub-Fund in the relevant Sub-Fund Appendix, the Company does not intend to consider principal adverse impacts of investment decisions on sustainability factors as the size of investments and structure of the Company do not seem to be of sufficient relevance on these factors.

Unless otherwise provided for a specific Sub-Fund in the relevant Sub-Fund Appendix, the Sub-Funds do not promote environmental or social characteristics, nor do they have sustainable investment as investment objectives within the meaning of Articles 8 and 9 of SFDR, respectively.

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## **6 ISSUE, REDEMPTION, CONVERSION AND TRANSFER OF SHARES**

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THE SHARES ARE DESCRIBED IN SUB-SECTION 2.4 ('THE SHARES') ABOVE. ANY SUBSCRIPTION, REDEMPTION, TRANSFER OR EXCHANGE OF SHARES IS GOVERNED BY THIS PROSPECTUS, THE ARTICLES AND, IN RELATION TO A PARTICULAR SUB-FUND, THE RELEVANT APPENDIX.

### **6.1 Minimum Subscription and Holding Amounts and Eligibility for Shares**

A subscriber or transferee of Shares must satisfy the conditions set out in this Prospectus in order to acquire or hold Shares. By completing and executing the subscription application the subscriber is entering into a number of undertakings and giving a number of warranties as specifically set out in the subscription application and in this Prospectus (which also bind any future transferee of Shares so subscribed), including amongst other things, that the Investor is able to acquire Shares without violating applicable laws.

A minimum initial and subsequent subscription amount and minimum holding amounts for each Class may be set forth, as further detailed in the relevant Appendix. The Company has the discretion, from time to time, to waive or reduce any applicable minimum subscription amounts.

The right to transfer, redeem or convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts and eligibility requirements) applicable to the Class from which the redemption or conversion is being made, and also the Class into which any conversion is to be effected.

The Board of Directors may also, at any time, decide to compulsorily redeem all Shares from Shareholders whose holding is less than the minimum holding amount specified in the relevant Appendix or who fail to satisfy any other applicable eligibility requirements set out in this Prospectus or the Articles. In such case, the Shareholder concerned will receive one month's prior notice so as to be able to increase its holding above such amount or otherwise satisfy the eligibility requirements.

If a redemption or conversion request would result in the amount remaining invested by a Shareholder falling below the minimum holding amount of that Class, such request will be treated as a request to redeem or convert, as appropriate, the Shareholder's total holding in that Class. If the request is to transfer Shares, then that request may be refused by the Company.

Shareholders are required to notify the Company immediately in the event that they are or become US Persons or hold Shares for the account or benefit of US Persons or hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Company or the Shareholders or otherwise be detrimental to the interests of the Company. If the Company becomes aware that a Shareholder is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Company or the Shareholders or would otherwise be detrimental to the interests of the Company or that the Shareholder has become or is a US Person, the Company may, in its sole discretion, redeem the Shares of the Shareholder in accordance with the provisions of the Articles.

The Company may also limit the distribution of a given Class or Sub-Fund to specific countries. The Company may also restrict the distribution of the Company's Shares by distributors or agents who have not been approved. The Company may also restrict or prevent the ownership of Shares by any person, firm or corporation, if such ownership may be against the interests of the Company or of the majority of Shareholders or of any Sub-Fund or Class therein. Where it appears that a person who should be precluded from holding Shares, either alone or in conjunction with any other person, is a beneficial owner of Shares, the Company may compulsorily redeem all Shares so owned in accordance with the provisions of the Articles.

### **6.2 Subscription, Redemption and Conversion Requests**

Unless otherwise provided for a specific Sub-Fund in the relevant Appendix, requests for subscription, redemption and conversion of Shares should be sent to the Administration Agent in original form at the registered address of the Company in Luxembourg or such electronic means as may be accepted at the discretion of the Company. An application form can be obtained from the Company.

Unless otherwise specified in the relevant Appendix, requests for subscriptions, redemptions and conversions from or to any Sub-Fund will be dealt with on the Valuation Day on which they are received, provided they are received prior to the Cut-Off Time specified in the relevant Appendix. Requests received after such time will be accepted on the next Valuation Day. As a result, requests for the subscription, redemption and conversion of Shares shall be dealt with on an unknown net asset value basis before the determination of the net asset value for that day.

The Company does not permit market timing (as set out in CSSF circular 04/146) or related excessive, short-term trading practices. The Company has the right to reject any request for the subscription or conversion of Shares from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as it may deem appropriate or necessary.

Subscription, redemption and conversion of Shares of a given Sub-Fund shall be suspended whenever the determination of the net asset value per Share of such Sub-Fund is suspended by the Company.

### **6.3 Issue of Shares**

Subscriptions for Shares can be made on any day that is a Valuation Day for the relevant Sub-Fund. Shares will be allotted at the Issue Price of the relevant Class, i.e. the net asset value per Share of such Class determined on the applicable Valuation Day on which the request has been accepted plus the applicable sales charge, if any. Any subscription request shall be irrevocable.

If any subscription charge is applied in relation to any particular Sub-Fund, it will be disclosed in the relevant Appendix. The Management Company is entitled to receive the subscription charge (if any).

Failure to make good settlement by the Settlement Day, as determined in the relevant Appendix, may result in the cancellation of any allotment or issue of Shares made and/or the Company bringing an action against the defaulting investor or its financial intermediary or deducting any costs or losses incurred by the Company against any existing holding of the applicant in the Company. In all cases, any money returnable to the Investor will be held by the Company without payment of interest pending receipt of the remittance.

Payment for Shares must be received by the Company in the Base Currency of the relevant Class. Requests for subscriptions in any other major freely convertible currency will only be accepted if so determined by the Company.

The Company reserves the right to accept or refuse any subscription in whole or in part and for any reason.

The Company may, in its absolute discretion, delay the acceptance of any subscription for Shares of a Class restricted to institutional investors until such date as it has received sufficient evidence of the qualification of the Investor as an institutional investor.

The Board of Directors reserves the right to accept subscriptions from Investors by way of an in specie transfer of assets, in compliance with the conditions set forth by Luxembourg law, which may in particular provide for the obligation to deliver a valuation report from the auditor of the Company (*réviseur d'entreprises agréé*) and provided that such securities comply with the investment objectives and policies of the relevant Sub-Fund. The subscriber shall be responsible for all custody and other costs involved in changing the ownership of the relevant assets unless the Board of Directors otherwise agrees.

### **6.4 Redemption of Shares**

Requests for the redemption of Shares can be made on any day that is a Valuation Day for the relevant Sub-Fund. Redemptions will be carried out at the redemption price of the relevant Class, i.e. the net asset value per Share of such Class determined on the applicable Valuation Day on which the request has been accepted less the applicable redemption charge, if any. Any redemption request shall be irrevocable.

No redemption payments will be made until the original application form and relevant subscription monies have been received from the Shareholder and all the necessary anti-money laundering checks have been completed. The Company may carry out any further authentication procedures that it considers appropriate relating to a redemption request to mitigate the risk of error and fraud for the Company, its agents or Shareholders. Where it has not been possible to complete any anti-money laundering or authentication procedures to its satisfaction,

the Company may delay the processing of payment instructions until authentication procedures have been satisfied. This will not affect the Valuation Day on which the redemption request is accepted and the redemption to be applied. The Company shall not be held responsible to the Shareholder or anyone if it delays execution or declines to execute redemption instructions in these circumstances.

Redemption proceeds will be paid on receipt of faxed or electronically transmitted instructions where such payment is made into the account specified by the Shareholder in the original application form submitted. However, any amendments to the Shareholder's registration details and payment instructions can only be effected upon receipt of original documentation.

Redemption payments will normally be paid in the Base Currency of the Class by bank transfer within four (4) Business Days of the relevant Valuation Day. The Company is not responsible for any delays or charges incurred at any receiving bank or settlement system. A Shareholder may request, at its own cost and subject to agreement by the Company that their redemption proceeds be paid in a currency other than the Base Currency of the relevant Class.

If, in exceptional circumstances, redemption proceeds cannot be paid within the period specified above, payment will be made as soon as reasonably practicable thereafter (not exceeding, however, ten [10] Business Days) at the redemption price calculated on the relevant Valuation Day, it being understood that the Board of Directors will always ensure the overall liquidity of the Company.

The Board of Directors may in its discretion, at the request of a Shareholder, elect to satisfy a redemption in whole or in part by way of an in specie transfer of assets from the Company. In such cases, the Board of Directors will ensure that the in specie transfer of assets will not be detrimental to the remaining Shareholders by pro-rating the redemption in specie as far as possible across the entire portfolio of securities. Such in specie redemptions may be subject to a special audit report confirming the number, the denomination and the value of the assets which the Board of Directors will have determined to be transferred in consideration for the redeemed Shares, save as otherwise provided for under applicable law.

If any redemption charge is applied in relation to any particular Sub-Fund, it will be disclosed in the relevant Appendix to the Prospectus. The Management Company is entitled to receive the redemption charge (if any).

Shares redeemed by the Company become null and void.

## **6.5 Conversion of Shares**

Subject to any provision under this Prospectus and the relevant Appendix, Shareholders have the right to convert all or part of their Shares of any Class of a Sub-Fund into Shares of another Class of that or another Sub-Fund, by applying for conversion in the same manner as for the subscription and redemption of Shares. Conversions within the Company are permitted provided that the Shareholder satisfies the eligibility requirements and minimum holding amounts set out in the relevant Appendix and such other conditions applicable to the contemplated Classes.

Conversion may be requested on any common Valuation Day for the original Class and the contemplated Class. The number of Shares redeemed and issued upon conversion will be based upon the redemption price of the original Class and the net asset value of the contemplated Class, plus a conversion charge (if any), as disclosed in the relevant Appendix. The Management Company is entitled to any conversion charge and the respective Sub-Fund shall be entitled to benefit from any rounding adjustment. Any conversion request shall be irrevocable.

## **6.6 Deferral of Redemptions and Conversions**

If the total requests for redemptions and conversions out of a Sub-Fund on any Valuation Day exceed 10% of the total value of Shares in issue of that Sub-Fund, the Company may decide that redemption and conversion requests in excess of 10% shall be deferred until the next Valuation Day. On the next Valuation Day, or Valuation Days until completion of the original requests, deferred requests will be dealt with in priority to later requests.

## **6.7 Transfer of Shares**

The transfer of Shares may normally be carried out by delivery to the Company (or the relevant distributor or sales agent) of an instrument of transfer in the appropriate form. On the receipt of the transfer request, and after

reviewing the endorsement(s), signature(s) may be required to be certified by an approved bank, stock broker or public notary.

The right to transfer Shares is subject to the transferee satisfying the eligibility requirements and minimum investment and holding requirements set out in this Prospectus and the relevant Appendix and such other conditions applicable to the relevant Class.

Shareholders are advised to contact the Company (or the relevant distributor or sales agent) prior to requesting a transfer to ensure that they have the correct documentation for the transaction.

#### **6.8 Contract Notes**

The Company does not issue share certificates and ownership of Shares will be evidenced by book entries in the register of Shareholders only. A written confirmation of completed subscriptions, redemptions, conversions and transfers will normally be dispatched on the Business Day following the execution of the transaction.

#### **6.9 Nominee Arrangements**

A distribution agent, a local paying agent, a clearing system, a financial institution or a nominee service provider may provide a nominee service for Investors whereby Shares are issued to and registered in the name of a nominee nominated by or on behalf of an Investor. In such case, subscriptions, conversions, transfers and redemptions of Shares are effected and recorded in the register of Shareholders in the nominee's name on behalf of individual Investors. The appointed nominee maintains its own records and provides the Investor with individualised information as to its holdings of Shares. Affected Investors will typically not appear on the register of Shareholders and may not therefore be able to exercise voting or other rights available to Shareholders (unless the nominee agrees to exercise voting instructions with respect to general meetings at which the holders of such Shares are entitled to vote). Investors may incur fees normally payable in respect of the maintenance and operation of accounts held with such nominee. Except where local law or custom prohibits the practice, Investors may invest directly in the Company and not avail themselves of a nominee service. Unless otherwise provided by applicable law, any Shareholder holding Shares in a nominee account with a distributor has the right to claim, at any time, direct title to such Shares.

#### **6.10 Listing**

Shares of a Sub-Fund may or may not be listed on the Luxembourg Stock Exchange or any other Regulated Market at the discretion of the Board of Directors.

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## **7 ANTI-MONEY LAUNDERING PROCEDURES**

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### **7.1 Anti-Money Laundering Requirements**

Pursuant to applicable international rules and Luxembourg laws and regulations comprising, but not limited to, the AML Regulations, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes.

As part of the process to subscribe for or transfer Shares, the Company and its registrar and transfer agent each reserve the right to request from a subscriber or transferee such information and documentary evidence as is deemed necessary to satisfy applicable law including (but not limited to) a detailed verification of a subscriber's or transferee's identity, address, residency and source of wealth as well as the source of funds for and the beneficial (and ultimate beneficial owner) of the monies invested. Politically exposed persons as defined in the AML Regulations must also be identified. Such verification procedures may differ between individual and non-individual Investors.

The Company and its registrar and transfer agent shall furthermore be able to require any tax certifications and other documentation from a subscriber or transferee that it deems required to be collected under applicable law, in particular, FATCA and the AEI Law.

This identification procedure must be carried out by the Administration Agent, acting as the Company's registrar and transfer agent, or its relevant competent agent in the case of direct subscriptions to the Company, and in the case of subscriptions received by the Company from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under the AML Regulations.

As part of its ongoing legal monitoring obligations of existing business relationships, the Company and its registrar and transfer agent each reserve the right to request any additional information and/or documentary evidence from an existing Shareholder at any time as is deemed necessary to satisfy applicable law. Investors are requested to communicate any change in their situation that will prove the information previously submitted to be no longer valid or sufficient, and shall provide the necessary additional information.

Applicable anti-money laundering laws and the obligations thereunder are subject to change. Accordingly, additional requirements may be imposed on a subscriber or Shareholder at any time.

### **7.2 Actions available to the Company**

In case of delay or failure by a subscriber or transferee to provide the documents required for verification purposes, the subscription application or instrument of transfer will not be accepted. The Company also reserves the right to refuse to make any redemption payment or distribution to a Shareholder, if the Company or its registrar and transfer agent have reason to believe that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable law.

In the case of a failure to provide the documents and information requested in the context of ensuring compliance with FATCA or the AEI Law, the Company may also be entitled to force the redemption of the relevant Shares.

Neither the Company nor its registrar and transfer agent have any liability for delays or failure to process deals as a result of the subscriber providing no or only incomplete documentation.

