

# **Cobas LUX SICAV**

**SOCIETE D'INVESTISSEMENT A CAPITAL VARIABLE  
LUXEMBOURG**

**PROSPECTUS**

**March 2019**

No person is authorised to give any information other than that contained in the Prospectus and in documents referred to herein. The original English text of this Prospectus is the legal and binding version.

## SUMMARY

The main part of the Prospectus describes the nature of the Company, presents its general terms and conditions and sets out its management and investment parameters which apply to the Company as well as to the different Sub-Funds that compose the Company.

The investment policy of each Sub-Fund, as well as its specific features, is described in the Appendix attached to this Prospectus.

The Directors of the Company, whose names appear hereafter, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

The shares of the Company are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Company or the Directors. Neither the delivery of this Prospectus nor the issue of shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Company, copies of which may be obtained free of charge from the registered office of the Company.

The Company is an open-ended investment company organised as a *Société d'Investissement à Capital Variable* (SICAV). The Company is registered under Part I of the Law. The above registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Company. Any representation to the contrary is unauthorised and unlawful.

The distribution of this Prospectus and the offering of shares in certain jurisdictions may be restricted and accordingly persons into whose possession of this Prospectus may come are required by the Company to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

**United States:** None of the shares of the Company have been, nor will be registered under the United States Securities Act of 1933 and the shares may not be offered or sold directly or indirectly in the United States of America or to any U.S. Person, as this term is defined by the Regulation S under the Securities Act of 1933 ("U.S. Person"). In addition, the shares may not be offered or sold to any corporation controlled by, or a majority of whose shares are held by, U.S. Persons.

Furthermore, no person that could be considered as a U.S. taxpayer, as per the United States of America laws and regulations (as may be amended from time to time) is entitled to be registered in the books of the Company as a shareholder. The same applies to an entity which is held, for at least 10% of its shares and/or interests, by such a U.S. taxpayer.

**Generally:** the above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

For further information, please refer to the Table of Contents on page 4 of this Prospectus. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant or other professional adviser.

Defined terms shall have the meaning ascribed to them under "DEFINITIONS" below.

In view of economic and share market risks, no assurance can be given that the Company will achieve its investment objectives and the value of the shares can rise or fall.

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

### **Processing of personal data**

Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by or on behalf of the Company (the "Controller") will be processed by the Controller in accordance with the Privacy Notice referred to in section "XXII.PROCESSING OF PERSONAL DATA", a current version of which is attached in Appendix II: Privacy Notice. Investors and any persons contacting, or otherwise dealing directly or indirectly with, any of the Controller are invited to and read and carefully consider the Privacy Notice, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any Data directly or indirectly to the Controller.

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## DEFINITIONS

<b>Administrative Agent:</b>	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg.
<b>Articles:</b>	The articles of incorporation of the Company, as amended from time to time.
<b>Board of Directors:</b>	The board of directors of the Company.
<b>Business Day:</b>	Any day on which banks in Luxembourg are open for business except for 24 December, unless defined otherwise in the Appendix for a Sub-Fund.
<b>CHF:</b>	The lawful currency of Switzerland.
<b>Class of Shares:</b>	A class of shares of a Sub-Fund created by the Company having a specific distribution policy, sales and redemption mechanism, fee structure, holding requirements, currency and hedging policy or other specific characteristics.
<b>Commitment Approach:</b>	A method of calculation of global exposure as detailed in applicable laws and regulations including but not limited to CSSF Circular 11/512.
<b>Company:</b>	Cobas LUX SICAV, a <i>société d'investissement à capital variable</i> .
<b>CSSF:</b>	<i>Commission de Surveillance du Secteur Financier</i> , the supervisory authority in Luxembourg.
<b>Depository Bank:</b>	Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855 Luxembourg.
<b>Domiciliary Agent:</b>	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg.
<b>Eligible Investor:</b>	An investor who is not prohibited to subscribe into the Company or to hold shares in the Company in accordance with the relevant provisions contained in the Articles.
<b>Eligible State:</b>	Any Member State or other State in Europe, Asia, Oceania, the Americas or Africa.
<b>Euro or EUR:</b>	Currency of the Member States of the European Union that use the single currency.
<b>Institutional Investors:</b>	Institutional Investors as defined in Article 174 of the 2010 Law.
<b>Investment Adviser:</b>	The person appointed to provide investment advice, if any.

<b>Investment Grade:</b>	Securities with a rating of at least BBB- from Standard & Poor's or Fitch Ratings or at least Baa3 from Moody's Investor Services, or which are judged to be of equivalent quality based on similar credit criteria at the time of acquisition. In the event of a split rating, the better rating can be used.
<b>Investment Managers:</b>	Persons appointed to manage the assets, as determined in the Appendix for each Sub-Fund.
<b>Key Investor Information Document (KIID):</b>	The key investor information document containing information on each Class of Shares of the Company. Information on Classes of Shares launched shall be available on the website <a href="http://www.fundsquare.net">www.fundsquare.net</a> . The Company draws the attention of the investors to the fact that before any subscription of shares, investors should consult the KIIDs on Classes of Shares available on the website <a href="http://www.fundsquare.net">www.fundsquare.net</a> . A paper copy of the KIIDs may also be obtained at the registered office of the Company or of the distributors, free of charge.
<b>Management Company:</b>	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg.
<b>Member State:</b>	Member State of the European Union.
<b>Mémorial:</b>	<i>Mémorial C, Recueil des Sociétés et Associations</i> of the Grand Duchy of Luxembourg.
<b>Money Market Instruments:</b>	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
<b>NAV:</b>	Net Asset Value.
<b>Net Asset Value:</b>	In relation to any Class of Shares in a Sub-Fund, the value of the net assets of that Sub-Fund attributable to that Class and calculated in accordance with the provisions described in Section XIV of this Prospectus.
<b>Other UCI:</b>	An undertaking for collective investment within the meaning of Article 1, paragraph (2), points a) and b) of the UCITS Directive.
<b>Paying Agent:</b>	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg.
<b>Prospectus:</b>	The present prospectus.
<b>Reference Currency:</b>	Currency in which a Sub-Fund or Class of Shares is denominated.

<b>Registrar and Transfer Agent:</b>	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg.
<b>Regulated Market:</b>	Regulated market as defined in Directive 2004/39/EC of 21 April 2004 on financial instruments markets (Directive 2004/39/EC), i.e. a market on the list of regulated markets prepared by each Member State, that functions regularly characterised by the fact that the regulations issued or approved by the competent authorities set out the conditions of operation and access to the market, as well as the conditions that a given financial instrument must meet in order to be traded on the market, compliance with all information and transparency obligations prescribed in Directive 2004/39/EC, as well as any other regulated, recognised market open to the public in an Eligible State that operates regularly.
<b>RESA:</b>	<i>Recueil Electronique des Sociétés et Associations</i> of the Grand Duchy of Luxembourg
<b>SICAV:</b>	<i>Société d'investissement à capital variable.</i>
<b>Sub-Fund:</b>	Refers to one of the sub-funds of the Company.
<b>Transferable Securities:</b>	As defined in the Law.
<b>UCI:</b>	Undertaking for collective investment.
<b>UCITS:</b>	Undertaking for collective investment in transferable securities authorised in accordance with the UCITS Directive.
<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 investments in transferable securities (UCITS), as amended.
<b>USD:</b>	The lawful currency of the United States of America, which is also the reference currency of the Company.
<b>Valuation Day:</b>	As determined in the Appendix for each Sub-Fund.
<b>2010 Law:</b>	Law of 17 December 2010 concerning undertakings for collective investment.



## **DIRECTORY**

### **Board of Directors:**

#### **Chairman:**

Ms Gema Martin Espinosa, Head of International Business, Cobas Asset Management SGIIC, S.A., Calle Jose Abascal 45, 3<sup>rd</sup> Floor, 28003, Madrid, Spain

#### **Members:**

Mr Patricio Diez Romero-Valdespino, Cobas Asset Management, 848, Brickell Avenue, Suite 1235, Miami, FL 331313

Mr Javier Valls Martinez, Independent Director, 19, rue de Bitbourg, L-1273 Luxembourg

Mr Xavier Schmit, Fund Governance Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg

#### **Registered office:**

15, avenue J.F. Kennedy, L-1855 Luxembourg

#### **Management Company:**

FundPartner Solutions (Europe) S.A.

15, avenue J.F. Kennedy

L-1855 Luxembourg

#### **Board of Directors of the Management Company:**

Mrs Michèle Berger

Executive Vice-President,

FundPartners Solutions (Europe) S.A.

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

Mr Christian Schröder

Secrétaire Général

Banque Pictet & Cie S.A.

Geneva

Mr Geoffroy Linard De Guertechin

Independent Director

Me Claude Kremer

Partner

Arendt & Medernach

14, rue Erasme, L-2082 Luxembourg

**Conducting Officers of the Management Company:**

Mr Pascal Chauvaux

Senior Vice-President

FundPartners Solutions (Europe) S.A.

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

Mr Cédric Haenni

Senior Vice-President

FundPartners Solutions (Suisse) S.A.

60, route des Acacias, CH-1211 Genève 73, Switzerland

Mrs Michèle Berger

Executive Vice-President,

FundPartners Solutions (Europe) S.A.

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

Mr Dorian Jacob

Vice-President

FundPartner Solutions (Europe) S.A.

15, avenue J.F. Kennedy, L-1855 Luxembourg

**Investment Managers:**

Cobas Asset Management SGIIC S.A., calle José Abascal número 45, 3º, 28003-Madrid, Spain

Genesis Fund Management LLC, 355 Alhambra Circle, Suite 1550, Coral Gables, 33134, State of Florida, United States of America

Palm Harbour Capital LLP, 12 Hammersmith Grove London W6 7AP, United Kingdom

**Depository Bank:**

Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

**Administrative Agent, Paying Agent, Transfer and Register Agent and Domiciliary Agent:**

FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

**Approved Statutory Auditor:**

Ernst & Young, 7, 35E, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

**Legal Advisers in Luxembourg:**

Elvinger Hoss Prussen, *société anonyme*, 2, place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg

## I. THE COMPANY

The Company was incorporated in the British Virgin Islands on 1 September 2010 as a BVI Business Company and transferred its registered office to Luxembourg on 20 July 2015 pursuant to a notarial deed published in the *Mémorial* on 15 September 2015 (the "Migration"). The Company is an open-ended investment fund with multiple compartments ("*société d'investissement à capital variable*" (SICAV) à *compartiments multiples*) governed by Luxembourg law, established in accordance with the provisions of Part I of the 2010 Law.

The Articles were filed with the *Registre de Commerce et des Sociétés* of Luxembourg where copies may be obtained. The Articles have been amended for the last time by a notarial deed dated 6 June 2017 published in the RESA on 20 June 2017.

The Company's registered office is at 15, avenue J.F. Kennedy, L-1855 Luxembourg and the Company is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 198 838.

The Company's capital shall at all times be equal to the value of its total net assets. The minimum capital required by law is EUR 1,250,000.

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s). This means that the assets of each Sub-Fund shall be invested for the Shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Board of Directors may at any time resolve to set up new Sub-Fund(s) and/or create within each Sub-Fund one or more Classes. The Board of Directors may also at any time resolve to close a Sub-Fund, or one or more Classes within a Sub-Fund, to further subscriptions.

As of the time of the Prospectus, the following Sub-Funds have been launched within the Company:

COBAS LUX SICAV – Cobas Selection Fund (hereafter referred to as "Cobas Selection Fund").

COBAS LUX SICAV – Cobas Iberian Fund (hereafter referred to as "Cobas Iberian Fund").

COBAS LUX SICAV – Cobas International Fund (hereafter referred to as "Cobas International Fund").