### **7.3 Anti-Money Laundering Reporting**

The Company and its registrar and transfer agent may also be required under applicable law to report certain actions and transactions and to disclose the subscriber's or Shareholder's identity and any other relevant data to applicable governmental and regulatory authorities.

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## **8 DATA PROTECTION**

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### **8.1 Data Protection Disclosure**

In accordance with the Data Protection Regulation, personal data of Investors and of other individuals (including, but not limited to, directors, managers, agents and other representatives or employees of the Investors) (the “Data Subjects”) whose personal information is collected and provided to the Company in the context of the Investor’s investments in the Company may be stored on computer systems by electronic means or other means and processed by the Company as data controllers, and may be processed in certain circumstances by third party service providers acting as their delegates such as the Administration Agent as a data processor of the Company.

In certain circumstances, delegates of the Company acting as data processor may however also act as data controller if and when processing personal data for the purposes of complying with their own legal and regulatory obligations (in particular in the context of their own anti-money laundering related processes).

The Company is committed to protecting the personal data of the Data Subjects, and have taken all necessary steps, to ensure compliance with the Data Protection Regulation in respect of personal data processed by them in connection with investments made into the Company. This includes (non-exclusively) actions required in relation to: information about processing of personal data and, as the case may be, consent mechanisms; procedures for responding to requests to exercise individual rights; contractual arrangements with suppliers and other third parties; security measures; arrangements for overseas data transfers and record keeping and reporting policies and procedures.

Personal data shall have the meaning given in the Data Protection Regulation and includes (non-exclusively) any information relating to an identified or identifiable individual, such as the Investor’s name, address and bank account details; the invested amount; the names of the Investor’s individual representatives; and the name of the ultimate beneficial owner, where applicable.

Personal data will be processed to facilitate the investments in the Sub-Fund(s) and its ongoing management and administration such as processing of subscriptions, redemptions and conversions, and will also be processed in compliance with the legal obligations under applicable law (such as applicable fund law and commercial company law, prevention of terrorism financing and anti-money laundering legislation, prevention and detection of crime, tax law). Personal data are not kept for longer than is necessary for the purposes for which they are processed.

Personal data provided directly by Data Subjects in the course of their relationship with the Company, in particular their correspondence and conversation with the Company, or their delegates may be recorded, and processed in compliance with Data Protection Regulation.

The Company or their delegates may share the personal data to their affiliates and to other entities which may be located outside the EEA. In such case they will ensure that the personal data are protected by appropriate safeguards.

By subscribing to the Shares, the Investor consents to the processing (throughout of his/her dealings with the Company and for such time as is required by law) of his/her personal data, as outlined above.

### **8.2 Rights of Data Subjects**

In compliance with the Data Protection Regulation, Data Subjects have certain rights including the right to access their personal data, the right to have incomplete or inaccurate personal data corrected, the right to receive their personal data in a structured, commonly used and machine-readable format and to transmit those data to another controller. Data Subjects may also have the right to object to and to restrict the use of personal data and to require their deletion provided such personal data is not required to be retained by the Company to comply with a legal or regulatory requirement. Data Subjects may address any such request to the registered office of the Company.

Data Subjects have the right to raise any question or lodge a complaint about the processing of their personal data with the relevant data protection authority.

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## 9 DISTRIBUTION POLICY

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Under the Articles, and where provided for under the relevant Appendix, the Directors may declare and pay distributions on Shares issued in any Class out of a Sub-Fund.

The following types of distribution policies apply in general to Classes of Shares issued within each Sub-Fund:

- distributing Classes of Shares which, in principle, intend to declare dividends to Shareholders.
- accumulating Classes of Shares which do not entitle Shareholders to receive a dividend but, in principle, intend to capitalise any amount distributable to Shareholders.

In case of distributing Classes of Shares, the Board of Directors may decide to distribute interim dividends either in the form of cash in the relevant Base Currency or in the form of reinvestment by the purchase of Shares of the same Class.

Dividends may in any case result from a decision of the Shareholders in general meeting, subject to a majority vote of those present or represented and within limits provided by law, and a concurring decision at the same majority in the relevant Sub-Fund.

Dividends will not be paid unless they are covered by income received from underlying investments; and they may only be paid in conformity with any requirements imposed by applicable laws and regulations and to the extent that their payment does not cause the Company to fall below its minimum share capital.

Dividends unclaimed after five years from the date of declaration will lapse and revert to the relevant Sub-Fund.

Details of the distribution policy for each Class of Shares within each Sub-Fund are contained in the relevant Appendix.

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## 10 MANAGEMENT AND ADMINISTRATION

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### 10.1 Board of Directors

The Board of Directors is vested with the widest powers to act in any circumstances in the name of the Company, subject to any powers explicitly granted by law or by the Company's Articles to its general meeting of Shareholders.

The Board of Directors is responsible for managing the business of the Sub-Funds in issue, for the control of the Company's operations as well as specifying and implementing the Company's and each Sub-Fund's investment policy. The Board of Directors may delegate, under its control and responsibility, the day-to-day management of the Company.

### 10.2 Management Company

The Board of Directors has appointed Crestbridge Management Company S.A. to act as the UCITS management company of the Company in accordance with the Management Agreement and the relevant provisions of the Law.

The Management Company was incorporated in Luxembourg on 31<sup>st</sup> January, 2011 (Company Registration Number B 159802) as a private limited liability company. The Management Company's registered and head office is situated at the address shown in the "Directory" above. The Management Company is licensed by the CSSF to provide collective management services to UCITS Funds and other collective investment schemes (License Number S00000888).

The Management Company has been appointed to act as Management Company for other collective investment schemes.

The management of the assets of the Company is effected under the control of the Management Company and the ultimate responsibility of the Company's Board of Directors. The Management Company will manage the assets of the Company and its Sub-Funds in compliance with the Prospectus for the benefit of the Shareholders.

The Management Company provides the following services:

- determination of the investment policy of each Sub-Fund within the objectives and the restrictions set forth in the Prospectus;
- portfolio management of the Sub-Funds;
- central administration, including inter alia, the calculation of the net asset value, the procedure of registration, conversion and redemption of the Shares and the general administration of the Company; and
- general coordination, distribution of the Shares of the Company and marketing services.

In accordance with applicable laws and regulations and this Prospectus, the Management Company is empowered to delegate, under its control and responsibility, and subject to the agreement of the Company, all or part of its duties and powers to any person or entity, which it may consider appropriate. It is being understood that the Prospectus shall the case being be amended accordingly.

For the time being, the Management Company has delegated the central administration function, which includes the registrar and transfer agency duties, to CACEIS Bank, Luxembourg Branch, as further detailed here-below.

The Management Company is entitled to receive management company fees from each Sub-Fund as specified in the Management Company Agreement and in section 12 ('Charges and Expenses') and in the relevant Appendix.

Third parties to whom functions have been delegated by the Management Company may receive their remunerations directly from the Company (out of the assets of the relevant Sub-Fund), such remunerations

being in that case not included in the fees payable to the Management Company. These remunerations shall be calculated and shall be paid depending on the terms and conditions of the relevant agreements.

In accordance with the UCITS Directive, and the principle of proportionality, the Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management of the different relevant risks including i.a. sustainability-related risks and that does not encourage risk taking which is inconsistent with the risk profile of the Company and its Articles. The Management Company's remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the Company and its shareholders and includes measures to avoid conflicts of interest. The Management Company's remuneration policy and practices include fixed and variable components of salaries and apply to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or of the Company. The fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component. If applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to Shareholders in order to ensure that the assessment process is based on the long-term performance of the Sub-Funds and their investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

The Management Company has established a sustainability policy describing how certain sustainability factors (environmental, social or governance related factors) and sustainability risks are taken into account in the management of the respective Sub-funds. The sustainability policy is available on the website of the Management Company.

The Management Company does not intend to consider for the Company and its Sub-Funds principal adverse impacts of investment decisions on sustainability factors as the size of investments and structure of the Company do not seem to be of sufficient relevance on these factors.

### **10.3 Administration Agent**

With the consent of the Company and the CSSF, the Management Company has appointed CACEIS Bank, Luxembourg Branch as Administration Agent in accordance with the Central Administration Services Agreement and the relevant provisions of the Law.

CACEIS Bank is a public limited liability company (*société anonyme*) incorporated under the laws of France, with a share capital of 440,000,000 Euros, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. It is an authorised credit institution supervised by the European Central Bank (ECB) and the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

The Central Administration Services Agreement has been concluded for an indefinite duration and may be terminated by either party in writing with three months' notice.

In its capacity as Administration Agent, CACEIS Bank, Luxembourg Branch shall notably perform the calculation of the net asset value of units for each existing Class or Sub-Fund of the Company, management of accounts, the preparation of the annual and semi-annual financial statements and execute all tasks required as central administration.

In its capacity as the transfer and registration agent, CACEIS Bank, Luxembourg Branch shall in particular process and reconcile subscription, redemption and conversion applications and keep and maintain the register of Shareholders. In such capacity, it is also responsible to implement anti-money laundering measures as required under the AML Regulations and further described under section 7 ('Anti-Money Laundering Procedures').

The Administration Agent acts as administrator to other collective investment schemes.

For its services, the Administration Agent shall receive remuneration paid out of the assets of the Sub-Funds as specified in section 12 ('Charges and Expenses') and in the relevant Appendix.

#### 10.4 Depositary and Paying Agent

CACEIS Bank, Luxembourg Branch is acting as the Company's depositary and paying agent in accordance with the Depositary Agreement and the relevant provisions of the Law.

CACEIS Bank is a public limited liability company (société anonyme) incorporated under the laws of France, with a share capital of 440,000,000 Euros, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. It is an authorised credit institution supervised by the European Central Bank (ECB) and the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping of the Sub-Funds' assets, and it shall fulfil the obligations and duties provided for by Part I of the Law and the UCITS Directive. In particular, the Depositary shall ensure an effective and proper monitoring of the cash flows of the Sub-Funds.

In due compliance with the UCITS Rules, the Depositary shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of the Shares are carried out in accordance with the applicable national law and the UCITS Rules or the Articles;
- (ii) ensure that the value of the Shares is calculated in accordance with the UCITS Rules, this Prospectus, the Articles and the procedures laid down in the UCITS Directive;
- (iii) carry out the instructions of the Company, unless they conflict with the UCITS Rules, this Prospectus or the Articles;
- (iv) ensure that in transactions involving a Sub-Fund's assets any consideration is remitted to the Sub-Fund within the usual time limits;
- (v) ensure that the income of any Sub-Fund is applied in accordance with the UCITS Rules, this Prospectus and the Articles.

The Depositary may not delegate any of the obligations and duties set out in (i) to (v) above.

Up-to-date information regarding the identity of the Depositary, the description of its duties, the safekeeping functions delegated by the Depositary and any potential conflicts of interest involving the Depositary are made available to Investors on the Depositary's website (on [www.caceis.com](http://www.caceis.com) under the section entitled 'Regulatory Environment') and may furthermore be obtained, free of charge and upon request, from the Depositary.

In compliance with the provisions of the UCITS Directive, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to correspondents or third party sub-custodians as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law. A list of these correspondents and third party sub-custodians is available on the website of the Depositary, as mentioned above, and may be obtained upon request. Such list may be updated from time to time.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the Company, notably, administrative agency and registrar agency services.

The Company and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. The Company may, however, dismiss the Depositary only if a new depositary bank is appointed within two months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Sub-Funds have been transferred to the new depositary bank.

The Depositary has no decision-making discretion nor any advice duty relating to the Sub-Funds' investments. The Depositary is a service provider to the Company and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Sub-Funds.

For its services, the Depositary shall receive remuneration paid out of the assets of the Sub-Funds as specified in section 12 ('Charges and Expenses') and in the relevant Appendix.

#### **10.5 Investment Manager**

The Management Company and the Company have appointed Spinoza Capital GmbH as the investment manager of the Sub-Funds in accordance with the Investment Management Agreement and the relevant provisions of the Law.

The Investment Manager was incorporated in Frankfurt am Main on 28th June, 2019 (Company Registration Number HRB 116206) under the laws of Germany as a private limited liability company. The Investment Manager's registered and head office is situated at the address shown in the "Directory" above. The Investment Manager is licensed by the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin) to provide discretionary investment management services.

#### **10.6 Distributor**

The Management Company may appoint distributors, including a global distributor, in accordance with the relevant provisions of the Law.

For its services, any appointed distributor shall receive remuneration paid out of the assets of the Sub-Funds as specified in section 12 ('Charges and Expenses') and in the relevant Appendix.

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## 11 CONFLICTS OF INTEREST

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### 11.1 Disclosure of Potential Conflicts of Interest

Investors should be aware that there may be situations in which each and any of the Company's directors and officers, the Management Company, the Depositary, the Administration Agent, the domiciliary agent, any sub-custodian, any broker, any investment advisor, any other service provider and, where applicable, their respective holding companies, subsidiaries, affiliates, shareholders, directors and other officers, servants, employees, agents and delegates as well as any person related to or associated with any of the aforementioned entities or persons (together the "Interested Parties" and each an "Interested Party"), could encounter a conflict of interest in connection with the Company and the Sub-Funds.

In particular, Investors should be aware of the following:

- The Management Company, the Administration Agent, the domiciliary agent, the Depositary and any other Interested Party may carry out functions for other UCIs which engage in the same activities as the Company.
- An Interested Party may purchase, hold and redeem Shares in any Sub-Fund and may also control, directly or indirectly, voting rights in the Company.
- An Interested Party may, directly or indirectly, receive a portion of each, or all, of the brokerage commissions, transaction charges, advisory fees, management fees or performance fees paid by a Sub-Fund. Thus, such Interested Party may have a conflict of interest between its respective fiduciary duty to act for the benefit of the Shareholders in limiting expenses of the Sub-Fund and their interest in receiving such fees and/or commissions.
- The Management Company may make investments for other clients without making the same available to a Sub-Fund where, having regard to its obligations under the Management Agreement, the Management Company considers that it is acting in the best interest of the Sub-Fund, so far as reasonably practicable having regard to its obligations to other clients.
- An Interested Party, for itself or on behalf of a third party, may acquire, hold or dispose of any investment notwithstanding that the same or similar investments may be owned or had previously been owned by a Sub-Fund.
- A Sub-Fund may effect the sale or purchase of investments through a broker who is or is associated with an Interested Party, provided that the amount of commission payable to such broker is not in excess of that which would have been payable had the sale or purchase been effected through a broker who is not (or not so associated with) an Interested Party.
- A Sub-Fund may, to the extent permissible under the UCITS Rules, enter into any financial derivative instrument contract with an Interested Party or any other investment transaction in which an Interested Party is concerned provided that the investment is effected on an arm's length basis and on normal commercial terms no less favourable to the Sub-Fund than could reasonably have been obtained had the dealing been effected with an independent third party.
- A Sub-Fund may invest in money market instruments and transferable securities issued by an Interested Party and an Interested Party may act as banker or adviser for or be employed by, interested in or otherwise connected with any entity in which a Sub-Fund is a shareholder, creditor or any other type of investor.
- A Sub-Fund may invest in other UCIs (which may be operated and/or managed by an Interested Party). Where a commission is received by the Management Company by virtue of an investment by a Sub-Fund in the units/shares of any UCI, such commission will be paid into the property of the Sub-Fund.
- The Administration Agent is principally responsible to calculate the net asset value of a Sub-Fund. The Management Company may provide valuation services to the Administration Agent to assist in calculating the net asset value of a Sub-Fund. This may result in a conflict of interest as the fees of the Administration Agent and the Management Company are based on the net asset value of the Sub-Funds and will increase as the value of a Sub-Fund increases.

- The Management Company, the Depositary and any other Interested Party may delegate certain functions to third parties and a conflict of interest may arise as a result of or in connection with such delegation of functions.
- An Interested Party may be employed by, interested in or otherwise connected with any delegate or service provider of the Company or any entity with which the Company otherwise stands in a business relationship. In particular, certain directors of the Company are or may in the future be employed by, interested in or otherwise connected with the Management Company. For the avoidance of doubt, such directors shall not be liable to account to the Company in respect of such conflict, for example as a result of receiving, directly or indirectly, dividends or remuneration as shareholders, directors or employees of the Management Company. However, all of the Company's directors have fiduciary duties to the Company and consequently shall exercise good faith and integrity in handling all of the Company's affairs.
- An Interested Party may otherwise be involved in portfolio management, broking, banking or other professional activities which, in the course of their business, may on occasion give rise to conflicts of interest with a Sub-Fund. In the event that the Interested Party is a director of the Company, it is noted that such director(s) have fiduciary duties to the Company and consequently shall exercise good faith and integrity in handling all of the Company's affairs.

## **11.2 Handling of Conflicts of Interest**

Should a conflict of interest arise, any Interested Party concerned may effect such transaction(s) and shall not (subject as below) be liable to account for any profit, commission or other remuneration arising provided that the Interested Party concerned has appropriate regard to its respective fiduciary and/or contractual duties to the Company and endeavours to ensure that the conflict is resolved fairly and the Company is not disadvantaged.

In order to protect the interest of the Sub-Fund and its Shareholders and comply with applicable regulations, conflict of interest policies and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary and the Management Company, aiming namely at:

- (a) identifying and analysing potential situations of conflicts of interest; and
- (b) recording, managing and monitoring the conflict of interest situations.

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## **12 CHARGES AND EXPENSES**

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### **12.1 Management Company's Fees**

Under the terms of the Management Agreement, each Sub-Fund is bound to pay the remuneration of the Management Company as specified in the relevant Appendix.

With effect from 3 January 2018, the Management Company is required to comply with some provisions of MiFID II; according to Article 13.1 of the Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU, the provision of research by third parties to the Management Company shall not be regarded as an inducement if it is received in return for direct payment by the Management Company out of its own resources.

### **12.2 Investment Manager's Fees**

Each Sub-Fund is bound to pay to the Investment Manager the remuneration and performance fee as specified in the relevant Appendix.

Different fees may apply to different Sub-Funds and to different Classes of Shares in any Sub-Fund.

The Investment Manager may waive or assign in full or in part, at its sole discretion, any part of its compensation to any distributor, introducing agent, intermediary or such other person as the Investment Manager may determine and any such waived or assigned compensation shall accordingly be reallocated and paid by the Sub-Fund in accordance with sub-section 12.8.

### **12.3 Subscription, Conversion and Redemption Charges**

Subscribers may be subject to a subscription charge or conversion charge per Share calculated as a percentage of the applicable net asset value per Share (or the initial offering price in case of subscriptions made during the initial offering period) and payable to the Management Company on subscription for certain Shares as specified in the relevant Appendix. The subscription charge or conversion charge, if any, will be deducted from any payment received by way of an application for Shares in a Sub-Fund.

Shareholders may be subject to a redemption charge calculated as a percentage of the redemption proceeds and payable to the Management Company on the redemption of certain Shares as specified in the relevant Appendix. The redemption charge, if any, will be deducted from the redemption proceeds.

The Management Company may waive any subscription charge, conversion charge or redemption charge in whole or in part at its sole discretion (for a period of time or on a case by case basis). Any applicable subscription charge or redemption charge may be paid or assigned in full or in part by the Management Company to the distributor, any distributor, introducing agent, intermediary or such other person as the Management Company may determine.

### **12.4 Charges and Expenses on Target UCIs**

If the Company, on behalf of a Sub-Fund, invests in other UCIs, the relevant Sub-Fund may be charged subscription and redemption fees for the purchase and redemption of shares of such other UCI as well as indirect management fees, fund administration fees, depositary fees, taxes, commissions and other costs or expenses for the other UCIs they contain (in addition to the fees and costs charged in accordance with the provisions of this Prospectus and the relevant Appendix). Details of such fees, as incurred during the respective accounting period, will be contained in the Company's annual report. No Sub-Fund shall invest in UCIs which charge a management fee in excess of 3% of the net asset value of the respective UCI per annum. Furthermore, where a commission is received by the Management Company by virtue of an investment in the shares of another UCI on behalf of a Sub-Fund, that commission shall be paid into the property of the relevant Sub-Fund.

When the Company, on behalf of a Sub-Fund, invests in the shares of other UCIs 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 shall not charge subscription or redemption fees on account of the investment by the Company on behalf of the Sub-Fund in the shares of such other UCIs, as the case may be.

#### **12.5 Administration Agent's Fees**

Under the terms of the Central Administration Services Agreement, the Administration Agent is entitled to receive for the performance of its services from each Sub-Fund an annual variable fee up to 0.040% calculated on the average net assets of each Sub-Fund (with a minimum monthly fee of EUR 1,150) which shall be payable monthly on a pro rata basis. In addition, the Company shall pay the Administration Agent, out of the assets of the Sub-Fund, customary processing and handling charges, service fees as well as all properly incurred and approved out-of-pocket expenses.

#### **12.6 Depository's Fees**

Under the terms of the Depository Agreement, the Depository is entitled to receive for the performance of its services from each Sub-Fund an annual variable fee up to 0.035% calculated on the average net assets of each Sub-Fund (with a minimum monthly fee of EUR 1,000 per Sub-Fund) which shall be payable monthly on a pro rata basis. In addition, the Company shall pay the Depository, out of the assets of the Sub-Fund, customary transaction and processing charges, bank charges, trading costs, clearing fees and sub-custody fees charged by any appointed sub-custodian as well as all properly incurred and approved out-of-pocket expenses.

#### **12.7 Audit and Legal Fees**

Audit fees shall be agreed between the Company and the Auditors. Legal fees shall be agreed between the Company and the legal advisors and will be negotiated on a time-spent basis. Audit and legal fees will be paid pro-rata out of the property of each Sub-Fund. Any unrecoverable VAT, which may be incurred thereon, shall also be at the pro-rata charge of each Sub-Fund.

#### **12.8 Distributor's Fees**

Each Sub-Fund is bound to pay, out of the assets of the Sub-Fund, the remuneration of any appointed distributor, introducing agent or intermediary as specified in the relevant distribution agreement provided that the Investment Manager has waived or assigned any such remuneration from the Investment Manager's Fee as specified under sub-section 12.2 and the relevant Appendix.

#### **12.9 Operating Expenses**

The Company shall bear the following general expenses out of the assets of each Sub-Fund:

1. all taxes and duties which may be payable on the assets, income and expenses chargeable to a Sub-Fund and/or the Company;
2. standard brokerage fees, bank and interest charges originating from a Sub-Fund's business transactions;
3. all fees due to the Board of Directors;
4. all fees due to any sub-paying agent, to representatives in foreign countries and any other agents,
5. all reasonable expenses of the Board of Directors of the Company, the Management Company, the Administration Agent, the Depository, the auditors and any legal advisors;
6. all expenses connected with publications and the supply of information to Shareholders, including (without limitation) the costs involved with convening general meetings of Shareholders, publishing the net asset value, subscription and redemption prices as well as preparing, printing and distributing the annual and semi-annual reports, this Prospectus and the KIIDs;
7. all expenses involved in registering and maintaining the registration of the Company with all governmental agencies and stock exchanges in the Grand Duchy of Luxembourg and in any other country; and

8. all expenses incurred in connection with the Company's operation and its management (e.g. insurance and interests) also including all extraordinary and irregular expenses which are normally incurred by the Company.

#### **12.10 Allocation of Expenses**

All recurring expenses will be charged first against current income, then, should this not suffice, against reserves, and, if necessary, against capital.

Each Sub-Fund will be charged with all costs or expenses directly attributable to it. Any costs incurred by the Company, which are not attributable to a specific Sub-Fund, will be charged to all Sub-Funds in proportion to their net assets.

#### **12.11 Organisational and Offering Expenses**

The costs for the constitution and establishment of the Company will be amortised for the purposes of establishing the net asset value of the Shares over a period of 5 years and will be charged to the Sub-Funds. Newly incorporated Sub-Funds will only bear the initial costs related to their own launching.

#### **12.12 Alterations to the Fees**

The Board of Directors may, at its sole discretion, agree to any changes to the fees applicable to any Sub-Fund provided that notice of any material alterations to the said fees as may apply to a Sub-Fund or to a Class thereof and the date when the said alterations shall come into force shall be given to the Shareholders holding Shares in the particular Sub-Fund or Class of Shares thereof within fifteen (15) days from the date of the Board of Directors' decision.

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## 13 TAXATION

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THE FOLLOWING IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT IN LUXEMBOURG APPLICABLE TO THE COMPANY AND ITS SHAREHOLDERS. THIS INFORMATION IS BASED ON LUXEMBOURG TAX LAW AND PRACTICE APPLICABLE AT THE DATE OF THIS PROSPECTUS. INVESTORS ARE REMINDED THAT TAX LAW AND PRACTICE AND THE LEVELS OF TAX RELATING TO THE COMPANY AND THE SHAREHOLDERS MAY CHANGE FROM TIME TO TIME.

THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION OF ALL LUXEMBOURG TAX LAWS THAT MAY BE RELEVANT TO THE COMPANY OR A SHAREHOLDER AND DOES NOT DESCRIBE ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY COUNTRY, STATE OR OTHER JURISDICTION OTHER THAN LUXEMBOURG. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF AN INVESTOR.

THE CONTENT OF THIS PROSPECTUS DOES NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO INVESTORS. NO WARRANTY IS GIVEN OR IMPLIED REGARDING THE APPLICABILITY OR INTERPRETATION OF THE TAX LAWS IN ANY JURISDICTION. INVESTORS SHOULD INFORM THEMSELVES AND CONSULT THEIR OWN PROFESSIONAL ADVISERS ON THE POSSIBLE TAX IMPLICATIONS OF BUYING, HOLDING, TRANSFERRING OR SELLING ANY SHARES UNDER THE LAWS OF THEIR COUNTRIES OF CITIZENSHIP, RESIDENCE OR DOMICILE AND OF ANY OTHER JURISDICTION(S) WHICH MAY BE APPLICABLE TO THEM.

### 13.1 The Company and the Sub-Funds

Under current law and practice, the Company and the Sub-Funds are not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

Any Class reserved to retail investors is liable in Luxembourg to a *taxe d'abonnement* of maximum 0.05% per annum of its net assets. Any Class reserved to institutional investors is liable in Luxembourg to a *taxe d'abonnement* of 0.01% per annum of its net assets. Such tax being payable quarterly and calculated on the total net asset value of each Class at the end of the relevant quarter. Sub-Funds whose exclusive policy is the collective investment in money market instruments and the placing of deposits with credit institutions or the collective investment in deposits with credit institutions, qualify for the reduced *taxe d'abonnement* of 0.01% per annum.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Sub-Funds. Although the realised capital gains of the Sub-Funds, whether short- or long-term, are not expected to become taxable in another country, the Shareholders must be aware and recognise that such a possibility is not totally excluded.

The regular income of a Sub-Fund from some or all of its securities as well as interest earned may in certain countries be liable to withholding taxes at varying rates, which normally cannot be recovered.

As a result of recent developments in EU law concerning the scope of the VAT exemption for management services rendered to investment Sub-Funds, VAT on some of the fees paid out of the assets of the Company to remunerate service providers might be applied.

### 13.2 Luxembourg Resident Shareholders

#### Individual Shareholders

Dividends and other payments derived from the Shares by resident individual Shareholders, who act in the course of the management of either their private wealth or their professional/business activity, are subject to income tax at the progressive ordinary rate and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) and any temporary income tax subject to Luxembourg State social security scheme (*impôt d'équilibrage budgétaire temporaire*).

Capital gains realised on the disposal of the Shares by resident individual Shareholders, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative gains and are subject to income tax at ordinary rates if the Shares are disposed of within six months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident

individual Shareholder holds, either alone or together with his spouse/partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the Company. Capital gains realised on a substantial participation more than six months after the acquisition thereof are subject to income tax according to the half-global rate method, (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the Shares.

Capital gains realised on the disposal of the Shares by resident individual Shareholders, who act in the course of their professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

Where an individual Shareholder is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes.

#### Luxembourg Resident Corporate Shareholders

Dividends and other payments derived from the Shares and capital gains realised upon disposal of the Shares by a Luxembourg fully-taxable resident company are subject to corporate income tax and municipal business tax, unless the conditions to benefit from a special tax regime, as described below, are satisfied. 50% of the dividends received by such Luxembourg fully-taxable resident company from the Company are exempt from corporate income tax and municipal business tax. A tax credit is as a rule granted for the 15% withholding tax and any excess may be refundable.

Shares held through a fiscally transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

A Shareholder who is either (i) a UCI subject to the amended law of 20 December 2002 or the Law, (ii) a specialised investment Sub-Fund governed by the law of 13 February 2007, (iii) a family wealth management company governed by the law of 11 May 2007 or (iv) a company meeting the conditions of the participation exemption regime may be exempt from income tax in Luxembourg. Dividends derived from and capital gains realised on the Shares may thus not be subject to income tax for such Shareholder who may instead be subject to an annual asset tax (*taxe d'abonnement*).