COBAS LUX SICAV – Cobas Large Cap Fund (hereafter referred to as "Cobas Large Cap Fund").

COBAS LUX SICAV – AG Genesis Bond Fund (hereafter referred to as "AG Genesis Bond Fund").

COBAS LUX SICAV – Palm Harbour Global Value Fund (hereafter referred to as "Palm Harbour Global Value Fund").

## **II. MANAGEMENT COMPANY, ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT AND DOMICILIARY AGENT**

FundPartner Solutions (Europe) S.A. was appointed by the Board of Directors as management company of the Company in accordance with the provisions of the management company agreement effective as of 20 July 2015 for an undetermined period and pursuant to which the Board of Directors delegates, under its sole control, the investment management, administration and marketing functions to the Management Company. This agreement may be terminated by each party by a three months' prior notice.

FundPartner Solutions (Europe) S.A. was incorporated as a *société anonyme* (limited company) under Luxembourg law for an indefinite period on 17 July 2008, under the former denomination Funds Management Company S.A. Its fully paid-up capital is CHF 6,250,000 at the date of this Prospectus. FundPartner Solutions (Europe) S.A. is fully owned by the partners of Pictet & Cie, Geneva.

The corporate object of the Management Company consists, inter alia, in the management (within the meaning of Article 101 of the 2010 Law) of one or several undertakings for collective investment in transferable securities authorised according to the UCITS Directive as well as, as the case may be, of one or more undertakings for collective investment not subject to such directive.

The Management Company has adopted various procedures and policies in accordance with Luxembourg laws and regulations (including but not limited to CSSF regulation 10-04 and CSSF circular 12/546). Shareholders may, in accordance with Luxembourg laws and regulations, obtain a summary and/or more detailed information on such procedures and policies upon request and free of charge.

FundPartner Solutions (Europe) S.A., in respect of management company services, will be entitled to receive a service fee amounting to a maximum of 0.085% p.a. with a minimum of EUR 20,000 p.a. taken out of the Net Asset Value of the relevant Class of Shares calculated as of each Valuation Day and payable monthly in arrears.

The Management Company has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Company, that are consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company or with the Articles of the Company and which do not interfere with the obligation of the Management Company to act in the best interests of the Company.

The Management Company remuneration policy, procedures and practices are designed to be consistent and promote sound and effective risk management. It is designed to be consistent with the Management Company's business strategy, values and integrity, and long-term interests of its clients, as well as those of the wider Pictet Group.

The Management Company remuneration policy, procedures and practices also (i) include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and (ii) appropriately balance fixed and variable components of total remuneration.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, individuals responsible for awarding the remuneration and benefits, including, as the case may be, the composition of the remuneration committee, are available at [http://www.pictet.com/corporate/fr/home/asset\\_services/fund\\_administration\\_services/management\\_company.html](http://www.pictet.com/corporate/fr/home/asset_services/fund_administration_services/management_company.html). A paper copy is made available free of charge upon request at the Management Company's registered office.

FundPartner Solutions (Europe) S.A. also performs the functions and duties of Administrative Agent, Paying Agent, Registrar and Transfer Agent and Domiciliary Agent for the Company.

As Registrar and Transfer Agent, FundPartner Solutions (Europe) S.A. is primarily responsible for ensuring the issue, conversion and redemption of shares and maintaining the register of shareholders of the Company.

As Administrative Agent and Paying Agent, FundPartner Solutions (Europe) S.A. is responsible for calculating and publishing the Net Asset Value of the shares of each Sub-Fund pursuant to the law and the Articles and for performing administrative and accounting services for the Company as necessary.

As Domiciliary Agent, FundPartner Solutions (Europe) S.A. is primarily responsible for receiving and keeping safely any and all notices, correspondence, telephonic advice or other representations and communications received for the account of the Company, as well as for providing such other facilities as may from time to time be necessary in the course of the day-to-day administration of the Company.

The Administrative Agent, Registrar and Transfer Agent, Paying Agent and Domiciliary Agent is remunerated in accordance with customary practice in the Luxembourg financial market. Such remuneration is expressed as a percentage of the Company's net assets and paid on a quarterly basis.

### **III. INVESTMENT MANAGERS**

The Management Company has entrusted the daily management of the assets of the Sub-Funds to Investment Managers as described in the Appendix for each Sub-Fund. The Investment Managers

shall be remunerated by each Sub-Fund for the performance of their duties as further detailed in the relevant Sub-Fund Appendix.

The Investment Managers may enter with broker-dealers that are entities and not individuals into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Managers, including the relevant Sub-Fund, and where the Investment Managers are satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interest of the relevant Sub-Fund. Any such arrangement must be made by the Investment Managers on terms commensurate with best market practice. The use of soft commissions shall be disclosed in the periodic reports.

#### **IV. DEPOSITARY BANK**

Pictet & Cie (Europe) S.A. has been designated as depositary for the Company pursuant to a depositary agreement entered into as from 13 October 2016 for an indefinite period.

Pictet & Cie (Europe) S.A. is a credit institution established in Luxembourg, whose registered office is situated at 15A, Avenue J.F. Kennedy, L-1855 Luxembourg, and which is registered with the Luxembourg register of commerce and companies under number B 32060. It is licensed to carry out banking activities under the terms of the Luxembourg law of April 5, 1993 on the financial services sector, as amended.

On behalf of and in the interests of the Company's shareholders, as depositary agent (hereinafter the "Depositary"), Pictet & Cie (Europe) S.A. is in charge of (i) the safekeeping of cash and securities comprising the Company's assets, (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as agreed from time to time and reflected in the depositary agreement.

##### **Duties of the Depositary**

The Depositary is entrusted with the safekeeping of the Company's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depositary or, to the extent permitted by applicable laws and regulations, through every third-party custodian/sub-custodian providing, in principle, the same guarantees as the Depositary itself, i.e. for Luxembourg institutions to be a credit institution within the meaning of the law of April 5, 1993 on the financial sector or for foreign institutions, to be a financial institution subject to the rules of prudential supervision considered as equivalent to those provided by EU legislation. The Depositary also ensures that the Company's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Company has been booked in the cash account in the name of (i) the Company, (ii) the Management Company on behalf of the Company or (iii) the Depositary on behalf of the Company.

The Depositary must notably:

- (i) perform all operations concerning the day-to-day administration of the Company's securities and liquid assets, e.g. pay for securities acquired against delivery, deliver securities sold

- against collection of their price, collect dividends and coupons and exercise subscription and allocation rights;
- (ii) ensure that the value of the shares of the Company is calculated in accordance with Luxembourg law and the articles of incorporation of the Company;
  - (iii) to carry out the instructions of the Management Company, unless they conflict with Luxembourg law or the Articles of the Company;
  - (iv) ensure that proceeds are remitted within the usual time limits for transactions relating to the Company's assets;
  - (v) ensure that shares are sold, issued, redeemed or cancelled by the Company or on its behalf in accordance with Luxembourg law in force and the articles of incorporation of the Company;
  - (vi) ensure that the Company's income is allocated in accordance with Luxembourg law and the Articles of the Company.

The Depositary regularly provides the Company and its Management Company with a complete inventory of all assets of the Company.

### **Delegation of functions**

Pursuant to the provisions of the depositary agreement, the Depositary may, subject to certain conditions and in order to more efficiently conduct its duties, delegates part or all of its safekeeping duties over the Company's assets including but not limited to holding assets in custody or, where assets are of such a nature that they cannot be held in custody, verification of the ownership of those assets as well as record-keeping for those assets, to one or more third-party delegates appointed by the Depositary from time to time.

The Depositary shall exercise care and diligence in choosing and appointing the third-party delegates so as to ensure that each third-party delegate has and maintains the required expertise and competence. The Depositary shall also periodically assess whether the third-party delegates fulfil applicable legal and regulatory requirements and will exercise ongoing supervision over each third-party delegate to ensure that the obligations of the third-party delegates continue to be competently discharged. The fees of any third-party delegate appointed by the Depositary shall be paid by the Company.

The liability of the Depositary shall not be affected by the fact that it has entrusted all or some of the Company's assets in its safekeeping to such third-party delegates.

In case of a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Company without undue delay, except if such loss results from an external event beyond the Depositary's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

An up-to-date list of the appointed third-party delegates is available upon request at the registered office of the Depositary and is available at the website of the Depositary:

[http://www.pictet.com/corporate/fr/home/asset\\_services/custody\\_services/sub-custodians.html](http://www.pictet.com/corporate/fr/home/asset_services/custody_services/sub-custodians.html).

### **Conflicts of interests:**

In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Company and the investors of the Company.

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary and/or its delegates of other services to the Company, the Management Company and/or other parties. As indicated above, Depositary's affiliates are also appointed as third-party delegates of the Depositary. Potential conflicts of interest which have been identified between the Depositary and its delegates are mainly fraud (unreported irregularities to the competent authorities to avoid bad reputation), legal recourse risk (reluctance or avoidance to take legal steps against the depositary), selection bias (the choice of the depositary not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the depositary's solvency) or single group exposure risk (intragroup investments).

The Depositary (or any of its delegates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary (or any of its delegates) acts.

The Depositary has pre-defined all kind of situations which could potentially lead to a conflict of interest and has accordingly carried out a screening exercise on all activities provided to the Company either by the Depositary itself or by its delegates. Such exercise resulted in the identification of potential conflicts of interest that are however adequately managed. The details of potential conflicts of interest listed above are available free of charge from the registered office of the Depositary and on the following website:

[https://www.group.pictet/corporate/fr/home/asset\\_services/custody\\_services/sub-custodians.html](https://www.group.pictet/corporate/fr/home/asset_services/custody_services/sub-custodians.html).

On a regular basis, the Depositary re-assesses those services and delegations to and from delegates with which conflicts of interest may arise and will update such list accordingly.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which shall be based on objective pre-defined criteria and meet the sole interest of the Company and the investors of the Company. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of Depositary's depositary functions from its other potentially conflicting tasks and by the Depositary adhering to its own conflicts of interest policy.

The Depositary or the Company may terminate the Depositary's duties at any time, by giving at least three months' written notice to the other party; provided, however, that any decision by the Company to end the Depositary's appointment is subject to another custodian bank taking on the duties and responsibilities of the Depositary, and provided further that, if the Company terminates the Depositary's duties, the Depositary will continue to perform its duties until Depositary has been relieved of all the Company's assets that it held or had arranged to be held on behalf of the



Company. Should the Depositary itself give notice to terminate the contract, the Company will be required to appoint a new custodian bank to take over the duties and responsibilities of the Depositary; provided, however, that, as of the date when the notice of termination expires and until a new depositary bank is appointed by the Company, the Depositary will only be required to take any necessary measures to safeguard the best interests of shareholders.

Up-to-date information regarding the description of the Depositary's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation will be made available to investors on request at the Depositary's registered office.

The Depositary is remunerated in accordance with customary practice in the Luxembourg financial market. Such remuneration is expressed as a percentage of the Company's net assets and paid on a quarterly basis.

## **V. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS**

### **1. Investment objectives**

The objective of the Company is to maximise the value of its assets by means of professional management within the framework of an optimal risk-return profile for the benefit of its shareholders.

### **2. Investment Policies of the Sub-Funds**

The investment policy of each Sub-Fund is set forth in the Appendix.

### **3. Investment restrictions**

The Board of Directors has decided that the following investment restrictions shall apply to the Company and, if appropriate, to the Sub-Funds unless provided otherwise for a particular Sub-Fund in the Appendix.