### **13.3 Non-Luxembourg Resident Shareholders**

Non-resident Shareholders who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable are generally not liable to any Luxembourg income tax, whether they receive payments of dividends or realise capital gains upon sale of Shares, except in case of a substantial participation (see above) disposed of (i) within the first six months of its acquisition or (ii) by a beneficiary who was a Luxembourg tax resident for more than 15 years and became a non-resident less than 5 years prior to the disposal of the Shares.

Dividends received by a Luxembourg permanent establishment or permanent representative, as well as capital gains realised on the Shares, may be fully or partially subject to Luxembourg income tax.

No inheritance tax is levied on the transfer of the Shares upon death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

### **13.4 AEI**

The Company, as a Luxembourg financial institution under the AEI Law, is required to identify its Shareholders as well as certain controlling persons of non-individual Shareholders and establish if they are reportable persons under AEI Law (which is generally the case for persons fiscally resident in countries with which Luxembourg has a tax information sharing agreement). Accordingly, the Company and/or the Administration Agent may require any Investor to provide any information or documentary evidence regarding their tax status, identity or residency in order to ascertain their status under the AEI Law and satisfy any legal reporting requirements which the Company may have. The Company reserves the right to refuse any application for Shares if the information

provided or not provided does not satisfy the requirements under the AEI Law. Certain financial account information about reportable persons under the AEI Law is reportable to the Luxembourg tax authority for onward forwarding to the competent foreign tax authorities on an annual basis. By investing (or continuing to invest) in the Company, Shareholders shall be deemed to consent to the Company disclosing such information to the tax authorities as aforementioned.

In the event a Shareholder does not provide the requisite information and/or documentation in a correct, complete, accurate and timely manner, whether or not that actually leads to compliance failures by the Company, the Company reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the Shareholder concerned, to the extent permitted by applicable laws and the Articles and no Shareholder affected by any such action or remedy shall have any claim against the Company (or its Sub-Funds or agents) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with AEI Law or any other relevant legislation.

Investors should consult with their own professional advisers on the possible tax and other consequences of the AEI Law on subscribing, purchasing, holding and disposing of Shares in the Sub-Funds.

### **13.5 FATCA**

FATCA generally is designed to require non-U.S. financial institutions to report information about financial accounts held, directly or indirectly, by a U.S. Person to the U.S. Internal Revenue Service. A 30% withholding tax is imposed on certain payments made from (or attributable to) U.S. sources or in respect of U.S. assets to a non-U.S. financial institution that is not compliant with FATCA and is not otherwise exempt.

On 24 March 2014, the Luxembourg and U.S. governments entered into a Model I Intergovernmental Agreement (the "IGA") which aims to coordinate and facilitate the reporting obligations under FATCA with other U.S. reporting obligations of Luxembourg financial institutions. According to the provisions of FATCA and the IGA, the Company has to report as a Reporting Foreign Financial Institution certain information about the U.S. tax status of its Shareholders to the Luxembourg tax authorities.

The Company and/or the Administration Agent may require any Investor to provide any information or documentary evidence regarding their tax status, identity or residency in order to ascertain their FATCA status and satisfy any reporting requirements which the Company may have under the IGA or any other relevant legislation. The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy FATCA compliance. Certain financial account information about reportable persons under the terms of the IGA is reportable to the Maltese tax authority for onward forwarding to the U.S. Internal Revenue Service on an annual basis. The Company may take any other action that the IGA or the Maltese tax authority may require. By investing (or continuing to invest) in the Company, Shareholders shall be deemed to consent to the Company disclosing such information to the tax authorities as aforementioned.

In the event a Shareholder is a non-participating foreign financial institution or does not provide the requisite information and/or documentation in a correct, complete, accurate and timely manner, whether or not that actually leads to compliance failures by the Company, the Company reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the Shareholder concerned, to the extent permitted by applicable laws and the Articles and no Shareholder affected by any such action or remedy shall have any claim against the Company (or its Sub-Funds or agents) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with FATCA and the IGA or any other relevant legislation. In addition, the Company may require the Shareholders who would have failed to provide information to indemnify the Sub-Fund for the tax and associated costs, treat the FATCA withholding as an amount deemed distributed to such Shareholder and/or seek other remedies.

Investors should consult with their own tax advisers on the possible implications of FATCA on subscribing, purchasing, holding and disposing of Shares in Sub-Funds. Shareholders who hold their Shares through intermediaries should confirm the FATCA compliance status of such intermediaries.

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## 14 GENERAL INFORMATION

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### 14.1 General Meetings

The annual general meeting of Shareholders will be held at the registered office of the Company in Luxembourg at 2pm on the third Thursday in May of each year or, if such day is not a Business Day, on the following Business Day, and notices will be sent to the holders of registered Shares recorded by the transfer agent in the register of Shareholders in accordance with the Articles at least eight (8) calendar days prior to the meeting at their addresses shown on the register of Shareholders. If so permitted by law, the convening notice may be sent to a registered Shareholder by electronic mail or any other means of communication having been individually accepted by such Shareholder and satisfying the conditions provided for by applicable law. Such notices will include the agenda and will specify the time and place of the meeting and the conditions of admission. They will also refer to the rules of quorum and majorities required by Luxembourg law and laid down in Articles 67 and 67-1 of the Luxembourg law of 10 August 1915 on commercial companies (as amended) and in the Articles of the Company.

Each Share confers the right to one vote. The vote on the payment of a dividend on a particular Class requires a separate majority vote from the meeting of Shareholders of the Class concerned. Any change in the Articles affecting the rights of a Sub-Fund must be approved by a resolution of both the general meeting of the Company and the Shareholders of the Sub-Fund concerned.

Any Investor will only be able to fully exercise his rights as a Shareholder directly against the Company, notably the right to participate in general meetings of Shareholders, if the Investor is registered himself and in his own name in the register of Shareholders. In cases where an Investor invests in the Company through an intermediary or nominee, investing into the Company in his own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain rights as Shareholder directly against the Company as further described under sub-section 6.9 ('Nominee Arrangements').

### 14.2 Reports and Accounts

The Company's accounting period ends on the 31st December of each year.

The financial statements of the Company are prepared in accordance with Luxembourg legal and regulatory requirements and are audited annually by the Company's auditors.

Audited annual reports shall be published within 4 months following the end of the accounting year and unaudited semi-annual reports shall be published within 2 months following the period to which they refer. The annual and semi-annual reports shall be made available to Shareholders at the registered offices of the Company, the Administration Agent and the Management Company during ordinary office hours.

The accounting currency of the Company is EUR. The aforesaid reports will comprise consolidated accounts of the Company expressed in EUR as well as individual information on each Sub-Fund expressed in the Reference Currency of each Sub-Fund (if such Reference Currency is not EUR).

### 14.3 Material Contracts

The following material contracts have been entered into:

- (1) The Management Agreement between the Company and the Management Company pursuant to which the latter acts as the UCITS management company of the Company. This agreement is entered into for an unlimited period and may be terminated by either party upon three months written notice.
- (2) The Investment Management Agreement between the Management Company, the Company and the Investment Manager pursuant to which the latter was appointed investment manager. This agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.

- (3) The Depositary Agreement between the Management Company, the Company and the Depositary pursuant to which the latter was appointed depositary. This agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.
- (4) The domiciliary services agreement between the Company and CACEIS Bank, Luxembourg Branch pursuant to which the latter was appointed domiciliary agent. This agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.
- (5) The Central Administration Services Agreement between the Company, the Management Company and the Administration Agent pursuant to which the latter acts as administrative agent as well as registrar and transfer agent of the Company. This agreement is entered into for an unlimited period and may be terminated by either party upon three months written notice.

#### **14.4 Documents available for Inspection**

Copies of the contracts mentioned under sub-section 14.3 above are available for inspection, and copies of the Articles, the current Prospectus, the KIID for the Sub-Funds and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Company in Luxembourg.

#### **14.5 Complaints Handling**

Shareholders of each Sub-Fund may file complaints free of charge with the Management Company in an official language of their home country.

Shareholders can access the complaints handling procedure on [www.spinozacapital.com](http://www.spinozacapital.com).

#### **14.6 Best Execution**

The Management Company and the Investment Manager must act in the best interest of the Company and its Sub-Funds when orders are placed for the Sub-Funds.

Since the Management Company has delegated the investment management function to the Investment Manager (see sub-section 10.5), the Investment Manager has adopted a best execution policy approved by the Management Company to implement all reasonable measures to ensure the best possible result for the Sub-Funds when executing orders. The Management Company monitors the implementation of the best execution policy. In determining what constitutes best execution, the Investment Manager will consider a range of different factors, such as price, liquidity, speed and cost, among others, depending on their relative importance based on the various types of orders or financial instrument. Transactions are principally executed via brokers that are selected and monitored on the basis of the criteria of the best execution policy. Counterparties that are affiliates of the Investment Manager are also considered. To meet its best execution objective, the Investment Manager may choose to use agents (affiliates of the Investment Manager or not) for its order transmission and execution activities.

The Investment Manager may use soft commission arrangements to enable it to obtain goods, services or other benefits (such as research) that are beneficial to the management of the Sub-Funds, in the best interest of the Shareholders. All transactions undertaken on a soft commission basis in respect of the Sub-Funds will be subject to the fundamental rule of best execution and will also be disclosed in the shareholder reports.

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## 15 DETERMINATION OF THE NET ASSET VALUE

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### 15.1 Calculation of Net Asset Value

The net asset value of the Shares of each Sub-Fund shall be expressed in the Reference Currency of the relevant Sub-Fund.

The net asset value per Share (of each Class of Shares in each Sub-Fund) shall be determined by calculating the net asset value attributable to that Class of Shares of the relevant Sub-Fund divided by the number of Shares outstanding in that Class of Shares. The net asset value per Share shall be calculated to two (2) decimal places, and shall be expressed in the Base Currency of the Class of Shares concerned.

The net asset value per Share for each Class of Shares in each Sub-Fund shall be determined by the Administration Agent on each Valuation Day and on any such day that the Board may decide from time to time.

The assets and liabilities of each Sub-Fund are established in accordance with the Articles and segregated on a Sub-Fund-by-Sub-Fund basis as further described under sub-section 2.2 ('Segregated Assets').

The net asset value of each Class of Shares of each Sub-Fund shall be determined by calculating the net difference between the fair market value of its assets and the fair market value of its liabilities as determined by the Articles.

Specifically, the Articles provide that the fair market value of the assets of each Class of Shares of each Sub-Fund is determined as follows:

- i. Units in UCIs are valued at their last available net asset value.
- ii. Cash on hand, receivable or on deposit, amounts receivable and money claims, prepaid expenses, cash dividends, interest due or accrued and any similar assets are valued at their nominal value, unless such value is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- iii. Securities or financial instruments admitted for official listing on a Regulated Market are valued on the basis of the last available price at the time when the valuation is carried out. If the same security is quoted on more than one Regulated Market, the quotation on the Regulated Market will be used which, in the opinion of the Board of Directors, provides the principal market for this security or financial instrument. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be made in good faith by the Board of Directors or their delegate.
- iv. Unlisted securities or financial instruments are valued on the basis of their probable value realisation as determined by the Board of Directors or their delegate using valuation principles which can be examined by the auditor of the Company, in order to reach a proper and fair valuation of the total assets of each Sub-Fund.
- v. Any other assets are valued on the basis of their probable bid price as determined by the Board of Directors or their delegate using valuation principles which can be examined by the auditor of the Company, in order to reach a proper and fair valuation of the total assets of each Sub-Fund.
- vi. OTC Derivatives must be valued at their fair value in accordance with ESMA Guidelines 10-788 and CSSF Circular 11/512.
- vii. In the event that it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, the Board of Directors or their delegate shall be entitled to use other

generally recognised valuation principles which can be examined by an auditor, in order to reach a proper valuation of the total assets of each Sub-Fund.

For the purpose of valuing its liabilities, the Company may include all administrative and other expenses of a regular or periodic nature by valuing these for the entire year or any other period and apportioning the resulting amount proportionally to the respective expired period of time. The method of valuation may only apply to administrative or other expenses which concern all of Shares equally.

Shares that are redeemed in accordance with the provisions under section 6 ('Issue, Redemption, Conversion and Transfer of Shares') above shall be treated in accordance with the Articles as existing Shares and shall be posted until immediately after the point in time set by the Board of Directors for carrying out the valuation; from this point in time until the price is paid, they shall be treated as a liability of the Company.

All investments, cash on hand and other assets of any Sub-Fund that are not in the denomination of the Class of Shares concerned shall be converted at the exchange rate applicable on the Valuation Day, taking into consideration their market value.

On every Valuation Day, all purchases and sales of securities which were contracted by the Company on this very Valuation Day must be included in the valuation to the extent possible.

## **15.2 Suspension of the Net Asset Value Determination**

The calculation of the net asset value of the Shares of any Sub-Fund and the issue, redemption, and conversion of the Shares of any Sub-Fund may be suspended in accordance with the Articles in the following circumstances, in addition to any circumstances provided for by law:

- i. during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund for the time being are quoted, is closed (other than for legal holidays) or during which dealings are substantially restricted or suspended, provided that such restriction or suspension affects the valuation of the Company's assets attributable to such Sub-Fund;
- ii. during the existence of any state of affairs which constitutes an emergency, in the opinion of the Board of Directors, as a result of which a disposal or valuation of the assets of the relevant Sub-Fund by the Company is not possible;
- iii. during any breakdown in the means of communication normally employed in determining the price or value of any of the Sub-Fund's assets;
- iv. when for any other reason the prices of any assets held by the Sub-Fund cannot be promptly or accurately be ascertained (including the suspension of the calculation of the net asset value of an underlying UCI);
- v. during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of a Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or
- vi. from the date on which the Board of Directors decides to liquidate or merge one or more Sub-Fund(s) or Class(es) or in the event of the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up or merge the Company or one or more Sub-Fund(s) or Class(es) is to be proposed.

In case of a suspension of the calculation of the net asset value and of the issue, redemption, and conversion of Shares for reasons as stated above for a period of more than three (3) Valuation Days, a notice shall be published in a daily newspaper in Luxembourg and in another newspaper generally circulating in jurisdictions in which the Shares are registered for distribution.

Such suspension as to any Class of Shares shall have no effect on the calculation of the net asset value per Share, the issue, redemption and conversion of Shares of any other Class of Shares.

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## 16 INVESTORS IN OTHER MEMBER STATES: IMPORTANT INFORMATION

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### 16.1 Germany

#### German Information Agent

The Company has appointed Spinoza Capital GmbH (at normal commercial rates) to act as information agent for the Company in the Federal Republic of Germany (the “German Information Agent”). The German Information Agent has its offices at the following address:

Spinoza Capital GmbH  
Tower 185, 14. Stock  
Friedrich-Ebert-Anlage 35-37  
60327 Frankfurt am Main  
Germany

This Prospectus, the Articles, the KIIDs as well as the annual and semi-annual reports of the Company can be obtained free of charge in hardcopy at the aforementioned address during normal business hours on every business day in Frankfurt am Main.