#### **3.1. The Company's investments may include:**

- (a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated 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 a Regulated Market,
  - The admission is secured within one year of issue.
- (c) Shares/units of UCITS and/or Other UCIs, whether or not established in a Member State provided that:

- Such Other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between the authorities is sufficiently ensured;
  - The level of protection for shareholders/unitholders in such Other UCIs is equivalent to that provided for shareholders/unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - 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;
  - No more than 10% of the assets of the UCITS or Other UCIs, whose acquisition is contemplated, can, according to their constitutive documents, be invested in aggregate in shares/units of other UCITS or Other UCIs.
- (d) Deposits with a 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 credit institution has its registered office in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law.
- (e) Financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or financial derivative instruments dealt in over-the-counter, provided that:
- The underlying consists of instruments falling within this section 3.1, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest in accordance with its investment objectives;
  - Counterparties to over-the-counter derivative transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF; and
  - The over-the-counter derivatives are subject to reliable and verifiable valuation on a daily basis and can, at the Company's discretion, 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 a Regulated Market, if the issue or the issuer of such instruments is itself subject to regulations for the purpose of protecting savings and investors, and provided that these instruments are:
- Issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members of the federation or by a public international body of which one or more Member States belong, or

- Issued by an undertaking any securities of which are dealt in on a Regulated Market, or
- Issued or guaranteed by an establishment that is subject to prudential supervision according to criteria defined by Community law or by an establishment which is subject to, and in compliance with, prudential rules considered by the CSSF as being at least as stringent as those laid down by Community law, or
- Issued by other bodies belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second or third indents above, and provided that the issuer is a company whose share capital and reserves amount to at least ten million Euros (€10,000,000) and which presents and publishes its annual accounts in accordance with the Fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or more listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

**3.2. The Company may also, within each Sub-Fund, make the following investments:**

- (a) The Company may invest up to a maximum of 10% of the net assets of each Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to above in 3.1.
- (b) The Company may hold ancillary liquid assets.
- (c) The Company may borrow:
  - (i) up to 10% of the net assets of each Sub-Fund provided such borrowings are temporary. The Company may however purchase foreign currency by means of back-to-back loans.
  - (ii) up to 10% of its net assets to enable the acquisition of immovable property essential for the direct pursuit of its business.

The aggregate amount of borrowing pursuant to (c) (i) and (ii) above may however not exceed 15% of the Company's net assets.
- (d) The Company may acquire shares/units of UCITS or Other UCIs subject to the following limits:
  - (i) The Company may acquire shares/units of UCITS and/or Other UCIs referred to in 3.1(c), provided that no more than 10% of its assets are invested in the shares/units of UCITS or Other UCI, unless otherwise provided for a Sub-Fund.

In case a Sub-Fund may invest more than 10% of its net assets in UCITS or Other UCIs, such Sub-Fund may not invest more than 20% of its net assets in a single UCITS or Other UCI.

Investments made in Other UCIs may not, in aggregate, exceed 30% of such Sub-Fund. The underlying investments held by UCITS or Other UCIs in which the Company invests in do not need to be taken into account for the purpose of the restrictions set forth under 3.3.

For the purposes of the application of this limit, each compartment of a UCITS or Other UCI with multiple compartments is to be considered as a separate issuer provided that the principle of the segregation of obligations of different compartments in relation to third parties is assured.

- (ii) Where the Company invests in shares/units of UCITS and/or Other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding of more than 10% of the capital or votes, the Management Company or other company may not charge subscription or redemption fees to the Company on account of the Company's investments in shares/units of such UCITS and/or Other UCIs. The Company may invest in such UCITS or Other UCIs provided the management fees (excluding performance fee, if any) of such UCITS or Other UCIs may not exceed 3,5%. The Company will indicate in its annual report the total management fees charged to the Company and to such UCITS and Other UCIs.
- (iii) The Company may not purchase more than 25% of the shares/units of the same UCITS and/or other UCI. Where the UCITS or Other UCI is an umbrella fund with multiple compartments, this limit relates to the legal entity as a whole.

**3.3. Also the Company shall, for each Sub-Fund, comply with the following investment restrictions:**

- (a) The Company may not invest in assets issued by the same body in excess of the limits set forth below:
  - (i) The Company may not invest more than 10% of the net assets of a Sub-Fund in Transferable Securities or Money Market Instruments issued by the same issuing body.

The Company may not invest more than 20% of the net assets of a Sub-Fund in deposits made with the same body.

The risk exposure to a counterparty of each Sub-Fund in an over-the-counter derivative transaction may not exceed 10% of its net assets when the counterparty is

a credit institution referred to in section 3.1 (d), or 5% of its net assets in other cases.

- (ii) The total value of the Transferable Securities and Money Market Instruments held by a Sub-Fund of issuing bodies in which it individually invests more than 5% of its net assets, the total of all such investment shall not exceed 40% of the value of such Sub-Fund's net assets.

This limit does not apply to deposits and over-the-counter derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits set under 3.3 (a) (i), the Company may not combine for each Sub-Fund:

- Investments in Transferable Securities or Money Market Instruments issued by a single body;
- Deposits made with the same body; and/or
- Exposure arising from over-the-counter derivative transactions undertaken with the same body

in excess of 20% of its net assets;

- (iii) The 10% limit referred to in 3.3 (a) (i) above may be increased to a maximum of 35% if the Transferable Securities or the Money Market Instruments are issued or guaranteed by a Member State, its public local authorities or by another Eligible State or by public international bodies of which one or more Member States are members;
- (iv) The limit referred to in 3.3 (a) (i) above is increased to 25% for certain bonds issued by a credit institution whose registered office is in a Member State and which is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must, in accordance with the law, be invested 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 reimbursement of the principal and payment of the accrued interest.

If the Company invests more than 5% of the net assets of a given Sub-Fund in such bonds, issued by a single issuer, the total value of such investments may not exceed 80% of the value of the net assets of such Sub-Fund;

- (v) The 10% limit of 3.3 (a) (i) is raised to a maximum of 20% for investments in shares and/or debt securities issued by the same issuing body for a Sub-Fund whose investment policy aims to replicate the composition of a certain stock or debt

securities index recognised by the CSSF on the following basis: (i) the composition of the index is sufficiently diversified, (ii) the index represents an adequate benchmark for the market to which it refers and (iii) it is published in an appropriate manner. This 20% limit may be increased to 35% where justified by exceptional market conditions, but only for a single issuer.

The Transferable Securities and Money Market Instruments referred to in 3.3 (a) (iii) and (iv) shall not be taken into account for the purpose of applying the 40% limit fixed in 3.3 (a) (ii).

The limits set forth in 3.3. (a) (i), (ii), (iii) and (iv) shall not be combined and, consequently, investments in Transferable Securities and in Money Market Instruments issued by the same body or in deposits or in financial derivative instruments made with this body in accordance with 3.3. (a) (i), (ii), (iii) and (iv) may not, in any event, exceed in total 35% of the net assets of a Sub-Fund.

Companies, which are included in the same group for the purposes of consolidation of accounts within the meaning of Directive 83/349/EEC or in accordance with recognised international accounting rules, shall be treated as a single body for the purposes of calculating the limits in this paragraph.

The Company may cumulatively invest up to 20% of its assets in Transferable Securities and Money Market Instruments within the same group.

**By way of derogation from the limits set forth in 3.3 (a) (i), (ii) and (iii), the Company, in accordance with risk diversification principles, is authorised to invest up to 100% of the net assets of each Sub-Fund in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local public authorities, a OECD member state, Singapore, or any member state of the G20 or a public international bodies to which one or more Member States of the European Union belong, provided that such securities held are from at least six different issues and securities from any single issue shall not account for more than 30% of the total amount of the net assets of each Sub-Fund.**

- (b) The Company may not purchase shares carrying voting rights which would enable the Company to exercise significant influence over the management of an issuing body.

A Sub-Fund may not purchase more than:

- (c) 10% of non-voting shares of the same issuer.
- (d) 10% of debt instruments of the same issuer.
- (e) 10% of Money Market Instruments of any single issuer.

The limits set forth in (c) to (e) above are applicable to all Sub-Funds combined.

The limits set forth in (d) and (e) above and 3.2. (d) (iii) do not have to be complied with at the time of the acquisition if, at such time, the gross amount of debt or Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The limits set forth in (b) to (e) above and 3.2 (d) (iii) do not apply in relation to:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by local authorities or by any other Eligible State or;
  - Shares held in a company incorporated in a non-Member State investing its assets essentially in securities of issuing bodies having their registered office in that State where, pursuant to the legislation of that State, such a shareholding is the only way in which it is possible to invest in securities of issuing bodies of that State. This derogation, however, shall apply only if the investment policy of the company from the non-Member State complies with the limits set forth in 3.2.(d) (i), 3.3.(a) (i) (ii) (iii) (iv) and 3.3. (b) to (e). If the limits set forth in 3.2 (d) (i) and 3.3 (a) (i) (ii) (iii) (iv) are exceeded, paragraph 3.4 below shall apply *mutatis mutandis*.
  - Shares held by the Company in the share capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is established in relation to the purchase of units or shares at the request of unitholders/shareholders exclusively on their behalf.
- (f) The Company may not acquire either precious metals or certificates representing them.
- (g) The Company may not make investments in which the liability of the investor is unlimited.
- (h) The Company may not directly short-sell Transferable Securities, Money Market Instruments, undertakings for collective investment or any of the other financial instruments referred to in 3.1 (e), (g) and (h).
- (i) The Company may not purchase movable property unless such a purchase is essential for the direct pursuit of its business. No immovable property shall be purchased by the Company.
- (j) The Company may not grant loans or act as guarantor for third parties.

**3.4** The limits set forth in 3.2 and 3.3 above do not have to be complied with by the Company when it is exercising subscription rights attached to Transferable Securities or to Money Market Instruments forming part of its assets.

### **3.5 Cross sub-fund investments**

A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds (each, a "Target Sub-Fund") without the Company being

subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

- the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund invested in this Target Sub-Fund(s); and
- no more than 10% of the assets that the Target Sub-Fund whose acquisition is contemplated, may, according to its investment policy, be invested in units/shares of other UCITS or Other UCIs; and
- insofar as the Investing Sub-Fund is authorised to invest more than 10% of its net assets in other UCITS or other UCIs, it may not invest more than 20% of its net assets in shares/units of a single Target Sub-Fund; and
- in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

### **3.6 Master-feeder structures**

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

- (a) A Feeder UCITS shall invest at least 85% of its assets in the units/shares of another Master UCITS.
- (b) A Feeder UCITS may hold up to 15% of its assets in one or more of the following:
  - ancillary liquid assets in accordance with 3.3 (f);
  - financial derivative instruments, which may be used only for hedging purposes;
- (c) For the purposes of compliance with Article 42 (3) of the 2010 Law, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent under (b) with either:
  - the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or



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

(d) A Master UCITS may not invest in a Feeder UCITS.

Similarly, if a new Sub-Fund is created, while ensuring observance of the principle of risk-spreading, the limits set forth do not have to be complied with by the newly authorised Sub-Fund for a period of six months after the date of its launch in accordance with article 49(1) of the 2010 Law.

If these limits 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 the interests of its shareholders.

The Company reserves the right to introduce other investment restrictions at any time, provided that they are compatible with Part I of the 2010 Law and essential to compliance with laws and regulations in force in certain non-Member States where the shares of the Company may be offered or sold.

#### **4. Financial Derivative Instruments**

Each Sub-Fund is authorised, in accordance with the investment restrictions and their relevant investment policy, as set out in the Appendix, to use financial derivative instruments for investment purposes as well as efficient portfolio management purposes. In addition, each Sub-Fund is entitled to use financial derivative instruments for currency, interest rate or other hedging purposes. The global exposure of each Sub-Fund relating to financial derivative instruments shall not exceed the net assets of the Sub-Fund.

Under no circumstances may the use of financial derivative instruments result in an investment policy diverging from that set out for each Sub-Fund in this Prospectus.

The Company must ensure that the total risk associated with financial derivative instruments does not exceed the total net value of its portfolio.

Exposure is calculated taking into account the current value of underlying assets, counterparty risk, foreseeable market movements and the time available to liquidate positions. This also applies to the following paragraphs.

As indicated above, Sub-Funds may, within the framework of their investment policies and within the limits laid down in section 3.1. (g) above, invest in financial derivative instruments provided that the overall risks to which the underlying assets are exposed do not exceed the investment limits set out in section 3.3. (a) above. When the Company invests in index-based financial derivative instruments, these investments do not necessarily have to be combined for the purpose of the limits set out above in section 3.3 (a).

When a financial derivative instrument is embedded in a transferable security or money market instrument, this must be taken into account for the purposes of complying with the provisions of this section.

To the extent indicated in the relevant Appendix, the Sub-Funds may use total return swap instruments. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the Investment Manager. At no time will a counterparty in a transaction have discretion over the composition or the management of the Sub-Fund's investment portfolio or over the underlying of the total return swap.

The risk of counterparty default and the effect on investors returns are described under paragraph "c) Swaps" of section "VII. Risk Factors".

### ***Counterparty risk mitigation***

Where a Sub-Fund enters into OTC financial derivative transactions, securities lending transactions or efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

- any collateral received other than cash shall be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.
- collateral received shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.
- collateral received shall be of high quality.
- collateral received shall be issued by an entity that is independent from the counterparty and shall be expected not to display a high correlation with the performance of the counterparty.
- collateral shall be sufficiently diversified in terms of country, markets and issuers. The level of diversification shall be sufficient to ensure that the exposure to a single issuer, generated by the aggregated collateral received from counterparties in the context of efficient portfolio management and OTC financial derivative transactions, amounts to a maximum of 20% of the Sub-Fund net asset value.
- where there is a title transfer, the collateral received shall be held by the Depositary Bank. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- collateral received shall be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- non-cash collateral received shall not be sold, re-invested or pledged.
- cash collateral received shall only be:
  - (i) placed on deposit with entities prescribed in section 3.1.(d) above;
  - (ii) insofar as permitted for a Sub-Fund, invested in high-quality government bonds;
  - (iii) insofar as permitted for a Sub-Fund, used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to

- prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on accrued basis;
- (iv) insofar as permitted for a Sub-Fund, invested in short-term money market funds as defined in the ESMA "Guidelines on a Common Definition of European Money Market Funds".

- re-invested cash collateral, if any, shall be diversified in accordance with the diversification requirements applicable to non-cash collateral.

In case of reinvestment of cash collateral, as assets in which cash collateral is reinvested are subject to the same risks as those further described in section "VII. Risk Factors" of the Prospectus in relation to direct investment of the Company, such reinvestment may yield a sum less than the amount of collateral to be returned hence creating leverage with corresponding risks and risk of losses and volatility.

It is currently not intended that any of the Sub-Funds enter into total return swaps, securities lending transactions, repurchase transactions and reverse repurchase transactions. Should the intentions of the relevant Investment Manager change, the prospectus will be updated accordingly.

#### ***Collateral policy and haircut policy***

The level of collateral received from counterparties in the context of securities lending transactions shall at all times equal at least 90% (taking into account any haircut) of the value of securities lent.

For counterparties whose exposure arising from OTC financial derivative transactions and efficient portfolio management techniques exceeds 10% of the net assets of a Sub-Fund, the level of collateral received shall at all times equal at least 100% (taking into account any haircut) of the exceeding counterparty exposure.

Collateral will predominantly be received in form of government bonds and cash complying with the conditions above. The Company may also accept other collateral fulfilling the conditions above, including but not limited to:

- (i) liquid assets (i.e., cash and short term bank certificates, money market instruments as defined in Council Directive 2007/16/EC of 19 March 2007) and their equivalent (including letters of credit and a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty);
- (ii) bonds issued or guaranteed by a Member State of the OECD or their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- (iii) shares or units issued by money market UCIs calculating a net asset value on a daily basis and assigned a rating of AAA or its equivalent;

(iv) shares or units issued by UCITS investing mainly in bonds/shares satisfying the conditions under (v) and (vi) hereafter;

(v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or

(vi) shares admitted to or dealt in on a Regulated Market or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index.

The following haircuts are applied by the Company for collateral received. The Company may, on a case by case basis, apply different haircuts and/or amend the following haircuts at any time and at its sole discretion:

<b>Collateral</b>	<b>Remaining maturity</b>	<b>Valuation percentage</b>
Cash	-	100%
Government bonds	With a remaining maturity of less than 1 year	99%
	With a remaining maturity from 1 year up to and including 5 years	97%
	With a remaining maturity from 5 years up to and including 10 years	94%
	With a remaining maturity from 10 years up to and including 30 years	89%
Other (corporate bonds, equity securities and shares of other UCIs)	-	85%

## **5. Techniques and Instruments**

The Company may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down in the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against risk. Such techniques and instruments may include, but are not limited to, engaging in transactions in financial derivative instruments such as futures, forwards, options, swaps and swaptions. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject as aforesaid) may employ such techniques and instruments in accordance with the applicable laws and regulations.

To the extent permitted by, and within the limits of, the 2010 Law and any related Luxembourg law or any other regulation in force, circulars and positions of the CSSF and, in particular, the

provisions of (i) Article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the amended Law of 20 December 2002 relating to undertakings for collective investment and (ii) CSSF circular 08/356 relating to rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments and (iii) CSSF circular 14/592 relating to ESMA guidelines on ETFs and other UCITS (as amended or replaced from time to time), each Sub-Fund can, in order to generate capital or additional income or to reduce costs or risk (A) enter into repurchase transactions, either as a buyer or a seller, and (B) engage in securities lending transactions.

Generally, no more than 20% of the gross revenue arising from securities lending transactions and efficient portfolio management transactions may be deducted from revenue delivered to the Company as direct and indirect operational expenses. Details of such amounts and the security clearing body or financial institution arranging the securities lending transaction will be disclosed in the financial report of the Company.

Unless otherwise stipulated in the investment policy of a Sub-Fund, collateral received will not be reinvested.

Any Sub-Fund will ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

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

The Sub-Fund that enters into a repurchase agreement must ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

## **6. Pooling**

For the purpose of effective management, and subject to the provisions of the Articles and to applicable laws and regulations, the Board of Directors may invest and manage all or any part of the portfolio of assets established for two or more Sub-Funds (for the purposes hereof "Participating Funds") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate with respect to the investment policy of the pool concerned) from each of the Participating Funds. Thereafter, the Board of Directors may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Fund up to the amount of the participation of the share Class concerned. The share of a Participating Fund in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the Board of Directors shall, in its discretion, determine the initial value of notional units (which shall be expressed in such currency as the Board of Directors consider appropriate) and shall allocate to each Participating Fund units having an aggregate value equal to the amount of cash (or to the value of other assets) contributed.

Thereafter, the value of the notional unit shall be determined by dividing the net asset value of the asset pool by the number of notional units subsisting.

When additional cash or assets are contributed to or withdrawn from an asset pool, the allocation of units of the Participating Fund concerned will be increased or reduced, as the case may be, by a number of units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a contribution is made in cash, it will be treated for the purpose of this calculation as reduced by an amount which the Board of Directors considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of cash withdrawal, a corresponding addition will be made to reflect costs which may be incurred in realising securities or other assets of the asset pool.

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool will be immediately credited to the Participating Funds in proportion to their respective participation in the asset pool at the time of receipt. Upon the dissolution of the Company, the assets in an asset pool will be allocated to the Participating Funds in proportion to their respective participation in the asset pool.

## **7. Co-Management**

In order to reduce operational and administrative charges while allowing a wider diversification of the investments, the Company may decide that part or all of the assets of one or more Sub-Funds will be co-managed with assets belonging to other Luxembourg collective investment schemes always subject to and in accordance with applicable rules and regulations. In the following paragraphs, the words "co-managed entities" shall refer globally to such Sub-Funds and all entities with and between which there would exist any given co-management arrangement and the words "co-managed Assets" shall refer to the entire assets of these co-managed entities and co-managed pursuant to the same co-management arrangement.

Under the co-management arrangement, the Investment Manager, if appointed and granted the day-to-day management will be entitled to take, on a consolidated basis for the relevant co-managed entities, investment, disinvestment and portfolio readjustment decisions which will influence the composition of the relevant Sub-Fund's portfolio. Each co-managed entity shall hold a portion of the co-managed Assets corresponding to the proportion of its net assets to the total value of the co-managed Assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management. In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investments shall be allotted to the co-managed entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed Assets held by each co-managed entity.

In case of new subscriptions in one of the co-managed entities, the subscription proceeds shall be allotted to the co-managed entities pursuant to the modified proportions resulting from the net asset increase of the co-managed entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in

one of the co-managed entities, the cash required may be levied on the cash held by the co-managed entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions. Shareholders should be aware that, in the absence of any specific action by the Company or any of the Management Company's appointed agents, the co-management arrangement may cause the composition of assets of the relevant Sub-Fund to be influenced by events attributable to other co-managed entities such as subscriptions and redemptions. Thus, all other things being equal, subscriptions received in one entity with which the Sub-Fund is co-managed will lead to an increase of the Sub-Fund's reserve of cash.

Conversely, redemptions made in one entity with which any Sub-Fund is co-managed will lead to a reduction of the Sub-Fund's reserve of cash. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions must pass. The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Company or any of the Management Company's appointed agents to decide at any time to terminate its participation in the co-management arrangement permit the relevant Sub-Fund to avoid the readjustments of its portfolio if these readjustments are likely to affect the interest of its shareholders.

If a modification of the composition of the relevant Sub-Fund's portfolio resulting from redemptions or payments of charges and expenses peculiar to another co-managed entity (i.e. not attributable to the Sub-Fund) is likely to result in a breach of the investment restrictions applicable to the relevant Sub-Fund, the relevant assets shall be excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

Co-managed Assets of the Sub-Funds shall, as the case may be, only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed Assets in order to assure that investment decisions are fully compatible with the investment policy of the relevant Sub-Fund. Co-managed Assets shall only be co-managed with assets for which the Depositary is also acting as depository in order to assure that the Depositary is able, with respect to the Company and its Funds, to fully carry out its functions and responsibilities pursuant to the 2010 Law. The Depositary shall at all times keep the Company's assets segregated from the assets of other co-managed entities, and shall therefore be able at all time to identify the assets of the Company and of each Sub-Fund.

### **Risk Management Process**

The Management Company, on behalf of the Company, will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund, in accordance with CSSF circular 11/512 or any other applicable circular of the Luxembourg supervisory authority. The Management Company, on behalf of the Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

## **VI. RISK FACTORS**

### **Overview**

All investments risk the loss of capital. The investment techniques and strategies and the nature of the securities and or instruments to be purchased and traded by the Company may increase this

risk. While the Investment Manager will devote its best efforts to the management of the Company's portfolio, there can be no assurance that the Company will not incur losses. Many unforeseeable events may cause sharp market fluctuations, which could adversely affect the Company. Changes in the macroeconomic environment, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political events and trends, financial panics, changes to tax laws, currency exchange rates, regulatory policy, employment and consumer demand and innumerable other factors, can substantially and adversely affect the performance of an underlying fund. None of these conditions will be within the control of the Investment Manager.

### **Regulatory provisions**

The Company being domiciled in Luxembourg, the protection provided by the respective local supervisory authorities may not apply. To obtain more information on this, investors are invited to consult their financial advisors.

### **Fluctuations in prices and performance**

It is not always easy to determine the factors that influence the value of securities in certain markets. Investments in securities in certain markets comprise a greater risk and the value of these investments may fall, even to zero.