Furthermore, the following documents shall be made available for inspection free of charge at the offices of the German Information Agent during normal business hours on every business day in Frankfurt am Main:

- the Management Agreement;
- the Investment Management Agreement,
- the Central Administration Services Agreement;
- the Depositary Agreement;
- the Law; and
- the Certificate of Incorporation of the Company.

No paying agent has been appointed as no individual Share certificates in respect of the Company are issued in printed format.

Subscription, conversion and redemption of Shares may be made in accordance with the section 6 (‘Issue, Redemption, Conversion and Transfer of Shares’).

#### Publication of Prices and Notices to Shareholders

The most recent issue and redemption prices for the Shares will be published for every Valuation Day on the following website: [www.spinozacapital.com](http://www.spinozacapital.com) and are available free of charge at the offices of the German Information Agent on every banking business day in Frankfurt am Main.

Information and notices to Shareholders will be published on the website of the Company, [www.spinozacapital.com](http://www.spinozacapital.com).

In the following cases notifications to Shareholders in Germany will be published via a durable medium and additionally on the website of the Company, [www.spinozacapital.com](http://www.spinozacapital.com):

- Suspension of redemption of the Shares;
- Termination of the management of or dissolution of the Company;
- Changes to the terms and conditions which are not consistent with the existing investment policy, which affect essential rights of Shareholders or which affect the reimbursement of expenses that may be taken from the Company, including the reasons for the changes, shareholder rights in relation thereto (in an understandable manner) and their means of obtaining further information thereon;
- In the event of a merger of the Company, in the form of merger information to be prepared in accordance with Article 43 of Directive 2009/65/EC; and

- In the event of conversion of the Company into a feeder fund or in the event of a change to a master fund, in the form of information to be prepared in accordance with Article 64 of Directive 2009/65/EC.

### **Taxation**

The Company intends to fulfill the requirements to be qualified as a tax transparent fund to enable Shareholders to make use of the benefits provided by the German Investment Tax Act but declines any liability in this respect. In general, the tax treatment of any Shareholder will depend on the personal circumstances and may change in the future. German resident Investors are therefore advised to seek independent tax advice prior to investing in the Company.

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## APPENDIX 1: SPINOZA EURO ASSETS STRATEGY FUND

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THE INFORMATION CONTAINED IN THIS APPENDIX RELATES TO THE SPINOZA EURO ASSETS STRATEGY FUND AND FORMS AN INTEGRAL PART OF THE PROSPECTUS.

### Investment Objective

The investment objective of this Sub-Fund is to pursue long term capital appreciation and achieve attractive risk-adjusted returns through a systematic asset allocation model and investment strategy based on the principles of value investing.

### Investment Policy

The Sub-Fund is actively managed on a fully discretionary basis and without reference to a benchmark. Investments are selected based on the principles of value investing employing the Investment Manager's proprietary rules based asset allocation model and a quantitative and qualitative investment selection process. Reference to a benchmark is made for calculation of a performance fee only.

The Sub-Fund aims to benefit from the long-term appreciation of equities while taking advantage of short and medium term market volatility in both up and down markets through a contrarian investment strategy that systematically re-balances asset classes. Accordingly, the Sub-Fund seeks a degree of exposure to selected country and regional equity markets of the EU and the wider European region through UCIs (mainly exchange traded funds), financial derivative instruments (mainly futures, options and/or TRSs) and/or transferable securities with an embedded financial derivative instrument. Such exposure may range between 0% to 100% and is dynamically increased when markets fall and decreased when markets rise relative to the estimated intrinsic value of the respective market as determined by the Investment Manager.

The portion of the Sub-Fund's assets not allocated to equity markets may be flexibly invested on a worldwide basis in transferable securities, money market instruments, UCIs and financial derivative instruments across and within a variety of asset classes (such as bonds, equities, precious metals and commodities, property, currencies as well as alternative investments).

The Sub-Fund shall invest at least 25% of its net assets in listed equity securities of companies and other transferable securities which meet the requirement of equity participations (*Kapitalbeteiligungen*) as defined in § 2 (8) of the German Investment Tax Act, so that the Sub-Fund meets the requirements of a balanced fund (*Mischfonds*) as defined in § 2 (7) of the German Investment Tax Act.

Subject only to the restrictions set out in this Prospectus and the UCITS Rules, the Sub-Fund may invest on a discretionary basis in a wide range of debt securities and other transferable securities of any maturity and issued by any issuer provided that investments in the following categories of debt securities shall be subject to the following maximum investment levels:

- mortgage- and asset-backed securities: up to 20% of the Sub-Fund's net assets;
- contingent convertible instruments: up to 20% of the Sub-Fund's net assets;
- non-investment grade securities: up to 35% of the Sub-Fund's net assets;
- defaulted securities as well as other securities considered as distressed by traditional investment standards: up to 10% of the Sub-Fund's net assets; and
- securities unrated by internationally recognised credit rating organisations: up to 20% of the Sub-Fund's net assets.

In the case of debt securities unrated by internationally recognised credit rating organisations, the Investment Manager carries out its own internal risk/reward analysis and assessment of creditworthiness. In case of debt securities rated by internationally recognised credit rating organisations, the Investment Manager makes use of available credit ratings as part of its credit assessment processes but shall, in accordance with Directive 2013/14/EU of the European Parliament and of the Council of 21 May 2013, not solely or mechanically rely on such credit ratings. Under normal market conditions, the weighted average credit rating of the rated bonds held directly by the Sub-Fund is expected to be at least BB or Ba2 according to at least one of the internationally recognised credit rating organisations.

Subject only to the restrictions set out in this Prospectus and the UCITS Rules, the Sub-Fund may invest in units of any

UCI compliant with article 41.1 (e) of the Law, any financial derivative instrument, any transferable securities, any money market instrument and any deposit with any credit institution.

The Sub-Fund may not invest directly or through financial derivative instruments in precious metals or commodities but it may invest in transferable securities tracking the performance of precious metals and/or commodities on the basis that such instruments do not embed a derivative.

A significant percentage of the investments may, at any time, be concentrated in a particular country, sector or industry.

Leveraged types of investments may be employed and selected investments may contain or embed a degree of leverage. The Sub-Fund may hold short positions (as permitted by the UCITS Rules).

The Sub-Fund may also hold cash on an ancillary and temporary basis. Market conditions, valuation levels and other fundamental factors or the use of financial derivative instruments may lead to situations where substantial levels of cash will be held.

The Sub-Fund's assets shall be primarily denominated in Euro.

### SFDR Disclosure

The Sub-Fund does not promote environmental or social characteristics, nor does the Sub-Fund have sustainable investment as investment objectives within the meaning of Articles 8 and 9 of SFDR, respectively. The manner in which sustainability risks are integrated into the Sub-Fund's investment decisions and the results of the assessment of the likely impacts of sustainability risks on the returns of the Sub-Fund are disclosed in sub-section 5.6 ('Sustainability Risks') above. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### Use of Financial Derivative Instruments and Global Exposure Calculation

Subject to the UCITS Rules, this Sub-Fund may make use of exchange traded financial derivative instruments or OTC Derivatives and transferable securities with embedded derivatives in accordance with sub-section 3.3 ('Financial Derivative Instruments') above.

The global exposure of the Sub-Fund arising out of its financial derivative instruments positions will be measured on the basis of the Commitment Approach as set out in the UCITS Rules. This approach measures the global exposure related solely to positions on financial derivative instruments under consideration of netting and hedging. The total commitment of the Sub-Fund to financial derivative instruments, quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and hedging, is limited to 100% of the net asset value of the Sub-Fund.

### SFTs and TRSs

On an ancillary basis, the Sub-Fund may use SFTs with the aim of generating additional capital or income, reducing risk and managing the Sub-Fund more efficiently. The Sub-Fund may use TRSs with the aim of reducing risks. The aim of using SFTs and a description of such SFTs is set out in section 3.4 of the Prospectus. The maximum proportion of the Sub-Fund's assets that may be subject to certain SFTs and TRS and the expected level of the Sub-Fund's assets that will be subject to such transactions are as follows:

	Securities lending	Repurchase transactions	Buy-sell back or sell-buy back transactions	TRSs and other swap contracts
<b>Maximum proportion of assets*</b>	25%	5%	5%	20%
<b>Expected level of assets*</b>	10%	0%	0%	5%

\*The demand to borrow securities is a significant driver for the amount that is actually lent from the Sub-Fund at a given time. Borrowing demand fluctuates over time and depends to a large extent on market factors that cannot be forecasted precisely. Due to fluctuations in borrowing demand in the market, future lending volumes could fall outside of the

expected range. In times of high borrowing demand, the proportion of the Sub-Fund's assets that use SFTs may approach the maximum. The same principle applies to the use of TRSs in respect to interest rates.

### Investment Restrictions

In pursuing its investment objective and investment policy, this Sub-Fund will be subject to the UCITS Rules and the investment, borrowing and leverage restrictions set out in section 3 ('Investment Objectives, Policies and Restrictions'). There are no further restrictions or limitations on the investments in which the Sub-Fund may invest.

### Reference Currency

The Reference Currency of this Sub-Fund is EUR.

### Form of Shares and Classes

The Share Classes of this Sub-Fund have the following features and characteristics:

Class of Shares	'A'	'I'
<b>ISIN</b>	LU1923608464	LU2379755882
<b>Listing</b>	None	None
<b>Distribution policy</b>	Accumulating (see section 9)	Accumulating (see section 9)
<b>Base Currency</b>	EUR	EUR
<b>Minimum subscription</b>	EUR 1,000	EUR 5,000,000
<b>Minimum holding</b>	EUR 500	EUR 2,500,000
<b>Minimum redemption</b>	EUR 100	EUR 100
<b>Minimum subsequent subscription</b>	EUR 100	EUR 100
<b>Launch date</b>	18 July 2013	1 June 2022
<b>Cut-off Time</b>	2.00 p.m. (Central European Time) on the Valuation Day.	
<b>Initial price</b>	EUR 100	EUR 100
<b>Management Company fee</b>	Up to 0.055% per annum of the net asset value, with a minimum fee of EUR 55,000 per annum for all the Sub-Funds comprising the Company and if applicable apportioned pro-rate to each Sub-Fund. The Management Company receives an additional risk calculation fee of EUR 5,000 per annum per Sub-Fund (not using OTC derivatives). The Management Company fee will accrue on every Valuation Day and shall be payable monthly in arrears.	
<b>Investment Manager fee</b>	0.75% per annum of the net asset value.	0.55% per annum of the net asset value.
	The Investment Manager fee will accrue on every Valuation Day and shall be payable monthly in arrears.	
<b>Subscription charge</b>	up to 2% of the subscription amount	None
<b>Conversion charge</b>	up to 2% of the conversion amount	None
<b>Redemption charge</b>	none	None
<b>Performance Fee</b>	Please see below.	Please see below.

At the moment, there are two (2) Classes of Shares available in this Sub-Fund, the Class A Shares and the Class I Shares. In the case of issuance of any additional Share Class, this Prospectus will be modified accordingly.

Class I Shares are reserved for Investors meeting, in the opinion of the Board of Directors, the requirements to qualify as an institutional investor for the purposes of article 174 of the Law.

### Performance Fee

In addition to the Investment Manager's fee, the Investment Manager shall receive from the Company in respect of the Sub-Fund a performance fee (the "Performance Fee") equal to (i) 7.5% of the Excess Return per Class A Share and (ii) 4.5% of the Excess Return per Class I Share, if any, multiplied by the number of Shares in issue in the relevant class of Shares at the end of each calendar year (corresponding to the Company's accounting period).

The Performance Fee is payable annually in arrears normally within fourteen (14) calendar days of the end of each calendar year.

In any case, the Performance Fee may only be received to the extent that payment of the Performance Fee does not cause the net asset value per Share of the relevant Class to fall below the applicable High Water Mark.

In order to predict the Performance Fee that will need to be paid at the end of the calendar year, the Sub-Fund records for each Valuation Day provisions if the Sub-Fund has on the relevant Valuation Day a positive Excess Return per Share, respectively for each Class. If the Sub-Fund does not have on the relevant Valuation Day a positive Excess Return per Share, respectively for each Class, no Performance Fee shall be paid or accrued and any provision representing accrued Performance Fees shall be written back. The Performance Fee calculation is reset to zero at the beginning of each calendar year.

If Investors ask for their Shares to be redeemed before the end of any calendar year, the total outstanding Performance Fee corresponding to such Shares (if accrued as of the date of such redemption) shall be crystallised in respect of the Shares being redeemed and paid to the Investment Manager fourteen (14) Business Days after the end of the calendar year. Crystallised Performance Fees shall remain in the relevant Class of Shares until paid to the Investment Manager and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class of Shares.

If the Performance Fee is charged for a given calendar year, the new High Watermark (after deduction of the Performance Fee paid), will represent the new starting point for determining the Hurdle Rate.

The following table illustrates the way the Performance Fee is calculated according to the corresponding changes in net asset value per Class A Share on the corresponding days. The Sub-Fund performance figures included in the following table are purely illustrative and should not be understood as representing indicators of potential Sub-Fund performance. The illustration assumes that the EURIBOR is 2.5% per annum.

<b>Period</b>	<b>GAV<sup>A</sup> per Share</b>	<b>Excess Return per Share</b>	<b>Performance Fee per Share</b>	<b>NAV per Share</b>	<b>High Water Mark</b>	<b>Number of Shares in issue</b>	<b>Total Performance Fee</b>
	(a)	(b)	(c) = (b) x 7.5%	(d) = (a) - (c)	(e)	(f)	(g) = (c) x (f)
Launch	100.0000	-	-	-	100.000	-	-
Year 1	105.0000	2.5000	0.1875	104.8125	104.8125	1,000.000	187.500
Year 2	107.5000	0.0672	0.0050	107.4950	107.4950	1,000.000	5.039
Year 3	115.0000	4.8177	0.3613	114.6387	114.6387	1,000.000	361.325
Year 4	112.5000	-	-	112.5000	114.6387	1,000.000	-
Year 5	115.0000	-	-	115.0000	115.0000	1,000.000	-
Year 6	120.0000	2.1250	0.1594	119.8406	119.8406	1,000.000	159.375
Year 7	130.0000	7.1634	0.5373	129.4627	129.4627	1,000.000	537.252

<sup>A</sup> GAV per Share: NAV per Share before deduction for any accrued Performance Fee

The Company will not adopt an equalisation methodology for the calculation of the Performance Fee. Shareholders may accordingly underpay/overpay any Performance Fee due to the Investment Manager when subscribing and/or redeeming their Shares.