### **Net Asset Value Considerations**

The Net Asset Value per Share is expected to fluctuate over time with the performance of the relevant Sub-Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder. It should be remembered that the value of the Shares and the income (if any) derived from them can go down as well as up.

### **Tax**

Investors will in particular acknowledge the fact that proceeds from the sale of securities in certain markets or the receipt of dividends or other income can or will be subject to the payment of a tax, duties or other costs or charges imposed by market authorities, including a withholding tax. Tax legislation and traditional taxation in force in certain countries in which a Sub-Fund invests or is likely to invest in the future are not clearly established. As a result, it is possible that



the current interpretation of the law or the understanding of taxes may change or the law amended retrospectively. Therefore, the Company is in such countries subject to additional taxation inexistent at the date of publication of the Prospectus or when the investments are carried out or evaluated.

### **Suspension of trading in shares**

Investors are reminded that under certain circumstances, their right to request the redemption or conversion of their shares may be suspended.

### **Suspension of operations**

Under certain market conditions, it can be difficult, even impossible, to liquidate a position. This can be true in particular in the event of a rapid change in price if prices rise or fall during a session of trading to a level that results in a suspension or restriction of trading by virtue of rules governing the market concerned. The fact that it comes with a stop-loss order will not always limit losses to the amounts anticipated, since market conditions could render the execution of such an order impossible at the given price.

### **Hedging**

Shares can be issued in Classes of Shares denominated in currencies other than the reference currency of the relevant Sub-Fund. The shares in these Classes of Shares may be hedged against the reference currency of the relevant Sub-Fund. To obtain this coverage swaps, futures contracts, forward exchange contracts, options and other financial derivative instruments transactions may be used in order to protect the value of the currency of the shares covered against the reference currency of the relevant Sub-Fund. The results of this coverage will be reflected in the Net Asset Value of the concerned shares. All costs relating to this type of operation will be borne by the shares hedged, and will therefore have an impact on the performance of these shares. While hedging operations can protect investors against a depreciation of the reference currency of the relevant Sub-Fund against the hedged currency, they can also deprive them of the benefit of an appreciation of the reference currency of the relevant Sub-Fund.

There can be no guarantee that such hedging activity will be successful and may result in mismatches between the currency position of the relevant Sub-Fund and the hedged Class of Shares. In addition, hedged Classes of Shares in non-major currencies may be affected by the fact that the capacity of the relevant currency may be limited, which could further affect the volatility of the hedged Class of Shares.

### **Financial Derivative Instruments**

In order to hedge its investments, the Company may invest a portion of its assets in derivatives and related instruments as tools in the management of its assets. A derivative is a security or other instrument, which derives its value from the value or performance of other instruments or assets, interest or currency exchange rates, or indexes. Derivative products include futures contracts, options, forward contracts, structured notes and various other over-the-counter instruments.

## **Execution risk**

Certain markets may not have a safe method of delivery against payment that allows investors to avoid exposure to counterparty risk. You may be required to make payment for a purchase or delivery resulting from a sale before receiving the transferable securities or, where applicable, proceeds from the sale of the same.

## **Counterparty Risk**

The relevant Sub-Fund may have credit exposure to one or more counterparties by virtue of its investment positions. To the extent that a counterparty defaults on its obligation and the relevant Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Such risks will increase where the relevant Sub-Fund uses only a limited number of counterparties.

## **Insolvency of Brokers and Others**

The relevant Sub-Fund will be subject to the risk of failure of the brokerage firms (including, without limitation, the prime broker) that execute trades, the clearing firms that such brokers use, or the clearing houses of which such clearing firms are members and to the risk of refusal of counterparties to perform, which could result in a loss of all or a portion of the investments with or through the relevant clearing house, broker, dealer or counterparty. The bankruptcy or insolvency of a broker involved in the transactions of the relevant Sub-Fund, can result in the liquidation of positions without the consent of the relevant Sub-Fund. Under certain circumstances, the relevant Sub-Fund may not be able to recover assets it has submitted as a guarantee and may be required to accept a cash settlement.

## **Protection provided by clearing houses**

In most markets, the performance of a transaction carried out by a broker (or the third party with whom it negotiates on behalf of the relevant Sub-Fund) is "guaranteed" by the market or its clearing house. Often, however, this guarantee is not enough to cover the relevant Sub-Fund, in particular when the broker or another party fails to meet its obligations towards the relevant Sub-Fund. There is no clearing house for traditional options, nor in principle for OTC instruments that are not traded in accordance with the rules established in a recognised or designated market.

## **Ownership of foreign transferable securities**

Transferable securities held through a local correspondent, clearing/settlement system or broker may not be as well protected as those held in Luxembourg. In particular, losses can arise due to the insolvency of the local correspondent, clearing/settlement system or broker.

## **Securities not admitted to the stock exchange**

The Company can invest in securities reserved to qualified Institutional Investors (in particular qualified institutional investors as defined in the United States "Securities Act" of 1933) or other securities subject to trading and/or issuance restrictions. These investments can be more or less liquid, rendering the acquisition or transfer of the same difficult and exposing the relevant Sub-Fund to negative price fluctuations at the time of their transfer. These securities not admitted to the stock exchange can, among others, be in the form of securities referred to in Regulation 144A.

## **Investing in Other UCIs**

The Investment Manager seeks to monitor investments and trading activities of the collective investment undertakings in which the relevant Sub-Fund may invest. However, investment decisions are made independently at the level of the underlying collective investment undertaking and are solely subject to the restrictions applicable to those underlying collective investment undertakings.

It is possible that some investment managers of the underlying collective investment undertakings will take positions in the same security or in issues of the same industry or country or in the same currency or commodity at the same time. Consequently, it is possible that one collective investment undertaking may purchase an instrument at the same time as another collective investment undertaking decides to sell it. There is no guarantee that the selection of the underlying collective investment undertaking will actually result in diversification of investment styles and that the positions taken by the underlying collective investment undertakings will always be consistent.

Investments in other UCITS and other collective investment undertakings usually entail a duplication of entrance, management, administration, custodian charges and taxes.

No duplication of subscription and redemption charges will be incurred by the relevant Sub-Fund in the case of investments in UCITS and other collective investment undertakings managed, directly or by delegation, by the Management Company or by any Company with which the Management Company is linked. See also the Investment Restrictions 3.2 d) ii).

## **Potential conflicts of interest**

The Investment Managers can carry out operations in which they directly or indirectly have an interest that could conflict with their obligations towards the Company. The Investment Managers will ensure that these operations are carried out under conditions that are as favourable for the Company as those that would have prevailed in the absence of the potential conflict of interest and that applicable policies and procedures are complied with. Such conflicts of interest or commitments may arise from the fact that the Investment Managers or other members of the Genesis group of companies have directly or indirectly invested in the Company. More specifically, the Investment Managers, by virtue of the rules of conduct applicable to them, must endeavour to avoid all conflicts of interest and, if such a conflict cannot be avoided, ensure that its clients (including the Company) are treated equally.

Conflicts of interests may arise between the Company and the Investment Managers. The Investment Managers may manage assets of other clients that make investments similar to those made on behalf of the relevant Sub-Fund. Such clients could thus compete for the same trades or investments and whilst available investments or opportunities for each client are generally allocated in a manner believed to be equitable to each, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed.

Generally there may be conflicts of interests between the best interests of the relevant Sub-Fund and an interest of the Investment Managers and the Directors to generate fees, commissions and other revenues. In the event that such a conflict of interests arises, the Directors will endeavour to ensure that it is resolved in the best interests of the relevant Sub-Fund.

In addition, the Directors will endeavour that all agreements and transactions entered into by the relevant Sub-Fund will be negotiated at arm's length.

### **OTC transactions**

While certain over-the-counter markets are very liquid, OTC and non-negotiable derivatives transactions can be more risky than investment in financial derivative instruments dealt in on a Regulated Market due to the absence of a market on which the position can be resolved. It may be impossible to settle an existing position, evaluate a position resulting from an over-the-counter transaction or measure exposure to risk. Purchase and sale prices are not necessarily listed, and those that are listed are set by brokers specialised in this type of product. Therefore, it can be difficult to determine their fair value.

## **VII. SHARES**

The Board of Directors may, for a single Sub-Fund, issue one or more Class of Shares distinguished either by a particular distribution policy, sales or redemptions commission structure, management and advisory commission structures, specific distribution commissions structures or by any other distinctive criteria.

The subscription price for shares in each Class is invested in the assets of the relevant Sub-Fund. In principle, all assets and liabilities related to a specific Class of Shares are allocated to that Class. To the extent that costs and expenses are not directly chargeable to a specific Class, they shall be shared proportionally among the various Classes of Shares according to their net asset values or, if circumstances warrant it, allocated equally among the Classes of Shares. The same applies *mutatis mutandis* to Sub-Funds. The assets of a specific Sub-Fund will only meet the liabilities, commitments and obligations relating to such Sub-Fund.

All shares, of whichever Sub-Fund or Class of Shares, will be issued in registered form only. No certificate will be issued. All holders of the shares will have their names entered into the shareholders' register which will be held at the Company's registered office. Investors subscribing

through a nominee may, unless prevented by applicable rules and regulations, request to be inscribed directly in the shareholders' register.

Shareholders will only receive confirmation that their names have been recorded in the shareholders' register.

Fractions of shares up to five decimals will be issued.

Fractions of shares do not carry voting rights but entitle to the relevant fraction of the net assets attributable to the relevant Class of Shares.

All shares must be fully paid-up and do not confer any preferential or pre-emption rights. Each whole share of the Company carries one vote in all general meetings of shareholders, in accordance with Luxembourg law and the Articles.

Each Sub-Fund may comprise one or more of the following Classes which are more fully described in the relevant Appendix:

#### **P Class of Shares (Class P)**

The P Class of Shares ("Class P Shares") are available to all Eligible Investors. Class P Shares are denominated in EURO, USD and GBP. Class P Shares may be capitalisation or distribution shares (as further described in Chapter XVIII), in which case the name of the relevant Class P Shares will be completed by the term "Acc" for capitalisation shares (for example "P Acc EURO") or "Dis" for distribution shares (for example "P Dis EURO").

Class P Shares are available for investment at the Net Asset Value per Share with an initial subscription charge of up to 3 % and with no minimum initial and subsequent investment amount.

#### **Zero Class of Shares (Class Z)**

The Zero Class of Shares ("Class Z Shares") is reserved to certain categories of Eligible Investors specifically approved by the Board of Directors. Class Z Shares are denominated in EURO, USD and GBP. Shares of the Class Z may be capitalisation or distribution shares (as further described in Chapter XVIII), in which case the name of the relevant Class Z will be completed by the term "Acc" for capitalisation shares (for example "Z Acc EURO") or "Dis" for distribution shares (for example "Z Dis EURO").

Class Z Shares are available for investment at the Net Asset Value per Share with an initial subscription charge of up to 3 % and with no minimum initial and subsequent investment amount.

## VIII. ISSUANCE OF SHARES

The Company may for each Sub-Fund issue shares at a price calculated as of each Valuation Day (see section "Calculation and Publication of the Net Asset Value of Shares and the Issue, Redemption and Conversion Prices of Shares").

For each Class of Shares, the subscription price shall be equal to the Net Asset Value of a share as of the relevant Valuation Day, plus any charges as described for each Sub-Fund in the Appendix.

The Board of Directors may impose a minimum subscription and for each registered shareholder in the different Sub-Funds and/or different Classes of Shares within each Sub-Fund as set out in the Appendix. The Board of Directors may also impose subsequent minimum subscription requirements. It may decide to waive, at its discretion, any such minimum subscription, minimum holding and subsequent minimum subscription amounts.