The Hurdle Rate constitutes a benchmark within the meaning of the Benchmarks Regulation. The Management Company has established and maintains a written plan setting out actions, which it will take in the event that the Hurdle Rate materially changes or ceases to be provided as required by article 28(2) of the Benchmarks Regulation. Shareholders may access such plan upon request free of charge by contacting: [info@spinozacapital.com](mailto:info@spinozacapital.com).

## **Duration**

The Duration of this Sub-Fund and the Classes is indefinite.

## **Eligible Investors**

This Sub-Fund is available to all Investors (subject to the terms of this Prospectus and the eligibility criteria set out in this Appendix).

## **Profile of the Typical Investor and Risk Considerations**

This Sub-Fund may be appropriate for growth-oriented Investors who seek capital appreciation over the long term while accepting moderate to high volatility and significant short term losses. Accordingly, this Sub-Fund is generally suitable for Investors who are prepared to take the higher risks associated with higher growth investments and can afford to set aside the capital for at least 3-5 years.

AN INVESTMENT IN THIS SUB-FUND ENTAILS SUBSTANTIAL RISKS. THE RISK FACTORS APPLICABLE TO THE SHARES IN THE SUB-FUND ARE DISCLOSED IN THE SECTION 5 ('RISK WARNINGS') AND CONSIST IN PARTICULAR OF GENERAL MARKET AND CREDIT/ISSUER RISKS.

THE SUB-FUND'S SYNTHETIC RISK AND REWARD INDICATOR RANKING THE SUB-FUND ACCORDING TO ITS VOLATILITY OVER A RISK SCALE FROM 1 TO 7 IS DISCLOSED IN THE RELEVANT KIID.

NO ASSURANCE CAN BE GIVEN THAT THE SUB-FUND'S INVESTMENT OBJECTIVE WILL BE ACHIEVED AND THAT THE INVESTMENT POLICY ADOPTED BY THE SUB-FUND WILL BE SUCCESSFUL. THE VALUE OF THE SHARES IN THE SUB-FUND MAY VARY SUBSTANTIALLY OVER TIME. AN INVESTOR MAY LOSE SOME OR ALL OF HIS INVESTMENT.

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## APPENDIX 2: SPINOZA GLOBAL ASSETS STRATEGY FUND

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THE INFORMATION CONTAINED IN THIS APPENDIX RELATES TO THE SPINOZA GLOBAL ASSETS STRATEGY FUND AND FORMS AN INTEGRAL PART OF THE PROSPECTUS.

### Investment Objective

The investment objective of this Sub-Fund is to pursue long term capital appreciation and achieve attractive risk-adjusted returns through a systematic asset allocation model and investment strategy based on the principles of value investing.

### Investment Policy

The Sub-Fund is actively managed on a fully discretionary basis and without reference to a benchmark. Investments are selected based on the principles of value investing employing the Investment Manager's proprietary, rules based asset allocation model and a quantitative and qualitative investment selection process. Reference to a benchmark is made for calculation of a performance fee only.

The Sub-Fund aims to benefit from the long-term appreciation of global equities while taking advantage of short and medium term market volatility in both up and down markets through a contrarian investment strategy that systematically re-balances asset classes. Accordingly, the Sub-Fund seeks a degree of exposure to selected country, regional and global equity markets through UCIs (mainly exchange traded funds) or financial derivative instruments (mainly futures, options and/or TRSs) and/or transferable securities with an embedded financial derivative instrument. Such exposure may range between 0% to 100% and is dynamically increased when markets fall and decreased when markets rise relative to the estimated intrinsic value of the respective market as determined by the Investment Manager. The Sub-Fund will predominantly seek such dynamically allocated exposure to equity markets of OECD member states but may to a lesser extent also invest in equity markets of non-OECD member states.

The portion of the Sub-Fund's assets not allocated to equity markets may be flexibly invested on a worldwide basis in transferable securities, money market instruments, UCIs and financial derivative instruments across and within a variety of asset classes (such as bonds, equities, precious metals and commodities, property, currencies as well as alternative investments).

The Sub-Fund shall invest at least 25% of its net assets in listed equity securities of companies and other transferable securities which meet the requirement of equity participations (*Kapitalbeteiligungen*) as defined in § 2 (8) of the German Investment Tax Act, so that the Sub-Fund meets the requirements of a balanced fund (*Mischfonds*) as defined in § 2 (7) of the German Investment Tax Act.

Subject only to the restrictions set out in this Prospectus and the UCITS Rules, the Sub-Fund may invest in a wide range of debt securities and other transferable securities of any maturity and issued by any issuer provided that investments in the following categories of debt securities shall be subject to the following maximum investment levels:

- mortgage- and asset-backed securities: up to 20% of the Sub-Fund's net assets;
- contingent convertible instruments: up to 20% of the Sub-Fund's net assets;
- non-investment grade securities: up to 35% of the Sub-Fund's net assets;
- defaulted securities as well as other securities considered as distressed by traditional investment standards: up to 10% of the Sub-Fund's net assets; and
- securities unrated by internationally recognised credit rating organisations: up to 20% of the Sub-Fund's net assets.

In the case of debt securities unrated by internationally recognised credit rating organisations, the Investment Manager carries out its own internal risk/reward analysis and assessment of creditworthiness. In case of debt securities rated by internationally recognised credit rating organisations, the Investment Manager makes use of available credit ratings as part of its credit assessment processes but shall, in accordance with Directive 2013/14/EU of the European Parliament and of the Council of 21 May 2013, not solely or mechanically rely on such credit ratings. Under normal market conditions, the weighted average credit rating of the rated bonds held directly by the Sub-Fund is expected to be at least BB or Ba2 according to at least one of the internationally recognised credit rating organisations.

Subject only to the restrictions set out in this Prospectus and the UCITS Rules, the Sub-Fund may invest in units of any UCI compliant with article 41.1 (e) of the Law, any financial derivative instrument, any transferable securities, any money

market instrument and any deposit with any credit institution.

The Sub-Fund may not invest directly or through financial derivative instruments in precious metals or commodities but it may invest in transferable securities tracking the performance of precious metals and/or commodities on the basis that such instruments do not embed a derivative.

The Sub-Fund's investments shall be made on a global basis and its assets may be denominated in any currency. A significant percentage of the investments may, at any time, be concentrated in a particular industry, sector, country or region.

Leveraged types of investments may be employed and selected investments may contain or embed a degree of leverage. The Sub-Fund may hold short positions (as permitted by the UCITS Rules).

The Sub-Fund may also hold cash on an ancillary and temporary basis. Market conditions, valuation levels and other fundamental factors or the use of financial derivative instruments may lead to situations where substantial levels of cash will be held.

### SFDR Disclosure

The Sub-Fund does not promote environmental or social characteristics, nor does the Sub-Fund have sustainable investment as investment objectives within the meaning of Articles 8 and 9 of SFDR, respectively. The manner in which sustainability risks are integrated into the Sub-Fund's investment decisions and the results of the assessment of the likely impacts of sustainability risks on the returns of the Sub-Fund are disclosed in sub-section 5.6 ('Sustainability Risks') above. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### Use of Financial Derivative Instruments and Global Exposure Calculation

Subject to the UCITS Rules, the Sub-Fund may make use of exchange traded financial derivative instruments or OTC Derivatives and transferable securities with embedded derivatives in accordance with sub-section 3.3 ('Financial Derivative Instruments') above.

The global exposure of the Sub-Fund arising out of its financial derivative instruments positions will be measured on the basis of the Commitment Approach as set out in the UCITS Rules. This approach measures the global exposure related solely to positions on financial derivative instruments under consideration of netting and hedging. The total commitment of the Sub-Fund to financial derivative instruments, quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and hedging, is limited to 100% of the net asset value of the Sub-Fund.

### SFTs and TRSs

On an ancillary basis, the Sub-Fund may use SFTs with the aim of generating additional capital or income, reducing risk and managing the Sub-Fund more efficiently. The Sub-Fund may use TRSs with the aim of reducing risk. The aim of using SFTs and a description of such SFTs is set out in section 3.4 of the Prospectus. The maximum proportion of the Sub-Fund's assets that may be subject to certain SFTs and TRS and the expected level of the Sub-Fund's assets that will be subject to such transactions are as follows:

	Securities lending	Repurchase transactions	Buy-sell back or sell-buy back transactions	TRSs and other swap contracts
<b>Maximum proportion of assets*</b>	25%	5%	5%	20%
<b>Expected level of assets*</b>	10%	0%	0%	5%

\*The demand to borrow securities is a significant driver for the amount that is actually lent from the Sub-Fund at a given time. Borrowing demand fluctuates over time and depends to a large extent on market factors that cannot be forecasted precisely. Due to fluctuations in borrowing demand in the market, future lending volumes could fall outside of the expected range. In times of high borrowing demand, the proportion of the Sub-Fund's assets that use SFTs may approach the maximum. The same principle applies to the use of TRSs in respect to interest rates.

## Investment Restrictions

In pursuing its investment objective and investment policy, this Sub-Fund will be subject to the UCITS Rules and the investment, borrowing and leverage restrictions set out in section 3 ('Investment Objectives, Policies and Restrictions'). There are no further restrictions or limitations on the investments in which the Sub-Fund may invest.

## Reference Currency

The Reference Currency of this Sub-Fund is EUR.

## Form of Shares and Classes

The Share Classes of this Sub-Fund have the following features and characteristics:

Class of Shares	'A'	'I'
ISIN	LU1923620329	LU2379755965
Listing	None	None
Distribution policy	Accumulating (see section 9)	Accumulating (see section 9)
Base Currency	EUR	EUR
Minimum subscription	EUR 1,000	EUR 5,000,000
Minimum holding	EUR 500	EUR 2,500,000
Minimum redemption	EUR 100	EUR 100
Minimum subsequent subscription	EUR 100	EUR 100
Launch date	2 February 2016	1 June 2022
Cut-off Time	2.00 p.m. (Central European Time) on the Valuation Day.	
Initial price	EUR 100	EUR 100
Management Company fee	Up to 0.055% per annum of the net asset value, with a minimum fee of EUR 55,000 per annum for all the Sub-Funds comprising the Company and if applicable apportioned pro-rate to each Sub-Fund. The Management Company receives an additional risk calculation fee of EUR 5,000 per annum per Sub-Fund (not using OTC derivatives). The Management Company fee will accrue on every Valuation Day and shall be payable monthly in arrears.	
Investment Manager fee	0.75% per annum of the net asset value.	0.55% per annum of the net asset value.
	The Investment Manager fee will accrue on every Valuation Day and shall be payable monthly in arrears.	
Subscription charge	up to 2% of the subscription amount	none
Conversion charge	up to 2% of the conversion amount	none
Redemption charge	none	none
Performance Fee	Please see below.	Please see below.

At the moment, there are two (2) Classes of Shares available in this Sub-Fund, the Class A Shares and the Class I Shares. In the case of issuance of any additional Share Class, this Prospectus will be modified accordingly.

Class I Shares are reserved for Investors meeting, in the opinion of the Board of Directors, the requirements to qualify as an institutional investor for the purposes of article 174 of the Law.

## Performance Fee

In addition to the Investment Manager's fee, the Investment Manager shall receive from the Company in respect of the Sub-Fund a performance fee (the "Performance Fee") equal to (i) 7.5% of the Excess Return per Class A Share and (ii) 4.5% of the Excess Return per Class I Share, if any, multiplied by the number of Shares in issue in the relevant class of Shares at the end of each calendar year (corresponding to the Company's accounting period).

The Performance Fee is payable annually in arrears normally within fourteen (14) calendar days of the end of each calendar year.

In any case, the Performance Fee may only be received to the extent that payment of the Performance Fee does not cause the net asset value per Share of the relevant Class to fall below the applicable High Water Mark.

In order to predict the Performance Fee that will need to be paid at the end of the calendar year, the Sub-Fund records for each Valuation Day provisions if the Sub-Fund has on the relevant Valuation Day a positive Excess Return per Share, respectively for each Class. If the Sub-Fund does not have on the relevant Valuation Day a positive Excess Return per Share, respectively for each Class, no Performance Fee shall be paid or accrued and any provision representing accrued Performance Fees shall be written back. The Performance Fee calculation is reset to zero at the beginning of each calendar year.

If Investors ask for their Shares to be redeemed before the end of any calendar year, the total outstanding Performance Fee corresponding to such Shares (if accrued as of the date of such redemption) shall be crystallised in respect of the Shares being redeemed and paid to the Investment Manager fourteen (14) Business Days after the end of the calendar year. Crystallised Performance Fees shall remain in the relevant Class of Shares until paid to the Investment Manager and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class of Shares.

If the Performance Fee is charged for a given calendar year, the new High Watermark (after deduction of the Performance Fee paid), will represent the new starting point for determining the Hurdle Rate.

The following table illustrates the way the Performance Fee is calculated according to the corresponding changes in net asset value per Class A Share on the corresponding days. The Sub-Fund performance figures included in the following table are purely illustrative and should not be understood as representing indicators of potential Sub-Fund performance. The illustration assumes that the EURIBOR is 2.5% per annum.

Period	GAV <sup>A</sup> per Share	Excess Return per Share	Performance Fee per Share	NAV per Share	High Water Mark	Number of Shares in issue	Total Performance Fee
	(a)	(b)	(c) = (b) x 7.5%	(d) = (a) - (c)	(e)	(f)	(g) = (c) x (f)
Launch	100.0000	-	-	-	100.000	-	-
Year 1	105.0000	2.5000	0.1875	104.8125	104.8125	1,000.000	187.500
Year 2	107.5000	0.0672	0.0050	107.4950	107.4950	1,000.000	5.039
Year 3	115.0000	4.8177	0.3613	114.6387	114.6387	1,000.000	361.325
Year 4	112.5000	-	-	112.5000	114.6387	1,000.000	-
Year 5	115.0000	-	-	115.0000	115.0000	1,000.000	-
Year 6	120.0000	2.1250	0.1594	119.8406	119.8406	1,000.000	159.375
Year 7	130.0000	7.1634	0.5373	129.4627	129.4627	1,000.000	537.252

<sup>A</sup> GAV per Share: NAV per Share before deduction for any accrued Performance Fee

The Company will not adopt an equalisation methodology for the calculation of the Performance Fee. Shareholders may accordingly underpay/overpay any Performance Fee due to the Investment Manager when subscribing and/or redeeming their Shares.