Shareholders wishing to subscribe for shares in the Company must make an irrevocable subscription request by sending such request to the Registrar and Transfer Agent or the Company.

Shares will be allotted as of the relevant Valuation Day.

The subscription price will be payable in the Reference Currency of the shares being subscribed.

Shares may be issued, at the discretion of the Board of Directors, against contributions in kind. However, assets so contributed have to comply with the investment policies of the Sub-Fund concerned as disclosed in the present Prospectus. The assets contributed to the Sub-Funds at the conditions mentioned above will be subject, if required by applicable laws and regulations, to a special report of the approved statutory auditor of the Company.

Any fees relating to such contributions in kind including the aforementioned report are borne by the relevant investor or by a third party, but will not be borne by the Company unless the Board of Directors considers that the subscription in kind is in the interest of the Company or made to protect the interests of the Company

Unless otherwise provided in the Appendix, the subscription price for each share must be available to the Company on an account of the Depositary Bank in cleared monies within three Business Days following the relevant Valuation Day applicable to such subscription, otherwise the subscription may be cancelled.

No shares of a given Sub-Fund will be issued in case the calculation of the Net Asset Value per share of this Sub-Fund is temporarily suspended by the Company.

### Institutional Investors

As detailed in the Appendix, the sale of shares of certain Classes of Shares may be restricted to Institutional Investors and the Company will not issue or give effect to any transfer of shares of

such Classes to any investor who may not be considered an Institutional Investor.

The Company may, at its 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 on the qualification of the investor as an Institutional Investor.

### Ineligible Applicants

The Company requires each prospective applicant for shares to represent and warrant to the Company that, among other things, he is able to acquire and hold shares without violating applicable laws and that he fulfils any eligibility requirements in relation to such shares as detailed in the Appendix for each Sub-Fund.

The shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Board of Directors, might result in the Company incurring any liability to taxation (including for the avoidance of any doubt, under FATCA regulations) or suffering any other disadvantage which the Company might not otherwise incur or suffer, or would result in the Company being required to register under any applicable foreign (including US) securities laws.

Subject as mentioned above, shares are freely transferable. The Board of Directors may refuse to register a transfer which would result in (i) a breach of the applicable sale and transfer restrictions (including not fulfilling the relevant eligibility requirements of a Class of Shares), or (ii) either the transferor or the transferee remaining or being registered (as the case may be) as the holder of shares in a Sub-Fund valued at less than the minimum holding requirement.

The Company will require from each registered shareholder acting on behalf of other investors that any assignment of rights to shares be made in compliance with applicable securities laws in the jurisdictions where such assignment is made and that in unregulated jurisdictions such assignment be made in compliance with the applicable sale and transfer restrictions and minimum holding requirement.

### **Fight against money laundering and financing of terrorism**

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the amended Law of 12 November 2004 on the fight against money laundering and financing of terrorism), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556 and 15/609 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from money laundering and financing of terrorism purposes. As result of such provisions the register and transfer agent of a Luxembourg UCI must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The register and transfer agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the Register and Transfer agent, as delegate of the Company, may require any other information that the Company may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law (as defined hereafter).

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in case of redemption, payment of redemption proceeds delayed. Neither the undertaking for collective investment nor the register and transfer agent will be held responsible for said delay or failure to process deals resulting from the failure of the applicant to provide documentation or incomplete documentation.

From time to time, shareholders may be asked to supply additional or updated identification documents in accordance with clients' on-going due diligence obligations according to the relevant laws and regulations.

## **IX. REDEMPTION OF SHARES**

Pursuant to the Articles and subject as provided below, each shareholder of the Company has the right at any time to request the Company to redeem all or some of the shares he/she/it holds.

Shareholders who wish all or some of their shares to be redeemed by the Company must make an irrevocable redemption request by sending such request to the Registrar and Transfer Agent or the Company.

The redemption price for each Class of Shares is equal to the Net Asset Value per share as of the applicable Valuation Day.

A redemption fee of up to 3% of the Net Asset Value per share may be levied for the benefit of financial intermediaries and other persons involved in the distribution of the Company's shares to the sole extent provided for in the relevant Appendix relating to a Sub-Fund and decided so by the Board of Directors at their discretion.

A short-term exit fee payable to a Sub-Fund may be levied at a rate which will vary depending on the period of time elapsed between the subscription of the relevant shares and their redemption. The rate of the short-term exit fee will be disclosed in the relevant Appendix relating to a Sub-Fund and may be waived by the Board of Directors at its discretion.

The applicable rate of the short-term exit fee is determined by reference to the total length of time during which the shares being redeemed were in issue. The Administrative Agent will determine the rate of the short-term exit fee based on the information available to it and the Company, the Administrative Agent and the Company decline any responsibility in case where a higher rate of the short-term exit fee could apply to an investor subscribing via a nominee.

The time of detention is determined following a "first-in, first-out" approach and based on the Company's shareholder registry held by the Administrative Agent. In the event of redemption, shares will be treated as redeemed on a first in, first out ("FIFO") basis unless otherwise specified by the shareholder on their redemption form

It is currently not intended to apply the short-term exit fee. In case the Board of Director intends to apply the short-term exit fee, the investors will be notified accordingly.



Unless otherwise provided for in the Appendix, the redemption price will in principle be paid in Luxembourg within 4 Business Days following the relevant Valuation Day.

Payment will be made by bank transfer to the account specified by the relevant shareholder.

The redemption price will be paid in the Reference Currency of the relevant Class of Shares.

With the consent of or upon request of the shareholder(s) concerned, the Board of Directors may (subject to the principle of equal treatment of shareholders) satisfy redemption requests in whole or in part in kind by allocating to the redeeming shareholders investments from the portfolio in value equal to the Net Asset Value attributable to the shares to be redeemed. Such redemption will, if required by law or regulation, be subject to a special audit report by the statutory approved auditor of the Company confirming the number, the denomination and the value of the assets which the Board of Directors will have determined to be allocated in counterpart of the redeemed shares. The costs for such redemptions in kind, in particular the costs of the special audit report, will be borne by the shareholder requesting the redemption in kind or by a third party, but will not be borne by the Company unless the Board of Directors considers that the redemption in kind is in the interest of the Company or made to protect the interests of the Company.

If, because of applications for redemption or conversion, it is necessary on a given Valuation Day to repurchase or convert more than 10% of the shares issued in a particular Sub-Fund, the Board of Directors may decide that redemptions or conversions exceeding such threshold have to be postponed to the next Valuation Day for that Sub-Fund. On that Valuation Day, applications for redemption or conversion which had been postponed shall be given priority over applications for redemption or conversion received in relation to that Valuation Day (and which had not been postponed).

#### Compulsory Redemptions

The Board of Directors have the right to require the compulsory redemption of all shares held by or for the benefit of a shareholder if the Board of Directors determine that the shares are held by or for the benefit of any shareholder who is or becomes an Ineligible Applicant as described under "Subscriptions". The Company also reserves the right to require compulsory redemption of all shares held by a shareholder in a Sub-Fund if the Net Asset Value of the shares held in such Sub-Fund by the shareholder is less than the applicable minimum holding requirement, as specified in the Appendix.

Shareholders are required to notify the Company immediately if at any time they become US Persons, hold shares for the account or benefit of US Persons or otherwise become Ineligible Applicants.

When the Board of Directors become aware that a shareholder (A) is a US Person or is holding shares for the account or benefit of a US Person; (B) is holding shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Company or its shareholders; or (C)

has failed to provide any information or declaration required by the Board of Directors within ten days of being requested to do so, the Board of Directors will either (i) direct such shareholders to redeem or to transfer the relevant shares to a person who is qualified or entitled to own or hold such shares or (ii) redeem the relevant shares.

If it appears at any time that a holder of shares of a Class restricted to Institutional Investors is not an Institutional Investor or that a holder of shares does not fulfil the eligibility requirements for the relevant Class of Shares, the Company will either redeem the relevant shares in accordance with the above provisions or convert such shares into shares of a Class which is not restricted to Institutional Investors or into a Class of Shares for which the holder of shares fulfils the eligibility requirements (provided there exists such a Class with similar characteristics) and notify the relevant shareholder of such conversion.

Any person who becomes aware that he is holding shares in contravention of any of the above provisions and who fails to transfer or redeem his shares pursuant to the above provisions shall indemnify and hold harmless the Management Company, each of the Directors, the Company, the Depositary, the Administration Agent, the Investment Adviser (if any), the Investment Manager and the shareholders of the Company (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

## **X. CONVERSION OF SHARES**

Pursuant to the Articles and the provisions below, each shareholder has the right to request the Company to convert the shares it holds in one given Class of Shares to shares of another Class within the same Sub-Fund or in another Sub-Fund, provided that the shareholder satisfies the conditions for subscription and holding of the relevant Class of Shares.

The rate at which the shares are converted is calculated by reference to the Net Asset Values of the relevant shares, as determined on the same Valuation Day and pursuant to the following formula:

$$A = \frac{B \times C \times D}{E}$$

where:

A: Represents the number of shares to be allocated upon conversion.

B: Represents the number of shares to be converted.

C: Represents the Net Asset Value, as at the applicable Valuation Day, of the shares to be converted.

D: Represents, if appropriate, the average exchange rate, as at the applicable Valuation Day, between the reference currencies of the two relevant Classes of Shares or Sub-Funds.

E: Represents the Net Asset Value, as at the applicable Valuation Day, of the shares to be allotted upon conversion.

Shares may be converted as of each Valuation Day in the relevant Class of Shares or Sub-Fund.

The conditions and notice formalities applicable to the redemption of shares shall apply *mutatis mutandis* to the conversion of shares.

A conversion fee of up to a maximum of 1% of the Net Asset Value of the relevant shares may be charged to shareholders. In case the conversion fee shall be for the benefit of a Sub-Fund, the conversion fee shall be identical for all conversion requests received on the same Valuation Day of that Sub-Fund.

## **XI. PREVENTION OF MARKET TIMING AND LATE TRADING RISKS**

The Board of Directors will not knowingly authorise any practice associated with *market timing* and *late trading*, and reserves the right to reject any request for the subscription, redemption or conversion of shares received from investors that the Board of Directors suspects of employing these practices or practices associated with the same and, where applicable, to take any measures necessary to protect other investors in the Company.

*Market timing* refers to the arbitrage technique whereby an investor systematically subscribes to and redeems or converts shares in the Company over a short period of time by exploiting time differences and/or imperfections or deficiencies of a system for calculating the Net Asset Value of shares in the Company.

*Late trading* refers to the acceptance of an order for the subscription, conversion or redemption of shares received after the deadline for the acceptance of orders as of the applicable Valuation Day and its execution at the price based on the Net Asset Value of the shares as of the applicable Valuation Day.

## **XII. LISTING**

The shares of each Sub-Fund and/or Class of Shares of the Company can, if so decided by the Board of Directors, be listed on a stock exchange as described in the relevant Appendix.

## **XIII. CALCULATION AND PUBLICATION OF THE NET ASSET VALUE OF SHARES AND THE ISSUE, REDEMPTION AND CONVERSION PRICES OF SHARES**

The value of the assets shall be determined as follows:

- (1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value thereof;
- (2) the value of securities and/or financial derivative instruments which are listed on any official stock exchange or traded on any other organised market at the last available price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors shall select the principal of such stock exchanges or markets for such purposes;
- (3) in the event that any of the securities held in the Company's portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (2) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales prices or any other appropriate valuation principles;
- (4) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;
- (5) units or shares in underlying open-ended investment sub-funds shall be valued at their last available net asset value reduced by any applicable charges; and
- (6) in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Company if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments

The Net Asset Value per share for each Class of Shares is determined in each Sub-Fund under the responsibility of the Board of Directors, in the currency in which the Class of Shares is denominated.

The Net Asset Value of a share of a particular Class of Shares or from a particular Sub-Fund will be equal to the value obtained by dividing the net assets attributable to this Class of Shares or Sub-Fund by the total number of shares issued and in circulation in this Class of Shares or Sub-Fund.

The Net Asset Value per share is calculated as of each Valuation Day as determined for each Sub-Fund in the Appendix calculation of the Net Asset Value normally takes place on the first Business Day following the relevant Valuation Day.

The value of all assets and commitments not denominated in the reference currency of the Sub-Fund will be converted into the reference currency of the Sub-Fund at the prevailing market rate of exchange as set by the Depositary Bank. If these prices are not available, the rate of exchange will be determined in a prudent manner and in good faith according to the procedures put in place by the Board of Directors.

The Board of Directors can, at its sole discretion, allow the use of any other valuation method if it considers that aforementioned valuation principles do not affect the probable realisation value or fair value of an asset held by the Company.

### **Dilution**

A Sub-Fund may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and of the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Sub-Fund. This is known as "dilution". In order to counter this and to protect Shareholders' interests, the Board of Directors may apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the Board of Directors may make adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The Board of Directors may alternatively decide to charge a dilution levy on subscriptions or redemptions, as described below.

### **Swing Pricing**

If on any Valuation Day the aggregate transactions in shares of a Sub-Fund result in a net increase or decrease of shares which exceeds a threshold set by the Board of Directors from time to time for that Sub-Fund (relating to the cost of market dealing for that Sub-Fund), the Net Asset Value of the Sub-Fund will be adjusted by an amount (not exceeding 2% of that Net Asset Value) which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. The adjustment

will be an addition when the net movement results in an increase of all Shares of the Sub-Fund and a deduction when it results in a decrease.

### **Dilution Levy**

The Company has the power to charge a "dilution levy" of up to 1% of the applicable NAV on individual subscriptions or redemptions, such "dilution levy" to accrue to the affected Sub-Fund. The Company will operate this measure in a fair and consistent manner to reduce dilution and only for that purpose and such dilution levy will not be applied if the swing pricing mechanism is used.

The assets of the Company shall be deemed to include:

- (a) all cash in hand or on deposit, including any interest accrued thereon;
- (b) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);
- (c) all bonds, time notes, shares, stocks, debenture stocks, units/shares in undertakings for collective investment, subscription rights, warrants, options and other investments and securities owned or contracted for by the Company;
- (d) all stocks, stock dividends, cash dividends and cash distributions receivable by the Company to the extent information thereon is reasonably available to the Company (provided that the Company may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- (e) all interest accrued on any interest-bearing securities owned by the Company except to the extent that the same is included or reflected in the principal amount of such securities;
- (f) the preliminary expenses of the Company insofar as the same have not been written off; and
- (g) all other permitted assets of every kind and nature, including prepaid expenses.

The liabilities of the Company shall be deemed to include:

- (h) all loans, bills and accounts payable;
- (i) all accrued or payable administrative expenses (including management fee, custodian fee and corporate agents' insurance premiums fee for and any other fees payable to representatives and agents of the Company), as well as the costs of incorporation and registration, legal publications and prospectus printing, financial reports and other documents made available to shareholders;
- (j) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Company where the date of valuation falls on the record date for determination of the person entitled thereto or is subsequent thereto;
- (k) an appropriate provision for future taxes based on capital and income as at the date of the valuation and any other reserves, authorised and approved by the Board of Directors; and
- (l) all other liabilities of the Company of whatsoever kind and nature except liabilities related to shares in the relevant Sub-Fund toward third parties. In determining the amount of such liabilities the Company may take into account all administrative and other expenses of a regular or periodical nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

Such other liabilities may include, without limitation, expenses for establishment and subsequent amendment of these Articles, printing expenses, fees payable to managers and investment advisors, including fees tied to performance, expenses and fees payable to accountants, to the depository and its correspondents, to the management company, domiciliation agents, administrative agents, registrar and transfer agents, listing agent, all paying agents, to the distributors and to the permanent representatives in the places where the Company is subject to registration, as well as to any other employee or agent of the Company, Directors' compensation

as well as any expenses reasonably incurred by the Directors, insurance expenses and reasonable travel expenses related to board of directors' meetings, expenses incurred in connection with legal assistance and the review of the Company's annual accounts, expenses for statements for registration with the government authorities and securities exchanges of the Grand Duchy of Luxembourg or foreign government authorities and securities exchanges, advertising expenses, including expenses for promotion, preparation, printing and distribution of the prospectuses and periodic reports, expenses for reports to the shareholders, translation expenses for these documents into each language deemed useful, all taxes and fees imposed by government authorities and securities exchanges and all similar expenses, expenses for publication of issue, redemption, and conversion prices, as well as all other operating expenses, interest, financing, bank or brokerage expenses incurred upon the purchase or sale of assets or otherwise, and postage, telephone and telex expenses.

#### **XIV. TEMPORARY SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE OF SHARES AND THE ISSUE, REDEMPTION AND CONVERSION PRICES OF SHARES**

The Company may suspend the calculation of the Net Asset Value per share of a given Sub-Fund or Class of Shares and, if necessary, the issue, redemption and conversion of shares of this Sub-Fund or Class of Shares under certain circumstances. These circumstances may include:

- a) during any period when any market or stock exchange, on which a material part of the investments of the relevant Sub-Fund for the time being is quoted, is closed, or during which dealings are substantially restricted or suspended;
- b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets owned by the Company attributable to such Sub-Fund would be impracticable;
- c) during any breakdown or restriction in the use of the means of communication normally employed to determine the price or value of any of the investments attributable to such Sub-Fund or the current prices or values of any stock exchange;
- d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of such shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- e) during any period when in the opinion of the Board of Directors there exist unusual circumstances where it would be impracticable or unfair towards the shareholders to continue dealing with shares of any Sub-Fund or any other circumstance where a failure to do so might result in the shareholders of the Company, a Sub-Fund or a Class of Shares incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the shareholders of the Company, a Sub-Fund or a Class of Shares might not otherwise have suffered;

- f) in the event of the publication (i) of the convening notice to a general meeting of shareholders at which a resolution to wind up the Company or a Sub-Fund is to be proposed, or of the decision of the Board of Directors to wind up one or more Sub-Funds, or (ii) to the extent that such a suspension is justified for the protection of the shareholders, of the notice of the general meeting of shareholders at which the merger of the Company or a Sub-Fund is to be proposed, or of the decision of the Board of Directors to merge one or more Sub-Funds;
- g) in the case of the suspension of the calculation of the net asset value of one or several funds in which a Sub-Fund has invested a substantial portion of assets.

Notice of any suspension will be notified to shareholders that have made a request for subscription, redemption or conversion of shares in respect of which calculation of the Net Asset Value has been suspended. The Company may also make public such suspension in such a manner as it deems appropriate.

During any suspension of the calculation of the Net Asset Value, requests for subscription, redemption or conversion of shares may be revoked provided such request reach the Company prior to the lifting of the suspension period. Failing revocation, the issue, redemption or conversion price shall be based on the Net Asset Value calculated as of the first Valuation Day after the expiry of the suspension period.

Any suspension relating to a Sub-Fund shall have no effect on the calculation of the Net Asset Value, and, if applicable, the issue, redemption or conversion price of the shares of any other Sub-Fund.

## **XV. GENERAL MEETINGS OF SHAREHOLDERS AND FINANCIAL YEAR**

The annual general shareholders' meeting is held at the registered office of the Company or any other location in Luxembourg specified in the convening notice, on the last Wednesday of April at 11 a.m. or, if that day is not a Business Day, on the next following Business Day.

If permitted by and under the conditions set forth in Luxembourg laws and regulations, the annual general meeting of shareholders may be held at a date, time or place other than those set forth in the preceding paragraph, that date, time or place to be decided by the Board of Directors.

Shareholders will meet upon call by the Board of Directors or upon the written request of shareholders representing at least one tenth of the share capital of the Company, pursuant to a notice setting forth the agenda, sent in accordance with Luxembourg laws.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"), whereas the right of a shareholder to attend a



general meeting of shareholders and to exercise the voting rights attaching to his/its/her shares shall be determined by reference to the shares held by this shareholder as at the Record Date.

The financial year of the Company starts on January 1 and ends on December 31 of the same year.

## **XVI. PERIODICAL REPORTS AND PUBLICATIONS**

The Company publishes an audited annual report and an unaudited semi-annual report. These reports include financial information relating to the various Sub-Funds of the Company as well as the composition and progression of the price of their assets. Each report also contains a consolidated statement of the assets of each Sub-Fund expressed in Euros. Annual reports are published within four months following the close of the financial year. Semi-annual reports are published within two months of the end of the semester.

All these reports will be made available to shareholders at the registered office of the Company, by the Administrative Agent and by any distributor or intermediary appointed by the Management Company.

The Net Asset Value per share of each Sub-Fund as well as the issue and redemption prices will be made public at the registered office of the Administrative Agent and of the Company.

The following documents may be consulted free of charge on each Business Day during normal business hours at the Company's registered office:

- The Articles;
- The Prospectus;
- The Key Investor Information Documents;
- The Depositary Bank Agreement;
- The Share Distribution Agreement;
- The Investment Management Agreement;
- The Management Company Services Agreement; and
- Annual and semi-annual reports.

A copy of the Articles, the Prospectus and copies of the annual and semi-annual reports of the Company may be requested free of charge from the registered office of the Company.

In addition, the Prospectus and the Key Investor Information Documents, as appropriate, are available under [www.fundsquare.net](http://www.fundsquare.net).

## **XVII. DIVIDEND DISTRIBUTION**

The Board of Directors may decide to issue capitalisation or distribution shares, as further described in the Appendix for the relevant Sub-Fund. If capitalisation shares are issued, the net investment income attributable to such Classes of Shares will be retained in the relevant Class and increase the net asset value of the relevant Class.

In principle, distribution shares give their owners the right to receive distributions. Following each distribution, the proportion of the net assets to be attributed to such distribution shares shall be reduced by an amount equal to the amount of the distribution, thus resulting in a reduction of the net assets attributable to such distribution shares.

At the annual general meeting, the shareholders of each Class of Shares shall decide, upon the proposal of the Board of Directors and subject to the limits imposed by this Prospectus and by law, the amount of distributions to be disbursed, if any, for such Class of Shares.

No distribution shall reduce the share capital of the Company to an amount less than the minimum provided by the 2010 Law.

The Board of Directors may decide to pay interim distributions.

Distributions shall be paid in the Reference Currency of the relevant Class of Shares.

In the event that a dividend is declared and is not claimed by the beneficiary within five years from the date of declaration, it may no longer be claimed and shall be returned to the relevant Sub-Fund for the benefits of the relevant Class of Shares. No interest will be payable on any dividend declared by the Company and held at the disposal of the beneficiary.

## **XVIII. TAX TREATMENT OF THE COMPANY AND ITS SHAREHOLDERS**

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### **1) Taxation of the Company**

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Company.

The Sub-Funds are, nevertheless, in principle, subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% per annum based on their net asset value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% per annum is however applicable to any Sub-Fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% *per annum* is also applicable to any Sub-Fund or Share Class provided that their shares are only held by or more institutional investors within the meaning of article 174 of the 2010 Law (an "Institutional Investor").