The Hurdle Rate constitutes a benchmark within the meaning of the Benchmarks Regulation. The Management Company has established and maintains a written plan setting out actions, which it will take in the event that the Hurdle Rate materially changes or ceases to be provided as required by article 28(2) of the Benchmarks Regulation. Shareholders may access such plan upon request free of charge by contacting: [info@spinozacapital.com](mailto:info@spinozacapital.com).

## Duration

The Duration of the Sub-Fund and the Classes is indefinite.

## Eligible Investors

This Sub-Fund is available to all Investors (subject to the terms of this Prospectus and the eligibility criteria set out in this Appendix).

### **Profile of the Typical Investor and Risk Considerations**

This Sub-Fund may be appropriate for growth-oriented Investors who seek capital appreciation over the long term while accepting moderate to high volatility and significant short term losses. Accordingly, this Sub-Fund is generally suitable for Investors who are prepared to take the higher risks associated with higher growth investments and can afford to set aside the capital for at least 3-5 years.

AN INVESTMENT IN THIS SUB-FUND ENTAILS SUBSTANTIAL RISKS. THE RISK FACTORS APPLICABLE TO THE SHARES IN THE SUB-FUND ARE DISCLOSED IN THE SECTION 5 ('RISK WARNINGS') AND CONSIST IN PARTICULAR OF GENERAL MARKET, CREDIT/ISSUER, COUNTRY/REGION AND CURRENCY RISKS.

THE SUB-FUND'S SYNTHETIC RISK AND REWARD INDICATOR, RANKING THE SUB-FUND ACCORDING TO ITS VOLATILITY OVER A RISK SCALE FROM 1 TO 7, IS DISCLOSED IN THE RELEVANT KIID.

NO ASSURANCE CAN BE GIVEN THAT THE SUB-FUND'S INVESTMENT OBJECTIVE WILL BE ACHIEVED AND THAT THE INVESTMENT POLICY ADOPTED BY THE SUB-FUND WILL BE SUCCESSFUL. THE VALUE OF THE SHARES IN THE SUB-FUND MAY VARY SUBSTANTIALLY OVER TIME. AN INVESTOR MAY LOSE SOME OR ALL OF HIS INVESTMENT.

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## APPENDIX 3: SPINOZA GLOBAL QUANT VALUE FUND

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THE INFORMATION CONTAINED IN THIS APPENDIX RELATES TO THE SPINOZA GLOBAL QUANT VALUE FUND AND FORMS AN INTEGRAL PART OF THE PROSPECTUS.

### Investment Objective

The investment objective of this Sub-Fund is to pursue long term capital appreciation and achieve attractive risk-adjusted returns through a quantitative and qualitative investment selection process based on the principles of value investing.

### Investment Policy

The Sub-Fund is actively managed on a fully discretionary basis and without reference to a benchmark. Investments are selected based on the principles of value investing employing the Investment Manager's proprietary, rules based quantitative and qualitative investment selection process, incorporating unique combinations of different pre-defined value and/or momentum parameters or criteria, that seeks to take advantage of discrepancies between the estimated fundamental value of a transferable security (or basket of transferable securities) and its market price. Reference to a benchmark is made for calculation of a performance fee only.

The Sub-Fund aims to achieve its investment objective by investing on a global basis primarily in equity and equity-related securities of companies listed on Eligible Markets.

At least 50% of the Sub-Fund's net assets shall be invested in companies registered in OECD member states through any permitted transferable securities admitted to or dealt in on any Eligible Market.

Up to 50% of the Sub-Fund's net assets may be invested in companies registered in non-OECD member states through any permitted transferable securities admitted to or dealt in on any Eligible Market. Such investments may specifically include a direct or indirect exposure to companies registered in China and/or Hong Kong through investments in (i) any security listed on the Hong Kong stock Exchange, (ii) China A-Shares through the Shanghai-Hong Kong Stock Connect programme or (iii) UCIs having any exposure to China and/or Hong Kong.

While the Sub-Fund is expected to hold a diversified investment portfolio over a broad base of issuers of any size, there are otherwise no fixed asset allocation policies or guidelines in regard to particular currencies, countries, regions, industries or sectors. A significant percentage of the investments may, at any time, be concentrated in a particular currency, industry sector, country or region.

The Sub-Fund shall invest more than 50% of its net assets in listed equity securities of companies and other transferable securities which meet the requirement of equity participations (*Kapitalbeteiligungen*) as defined in § 2 (8) of the German Investment Tax Act, so that the Sub-Fund meets the requirements of an equity fund (*Aktienfonds*) as defined in § 2 (6) of the German Investment Tax Act.

The Sub-Fund may hold short positions for hedging and/or investment purposes (as permitted by the UCITS Rules). Leveraged types of investments may be employed and selected investments may contain or embed a degree of leverage.

The Sub-Fund may invest up to 25% of its net assets on an ancillary basis in a wide range of debt securities and other transferable securities of any maturity and issued by any issuer provided that investments in the following categories of debt securities shall be subject to the following maximum investment levels:

- mortgage- and asset-backed securities: up to 5% of the Sub-Fund's net assets;
- contingent convertible instruments: up to 5% of the Sub-Fund's net assets;
- non-investment grade securities: up to 10% of the Sub-Fund's net assets;
- defaulted securities as well as other securities considered as distressed by traditional investment standards: up to 5% of the Sub-Fund's net assets; and
- securities unrated by internationally recognised credit rating organisations: up to 10% of the Sub-Fund's net assets.

In the case of debt securities unrated by internationally recognised credit rating organisations, the Investment Manager carries out its own internal risk/reward analysis and assessment of creditworthiness. In case of debt securities rated by internationally recognised credit rating organisations, the Investment Manager makes use of available credit ratings as

part of its credit assessment processes but shall, in accordance with Directive 2013/14/EU of the European Parliament and of the Council of 21 May 2013, not solely or mechanistically rely on such credit ratings.

The Sub-Fund may also hold cash on an ancillary and temporary basis. Market conditions, valuation levels and other fundamental factors or the use of financial derivative instruments may lead to situations where substantial levels of cash will be held.

### SFDR Disclosure

The Sub-Fund does not promote environmental or social characteristics, nor does the Sub-Fund have sustainable investment as investment objectives within the meaning of Articles 8 and 9 of SFDR, respectively. The manner in which sustainability risks are integrated into the Sub-Fund's investment decisions and the results of the assessment of the likely impacts of sustainability risks on the returns of the Sub-Fund are disclosed in sub-section 5.6 ('Sustainability Risks') above. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### Use of Financial Derivative Instruments and Global Exposure Calculation

Subject to the UCITS Rules, this Sub-Fund may make use of exchange traded financial derivative instruments or OTC Derivatives and transferable securities with embedded derivatives in accordance with sub-section 3.3 ('Financial Derivative Instruments') above.

The global exposure of the Sub-Fund arising out of its financial derivative instruments positions will be measured on the basis of the Commitment Approach as set out in the UCITS Rules. This approach measures the global exposure related solely to positions on financial derivative instruments under consideration of netting and hedging. The total commitment of the Sub-Fund to financial derivative instruments, quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and hedging, is limited to 100% of the net asset value of the Sub-Fund.

### SFTs and TRSs

On an ancillary basis, the Sub-Fund may use SFTs with the aim of generating additional capital or income, reducing risk and managing the Sub-Fund more efficiently. The aim of using SFTs and a description of such SFTs is set out in section 3.4 of the Prospectus. The maximum proportion of the Sub-Fund's assets that may be subject to certain SFTs and the expected level of the Sub-Fund's assets that will be subject to such transactions are as follows:

	Securities lending	Repurchase transactions	Buy-sell back or sell-buy back transactions	TRSs and other swap contracts
<b>Maximum proportion of assets*</b>	40%	5%	5%	0%
<b>Expected level of assets*</b>	25%	0%	0%	0%

\*The demand to borrow securities is a significant driver for the amount that is actually lent from the Sub-Fund at a given time. Borrowing demand fluctuates over time and depends to a large extent on market factors that cannot be forecasted precisely. Due to fluctuations in borrowing demand in the market, future lending volumes could fall outside of the expected range. In times of high borrowing demand, the proportion of the Sub-Fund's assets that use SFTs may approach the maximum. The same principle applies to the use of TRSs in respect to interest rates.

### Investment Restrictions

No more than 10% of this Sub-Fund's net assets can be invested in aggregate in units of other UCITS or other UCIs.

In pursuing its investment objective and investment policy, this Sub-Fund will otherwise be subject to the UCITS Rules and the investment, borrowing and leverage restrictions set out in section 3 ('Investment Objectives, Policies and Restrictions').

There are no further restrictions or limitations on the investments in which the Sub-Fund may invest.

## Reference Currency

The Reference Currency of this Sub-Fund is EUR.

## Form of Shares and Classes

The Share Classes of the Sub-Fund have the following features and characteristics:

Class of Shares	'A'	'I'
<b>ISIN</b>	LU1923620675	LU2379756005
<b>Listing</b>	None	None
<b>Distribution policy</b>	Accumulating (see section 9)	Accumulating (see section 9)
<b>Base Currency</b>	EUR	EUR
<b>Minimum subscription</b>	EUR 1,000	EUR 5,000,000
<b>Minimum holding</b>	EUR 500	EUR 2,500,000
<b>Minimum redemption</b>	EUR 100	EUR 100
<b>Minimum subsequent subscription</b>	EUR 100	EUR 100
<b>Launch date</b>	18 July 2013	1 June 2022
<b>Cut-off Time</b>	2.00 p.m. (Central European Time) on the Valuation Day.	
<b>Initial price</b>	EUR 100	EUR 100
<b>Management Company fee</b>	Up to 0.055% per annum of the net asset value, with a minimum fee of EUR 55,000 per annum for all the Sub-Funds comprising the Company and if applicable apportioned pro-rate to each Sub-Fund. The Management Company receives an additional risk calculation fee of EUR 5,000 per annum per Sub-Fund (not using OTC derivatives). The Management Company fee will accrue on every Valuation Day and shall be payable monthly in arrears.	
<b>Investment Manager fee</b>	0.75% per annum of the net asset value.	0.55% per annum of the net asset value.
	The Investment Management fee will accrue on every Valuation Day and shall be payable monthly in arrears.	
<b>Subscription charge</b>	up to 2% of the subscription amount	none
<b>Conversion charge</b>	up to 2% of the conversion amount	none
<b>Redemption charge</b>	none	none
<b>Performance Fee</b>	Please see below.	Please see below.

At the moment, there are two (2) Classes of Shares available in the Sub-Fund, the Class A Shares and the Class I Shares. In the case of issuance of any additional Share Class, this Prospectus will be modified accordingly.

Class I Shares are reserved for Investors meeting, in the opinion of the Board of Directors, the requirements to qualify as an institutional investor for the purposes of article 174 of the Law.

## Performance Fee

In addition to the Investment Manager's fee, the Investment Manager shall receive from the Company in respect of the Sub-Fund a performance fee (the "Performance Fee") equal to (i) 7.5% of the Excess Return per Class A Share and (ii) 4.5% of the Excess Return per Class I Share, if any, multiplied by the number of Shares in issue in the relevant class of Shares at the end of each calendar year (corresponding to the Company's accounting period).

The Performance Fee is payable annually in arrears normally within fourteen (14) calendar days of the end of each calendar year.

In any case, the Performance Fee may only be received to the extent that payment of the Performance Fee does not cause the net asset value per Share of the relevant Class to fall below the applicable High Water Mark.

In order to predict the Performance Fee that will need to be paid at the end of the calendar year, the Sub-Fund records for each Valuation Day provisions if the Sub-Fund has on the relevant Valuation Day a positive Excess Return per Share, respectively for each Class. If the Sub-Fund does not have on the relevant Valuation Day a positive Excess Return per Share, respectively for each Class, no Performance Fee shall be paid or accrued and any provision representing accrued

Performance Fees shall be written back. The Performance Fee calculation is reset to zero at the beginning of each calendar year.

If Investors ask for their Shares to be redeemed before the end of any calendar year, the total outstanding Performance Fee corresponding to such Shares (if accrued as of the date of such redemption) shall be crystallised in respect of the Shares being redeemed and paid to the Investment Manager fourteen (14) Business Days after the end of the calendar year. Crystallised Performance Fees shall remain in the relevant Class of Shares until paid to the Investment Manager and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class of Shares.

If the Performance Fee is charged for a given calendar year, the new High Watermark (after deduction of the Performance Fee paid), will represent the new starting point for determining the Hurdle Rate.

The following table illustrates the way the Performance Fee is calculated according to the corresponding changes in net asset value per Class A Share on the corresponding days. The Sub-Fund performance figures included in the following table are purely illustrative and should not be understood as representing indicators of potential Sub-Fund performance. The illustration assumes that the EURIBOR is 2.5% per annum.

Period	GAV <sup>A</sup> per Share	Excess Return per Share	Performance Fee per Share	NAV per Share	High Water Mark	Number of Shares in issue	Total Performance Fee
	(a)	(b)	(c) = (b) x 7.5%	(d) = (a) - (c)	(e)	(f)	(g) = (c) x (f)
Launch	100.0000	-	-	-	100.000	-	-
Year 1	105.0000	2.5000	0.1875	104.8125	104.8125	1,000.000	187.500
Year 2	107.5000	0.0672	0.0050	107.4950	107.4950	1,000.000	5.039
Year 3	115.0000	4.8177	0.3613	114.6387	114.6387	1,000.000	361.325
Year 4	112.5000	-	-	112.5000	114.6387	1,000.000	-
Year 5	115.0000	-	-	115.0000	115.0000	1,000.000	-
Year 6	120.0000	2.1250	0.1594	119.8406	119.8406	1,000.000	159.375
Year 7	130.0000	7.1634	0.5373	129.4627	129.4627	1,000.000	537.252

<sup>A</sup> GAV per Share: NAV per Share before deduction for any accrued Performance Fee

The Company will not adopt an equalisation methodology for the calculation of the Performance Fee. Shareholders may accordingly underpay/overpay any Performance Fee due to the Investment Manager when subscribing and/or redeeming their Shares.

The Hurdle Rate constitutes a benchmark within the meaning of the Benchmarks Regulation. The Management Company has established and maintains a written plan setting out actions, which it will take in the event that the Hurdle Rate materially changes or ceases to be provided as required by article 28(2) of the Benchmarks Regulation. Shareholders may access such plan upon request free of charge by contacting: [info@spinozacapital.com](mailto:info@spinozacapital.com).

### Duration

The Duration of the Sub-Fund and the Classes is indefinite.

### Eligible Investors

This Sub-Fund is available to all Investors (subject to the terms of this Prospectus and the eligibility criteria set out in this Appendix).

### Profile of the Typical Investor and Risk Considerations

This Sub-Fund may be appropriate for growth oriented Investors who seek capital appreciation over the long term while accepting moderate to high volatility and significant short term losses. Accordingly, this Sub-Fund is generally suitable for Investors who are prepared to take the higher risks associated with higher growth investments and can afford to set aside the capital for at least 3-5 years.

AN INVESTMENT IN THE SUB-FUND ENTAILS SUBSTANTIAL RISKS. THE RISK FACTORS APPLICABLE TO THE SHARES IN THE SUB-FUND ARE DISCLOSED IN THE SECTION 5 ('RISK WARNINGS') AND CONSIST IN PARTICULAR OF GENERAL MARKET, FIRM-SPECIFIC, COUNTRY/REGION, CURRENCY AND LIQUIDITY RISKS.

THE SUB-FUND'S SYNTHETIC RISK AND REWARD INDICATOR RANKING THE SUB-FUND ACCORDING TO ITS VOLATILITY OVER A RISK SCALE FROM 1 TO 7 IS DISCLOSED IN THE RELEVANT KIID.

NO ASSURANCE CAN BE GIVEN THAT THE SUB-FUND'S INVESTMENT OBJECTIVE WILL BE ACHIEVED AND THAT THE INVESTMENT POLICY ADOPTED BY THE SUB-FUND WILL BE SUCCESSFUL. THE VALUE OF THE SHARES IN THE SUB-FUND MAY VARY SUBSTANTIALLY OVER TIME. AN INVESTOR MAY LOSE SOME OR ALL OF HIS INVESTMENT.

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## APPENDIX 4: SPINOZA ENTREPRENEUR FUND

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THE INFORMATION CONTAINED IN THIS APPENDIX RELATES TO THE SPINOZA ENTREPRENEUR FUND AND FORMS AN INTEGRAL PART OF THE PROSPECTUS.

### Investment Objective

The investment objective of this Sub-Fund is to pursue long term capital appreciation and achieve attractive risk-adjusted returns through a quantitative and qualitative investment selection process based on the principles of value investing.

It is expected that most equity investments will be direct investment into listed companies. The Sub-Fund will have a special - but not exclusive - focus on investing in companies with an entrepreneurial backing or with a strong alignment of incentives between public shareholders and insiders like (i) a long-term oriented anchor shareholder like a founder or an entrepreneurial family, (ii) a significant shareholding by the management team and/or sizeable share purchases by the management team, and/or (iii) significant share buybacks by the company.

### Investment Policy

The Sub-Fund is actively managed on a fully discretionary basis and without reference to a benchmark. Investments are selected based on the principles of value investing employing the Investment Manager's proprietary, rules based quantitative and qualitative investment selection process, incorporating combinations of different value, management quality and/or ownership structure parameters or criteria, that seeks to take advantage of discrepancies between the estimated fundamental value of a transferable security (or basket of transferable securities) and its market price.

The Sub-Fund aims to achieve its investment objective by investing on a global basis primarily in equity and equity-related securities of companies listed on Eligible Markets.

At least 50% of the Sub-Fund's net assets shall be invested in companies registered in OECD member states through any permitted transferable securities admitted to or dealt in on any Eligible Market.

Up to 50% of the Sub-Fund's net assets may be invested in companies registered in non-OECD member states through any permitted transferable securities admitted to or dealt in on any Eligible Market. Such investments may specifically include a direct or indirect exposure to companies registered in China and/or Hong Kong through investments in (i) any security listed on the Hong Kong stock Exchange, (ii) China A-Shares through the Shanghai-Hong Kong Stock Connect programme or (iii) UCIs having any exposure to China and/or Hong Kong.

Up to 25% of the Sub-Fund's net assets may be invested in Emerging Markets, which may include OECD and non-OECD member states.

There are otherwise no fixed asset allocation policies or guidelines in regard to particular currencies, countries, regions, industries or sectors. A significant percentage of the investments may, at any time, be concentrated in a particular currency, industry sector, country or region.

The Sub-Fund shall invest more than 50% of its net assets in listed equity securities of companies and other transferable securities which meet the requirement of equity participations (*Kapitalbeteiligungen*) as defined in § 2 (8) of the German Investment Tax Act, so that the Sub-Fund meets the requirements of an equity fund (*Aktienfonds*) as defined in § 2 (6) of the German Investment Tax Act.

The Sub-Fund may hold short positions for hedging and/or investment purposes (as permitted by the UCITS Rules). Leveraged types of investments may be employed and selected investments may contain or embed a degree of leverage.

The Sub-Fund may invest up to 25% of its net assets on an ancillary basis in a wide range of debt securities and other transferable securities of any maturity and issued by any issuer provided that investments in the following categories of debt securities shall be subject to the following maximum investment levels:

- mortgage- and asset-backed securities: up to 5% of the Sub-Fund's net assets;
- contingent convertible instruments: up to 5% of the Sub-Fund's net assets;
- non-investment grade securities: up to 10% of the Sub-Fund's net assets;

- defaulted securities as well as other securities considered as distressed by traditional investment standards: up to 5% of the Sub-Fund's net assets; and
- securities unrated by internationally recognised credit rating organisations: up to 10% of the Sub-Fund's net assets.

In the case of debt securities unrated by internationally recognised credit rating organisations, the Investment Manager carries out its own internal risk/reward analysis and assessment of creditworthiness. In case of debt securities rated by internationally recognised credit rating organisations, the Investment Manager makes use of available credit ratings as part of its credit assessment processes but shall, in accordance with Directive 2013/14/EU of the European Parliament and of the Council of 21 May 2013, not solely or mechanically rely on such credit ratings.

The Sub-Fund may also hold cash on an ancillary and temporary basis. Market conditions, valuation levels and other fundamental factors or the use of financial derivative instruments may lead to situations where substantial levels of cash will be held.

### SFDR Disclosure

The Sub-Fund does not promote environmental or social characteristics, nor does the Sub-Fund have sustainable investment as investment objectives within the meaning of Articles 8 and 9 of SFDR, respectively. The manner in which sustainability risks are integrated into the Sub-Fund's investment decisions and the results of the assessment of the likely impacts of sustainability risks on the returns of the Sub-Fund are disclosed in sub-section 5.6 ('Sustainability Risks') above. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### Use of Financial Derivative Instruments and Global Exposure Calculation

Subject to the UCITS Rules, this Sub-Fund may make use of exchange traded financial derivative instruments or OTC Derivatives and transferable securities with embedded derivatives in accordance with sub-section 3.3 ('Financial Derivative Instruments') above.

The global exposure of the Sub-Fund arising out of its financial derivative instruments positions will be measured on the basis of the Commitment Approach as set out in the UCITS Rules. This approach measures the global exposure related solely to positions on financial derivative instruments under consideration of netting and hedging. The total commitment of the Sub-Fund to financial derivative instruments, quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and hedging, is limited to 100% of the net asset value of the Sub-Fund.

### SFTs and TRSs

On an ancillary basis, the Sub-Fund may use SFTs with the aim of generating additional capital or income. The Sub-Fund may use TRSs with the aim of reducing risks. The aim of using SFTs and a description of such SFTs is set out in section 3.4 of the Prospectus. The maximum proportion of the Sub-Fund's assets that may be subject to certain SFTs and TRS and the expected level of the Sub-Fund's assets that will be subject to such transactions are as follows:

	Securities lending	Repurchase transactions	Buy-sell back or sell-buy back transactions	TRSs and other swap contracts
<b>Maximum proportion of assets*</b>	40%	5%	5%	5%
<b>Expected level of assets*</b>	25%	0%	0%	0%

\*The demand to borrow securities is a significant driver for the amount that is actually lent from the Sub-Fund at a given time. Borrowing demand fluctuates over time and depends to a large extent on market factors that cannot be forecasted precisely. Due to fluctuations in borrowing demand in the market, future lending volumes could fall outside of the expected range. In times of high borrowing demand, the proportion of the Sub-Fund's assets that use SFTs may approach the maximum. The same principle applies to the use of TRSs in respect to interest rates.

## Investment Restrictions

No more than 10% of this Sub-Fund's net assets can be invested in aggregate in units of other UCITS or other UCIs.

In pursuing its investment objective and investment policy, this Sub-Fund will otherwise be subject to the UCITS Rules and the investment, borrowing and leverage restrictions set out in section 3 ('Investment Objectives, Policies and Restrictions').

There are no further restrictions or limitations on the investments in which the Sub-Fund may invest.

## Reference Currency

The Reference Currency of this Sub-Fund is EUR.

## Form of Shares and Classes

The Share Classes of the Sub-Fund have the following features and characteristics:

<b>Class of Shares</b>	<b>'A'</b>	
<b>ISIN</b>	LU2379756187	
<b>Listing</b>	None	
<b>Distribution policy</b>	Accumulating (see section 9)	
<b>Base Currency</b>	EUR	
<b>Minimum subscription</b>	EUR 1,000	
<b>Minimum holding</b>	EUR 500	
<b>Minimum redemption</b>	EUR 100	
<b>Minimum subsequent subscription</b>	EUR 100	
<b>Launch date</b>	28 April 2022	
<b>Cut-off Time</b>	2.00 p.m. (Central European Time) on the Valuation Day.	
<b>Initial price</b>	EUR 100	
<b>Management Company fee</b>	Up to 0.055% per annum of the net asset value, with a minimum fee of EUR 55,000 per annum for all the Sub-Funds comprising the Company and if applicable apportioned pro-rate to each Sub-Fund. The Management Company receives an additional risk calculation fee of EUR 5,000 per annum per Sub-Fund (not using OTC derivatives).	
<b>Investment Manager fee</b>	1% per annum of the net asset value.	
	The Management Company fee will accrue on every Valuation Day and shall be payable monthly in arrears.	
<b>Subscription charge</b>	up to 2% of the subscription amount	
<b>Conversion charge</b>	up to 2% of the conversion amount	
<b>Redemption charge</b>	none	
<b>Performance Fee</b>	Please see below.	

At the moment, there is only one (1) Class of Shares available in the Sub-Fund, the Class A Shares. The Class A Shares represent the one class of Shares which were in issue since the launch of the Sub-Fund. In the case of issuance of any additional Share Class, this Prospectus will be modified accordingly.

## Performance Fee

In addition to the Investment Manager's fee, the Investment Manager shall receive from the Company in respect of the Sub-Fund a performance fee (the "Performance Fee") equal to 15% of the positive performance of the net asset value per Share, before deduction for any accrued performance fee, achieved by the Class of Shares over the High Water Mark and in excess of 7% multiplied by the number of Shares in issue in the relevant class of Shares at the end of each calendar year (corresponding to the Company's accounting period).

The Performance Fee is payable annually in arrears normally within fourteen (14) calendar days of the end of each calendar year.

In any case, the Performance Fee may only be received to the extent that payment of the Performance Fee does not cause the net asset value per Share of the relevant Class to fall below the applicable High Water Mark.

In order to predict the Performance Fee that will need to be paid at the end of the calendar year, the Sub-Fund records for each Valuation Day provisions if the Sub-Fund has on the relevant Valuation Day a payable Performance Fee if such Valuation Day would be the last Valuation Day of the calendar year, respectively for each Class. If the Sub-Fund does not have on the relevant Valuation Day a payable Performance Fee if such Valuation Day would be the last Valuation Day of the calendar year, respectively for each Class, no Performance Fee shall be paid or accrued and any provision representing accrued Performance Fees shall be written back. The Performance Fee calculation is reset to zero at the beginning of each calendar year.

If Investors ask for their Shares to be redeemed before the end of any calendar year, the total outstanding Performance Fee corresponding to such Shares (if accrued as of the date of such redemption) shall be crystallised in respect of the Shares being redeemed and paid to the Investment Manager fourteen (14) Business Days after the end of the calendar year. Crystallised Performance Fees shall remain in the relevant Class of Shares until paid to the Investment Manager and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class of Shares.

If the Performance Fee is charged for a given calendar year, the new High Watermark (after deduction of the Performance Fee paid), will represent the new starting point for determining the Performance Fee.

The following table illustrates the way the Performance Fee is calculated according to the corresponding changes in net asset value per Share on the corresponding days. The Sub-Fund performance figures included in the following table are purely illustrative and should not be understood as representing indicators of potential Sub-Fund performance.

<b>Period</b>	<b>GAV<sup>A</sup> per Share</b>	<b>Excess Return over 7% and the High Water Mark</b>	<b>Performance Fee per Share</b>	<b>NAV per Share</b>	<b>High Water Mark</b>	<b>Number of Shares in issue</b>	<b>Total Performance Fee</b>
	(a)	(b)	(c) = (b) x 15%	(d) = (a) - (c)	(e)	(f)	(g) = (c) x (f)
Launch	100.0000	-	-	-	100.000	-	-
Year 1	111.0000	4.0000	0.6000	110.4000	110.4000	1,000.000	600.000
Year 2	120.0000	1.8720	0.2808	119.7192	119.7192	1,000.000	280.800
Year 3	136.0000	7.9005	1.1851	134.8149	134.8149	1,000.000	1,185.068
Year 4	125.0000	-	-	125.0000	134.8149	1,000.000	-
Year 5	128.0000	-	-	128.0000	134.8149	1,000.000	-
Year 6	150.0000	5.7480	0.8622	149.1378	149.1378	1,000.000	862.203
Year 7	155.0000	-	-	155.0000	155.0000	1,000.000	-

<sup>A</sup> GAV per Share: NAV per Share before deduction for any accrued Performance Fee

The Company will not adopt an equalisation methodology for the calculation of the Performance Fee. Shareholders may accordingly underpay/overpay any Performance Fee due to the Investment Manager when subscribing and/or redeeming their Shares.

### **Duration**

The Duration of the Sub-Fund and the Classes is indefinite.

### **Eligible Investors**

This Sub-Fund is available to all Investors (subject to the terms of this Prospectus and the eligibility criteria set out in this Appendix).

### **Profile of the Typical Investor and Risk Considerations**

This Sub-Fund may be appropriate for growth oriented Investors who seek capital appreciation over the long term while accepting moderate to high volatility and significant short term losses. Accordingly, this Sub-Fund is generally suitable

for Investors who are prepared to take the higher risks associated with higher growth investments and can afford to set aside the capital for at least 3-5 years.

AN INVESTMENT IN THE SUB-FUND ENTAILS SUBSTANTIAL RISKS. THE RISK FACTORS APPLICABLE TO THE SHARES IN THE SUB-FUND ARE DISCLOSED IN THE SECTION 5 ('RISK WARNINGS') AND CONSIST IN PARTICULAR OF GENERAL MARKET, FIRM-SPECIFIC, COUNTRY/REGION, CURRENCY AND LIQUIDITY RISKS.

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