A subscription tax exemption applies to:

- The portion of any Sub-Fund's assets (*prorata*) invested in a Luxembourg investment fund or any of its sub-fund to the extent it is subject to the subscription tax;
- Any Sub-Fund (i) whose securities are only held by Institutional Investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Share Classes are in issue in the relevant Sub-Fund meeting (ii) to (iv) above, only those Share Classes meeting (i) above will benefit from this exemption;
- Any Sub-Fund, whose main objective is the investment in microfinance institutions; and
- Any Sub-Fund, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Share Classes are in issue in the relevant Sub-Fund meeting (ii) above, only those Share Classes meeting (i) above will benefit from this exemption.
- Any Sub-Fund only held by pension funds and assimilated vehicles.

## **2) Withholding tax**

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The SICAV may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

### 3) Taxation of the Shareholders

#### *Luxembourg resident individuals*

Capital gains realised on the sale of the Shares by Luxembourg resident individuals investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the company.

Distributions received from the Company will be subject to Luxembourg personal income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 45.78% in 2017.

#### *Luxembourg resident corporate*

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 27.08% (in 2017 for entities having their registered office in Luxembourg-City) on capital gains realized upon disposal of Shares and on the distributions received from the Company.

Luxembourg-resident corporate investors who benefit from a special tax regime, such as, for example, (i) a UCI subject to the 2010 Law, (ii) specialised investment funds subject to the amended law of 13 February 2007 on specialised investment funds, (iii) a reserved alternative investment funds subject to the Law of 23 July 2016 on reserved alternative investment funds, or (iv) a family wealth management companies subject to the amended law of 11 May 2007 related to family wealth management companies, as amended, are exempt from income tax in Luxembourg, but are instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors except if the holder of the Shares is (i) a UCI subject to the 2010 Law, (ii) a vehicle governed by the amended law of 22 March 2004 on securitisation, (iii) an investment company in risk capital subject to the law of 15 June 2004 on the investment company in risk capital, as amended, (iv) a specialized investment fund subject to the amended law of 13 February 2007 on specialised investment funds, as amended, (v) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies (as amended). The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

### ***Non-Luxembourg residents***

Nonresident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Company and the Shares will not be subject to net wealth tax.

### **Automatic Exchange of Information**

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States. For Austria, the Euro-CRS Directive will apply for the first time by 30 September 2018 for the calendar year 2017, i.e. the Council Directive (EU) 2015/2060 repealing Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments on 3 June 2003 will apply for one year longer.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

Accordingly, the Company may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law or such other purposes indicated in the data protection section of the Prospectus in compliance with Luxembourg data protection law. Information regarding an Investor and his/her/its account will be reported to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis, if such an account is deemed a CRS reportable account under the CRS Law.

The Company is responsible for the treatment of the personal data provided for in the CRS Law.

The Company reserves the right to refuse any application for Shares if the information, whether provided or not, does not satisfy the requirements under the CRS Law.

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to exchange information automatically under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

**Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.**

#### **4) United States ("US") Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")**

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the Convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Company/the Management Company, in its capacity as the Company's management company, may:

- a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain that shareholder's FATCA status;

- b. report information concerning a shareholder and his account holding in the Company to the Luxembourg tax authorities if such an account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- d. deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA, and
- e. divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Company is responsible for the treatment of the personal data provided for in the FATCA Law. The personal data obtained will be used for the purposes of the FATCA Law and such other purposes indicated by the Company in the Prospectus in accordance with applicable data protection legislation, and may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*). The Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and may contact the Company at its registered office to exercise their right.

The reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

## **XIX. CHARGES AND EXPENSES**

The Company will pay all the expenses to be borne by it, including without limitation, expenses relating to the incorporation and subsequent amendment of the Articles, commissions payable to the Management Company the relevant Investment Manager, the Depositary Bank, the Administrative Agent and other agents of the Company, to the members of the Board of Directors and to representatives in those places where the Company is registered, expenses relating to legal advice and auditing of the Company's accounts, expenses in connection with the preparation, advertising, printing and publication of marketing documents, filing or registration expenses, all taxes and duties levied by governmental authorities and stock exchanges, expenses relating to the publication of issue, redemption and conversion prices, all other operating expenses, including finance, banking or brokerage fees incurred on the purchase or sale of assets or otherwise, and all other administrative expenses. In addition, directors may obtain reimbursement of travel, hotel and other expenses incurred in connection with their attendance at Board of Directors' meetings or general shareholders' meetings of the Company.

Expenses relating to the creation of a new Sub-Fund will be amortised over a period of no more than five years on the assets of this Sub-Fund.

Pictet & Cie (Europe) S.A. and FundPartner Solutions (Europe) S.A. will be paid a remuneration for their depositary bank and central administration services. The depositary bank and central administration commissions are payable quarterly and may vary from one Sub-Fund to another. The commissions should not exceed an accrued global annual rate of 0.48% for each of the Sub-Funds. Unless otherwise provided in the particulars of a Sub-Fund, the global commission for depositary bank and central administration services may not be less than 0.065% per year for each Sub-Fund. This amount does not include expenses relating to transactions on securities and cash as well as expenses to be paid to any correspondent entity.

For the avoidance of doubt, FundPartner Solutions (Europe) S.A., in addition to its remuneration as Administrative Agent, will also be entitled to receive a separate service fee for its services as a management company, such as disclosed in Chapter "II. Management Company, Administrative Agent, Registrar and Transfer Agent and Domiciliary Agent" of the Prospectus.

The fees payable to the relevant Investment Manager are disclosed in the Appendix for each Sub-Fund.

## **XX. DISSOLUTION OF THE COMPANY**

The Company may be dissolved at any time by decision of the general meeting of shareholders deciding with the same quorum and majority requirements as for the amendment of the Articles.

The question of the dissolution of the Company must also be submitted to the general meeting of shareholders if the share capital falls below two-thirds of the minimum share capital required by the 2010 Law; in this case, the general meeting shall deliberate with no quorum requirement and shall decide by a simple majority of the votes cast.

The question of the dissolution of the Company must also be submitted to the general meeting of shareholders if the share capital falls below one quarter of the minimum share capital required by the 2010 Law; in this case, the general meeting shall deliberate with no quorum requirement and the dissolution may be resolved by shareholders holding a quarter of the shares at the meeting.

Such general meeting of shareholders shall be convened so that it is held within 40 days from the ascertainment that the net assets of the Company have fallen below two-thirds or one quarter of the minimum share capital, as the case may be.

In the event of a dissolution of the Company, the liquidation shall be carried out by one or several liquidators (who may be physical persons or legal entities) named by the meeting of shareholders deciding such dissolution and which shall determine their powers and their compensation.



## **XXI. LIQUIDATION AND MERGER OF SUB-FUNDS**

### **1) Liquidation of a Sub-Fund**

The Board of Directors may decide to close one or more Sub-Funds in the interests of the shareholders, if, in the opinion of the Board of Directors, significant changes in the political or economic situation render this decision necessary or if for any reason the value of the net assets of one or more Sub-Funds falls below an amount considered by the Board of Directors to be the minimum threshold for the Sub-Fund to be managed properly.

The Board of Directors may also decide to convene a general shareholders' meeting for a Sub-Fund for the purpose of deciding its dissolution. This general meeting will deliberate without any quorum requirement and the decision to dissolve the Sub-Fund will be taken by a majority of the votes cast.

In the event of the dissolution of a Sub-Fund or the Company, the liquidation will be carried out pursuant to the provisions of the 2010 Law, which sets out the procedures to enable shareholders to benefit from liquidation dividends. Any amount that could not be distributed to shareholders when the liquidation is complete will be deposited with the *Caisse de Consignation* in Luxembourg.

### **2) Merger with another Sub-Fund or with another undertaking for collective investment**

The Board of Directors may decide to merge any Sub-Fund with another undertaking for collective investment qualifying as a UCITS (whether subject to Luxembourg law or not) or with another Sub-Fund of the Company.

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

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

Any such merger will be undertaken in accordance with the 2010 Law which provides, inter alia, that shareholders will be informed of such mergers and have the possibility to redeem their shares free of charge during 30 days prior to the last day on which such redemptions will be accepted.

### **3) Liquidation, consolidation and split of Classes of Shares**

The Board of Directors may also decide to liquidate or split a Class of Shares within a Sub-Fund or consolidate different Classes of Shares within the same Sub-Fund or two different Sub-Funds. Such decision will be published in accordance with applicable laws and regulations. The Board of Directors may also submit the question of the consolidation of a Share Class to a meeting of

holders of such Share Class. Such meeting will resolve on the consolidation with a simple majority of the votes cast.

#### **4) Split of Sub-Funds**

The Board of Directors may decide the reorganisation of a Sub-Fund, by means of a division into two or more Sub-Funds. Such decision will be published in accordance with applicable laws and regulations. Such publication will normally be made one month before the date on which the reorganisation becomes effective in order to enable the shareholders to request redemption of their shares, free of charge, before the operation involving division into two or more Sub-Funds becomes effective.

## **XXII. PROCESSING OF PERSONAL DATA**

The Company (the “Controller”) processes information relating to several categories of identified or identifiable natural persons (including, in particular but not limited to, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) who are hereby referred to as the “Data Subjects”. This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controller directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the “Data”.

Detailed and updated information regarding this processing of Data by the Controller is contained in a privacy notice (the “**Privacy Notice**”). Investors and any persons contacting, or otherwise dealing directly or indirectly with the Controller or its service providers in relation to the Company are invited to obtain and take the time to carefully consider and read the Privacy Notice.

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to [Europe-data-protection@pictet.com](mailto:Europe-data-protection@pictet.com) or to Avenue J.-F. Kennedy 15 A, L-1855 Luxembourg for the attention of Pictet Group Data Protection Officer.

### **Obtaining and accessing the Privacy Notice**

The current version of the Privacy Notice is attached to the Prospectus.

The Privacy Notice notably sets out and describes in more detail: the legal basis for processing the Data; and where applicable the categories of Data processed, from which source the Data originate, and the existence of automated decision-making, including profiling (if any);

- that Data will be disclosed to several categories of recipients; that certain of these recipients (the “Processors”) are processing the Data on behalf of the Controller; that the Processors include most of the service providers of the Controller; and that the Processors will act as processors on behalf of the Controller and may also process Data as controllers for their own purposes;
- that Data will be processed by the Controller and the Processors for several purposes (the “Purposes”) and that these Purposes include (i) the general holding, maintenance, management and administration of prospective and existing investment and interest in the Company, (ii) enabling the Controller and the Processors to perform their services for the Fund, and (iii)

enabling the Controller and the Processors to comply with legal, regulatory and/or tax (including FATCA/CRS) obligations;

- that Data may, and where appropriate will, be transferred outside of the European Economic Area, including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;
- that any communication (including telephone conversations) (i) may be recorded by the Controller and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- that failure to provide certain Data may result in the inability to deal with, invest or maintain an investment or interest in, the Company;
- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;
- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

All persons contacting, or otherwise dealing directly or indirectly with the Controller or its service providers in relation to the Company, will likely be requested to formally acknowledge, agree, accept, represent, warrant and/or undertake (where applicable) that they have obtained and/or have been able to access the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controller; that he may be notified of any change to or update of the Privacy Notice by any means that the Controller deems appropriate, including by public announcement; that they have authority to provide, or to cause or allow the provision, to the Controller any Data relating to third-party natural persons that they provide, or cause or allow the provision, to the Controller; that, if necessary and appropriate, they are required to obtain the (explicit) consent of the relevant third-party natural persons to such processing; that these third-party natural persons have been informed of the processing by the Controller of the Data as described herein and their related rights; that these third-party natural persons have been informed of, and provided with, easy access to the Privacy Notice; that when notified of a change or update of the Privacy Notice they will continue this change or update to these third-party natural persons; that they and each of these third-party natural persons shall abide by any limitation of liability provision contained in the Privacy Notice; and that they shall indemnify and hold the Controller harmless from and against adverse consequences arising from any breach of the foregoing.

## **APPENDIX I: THE SUB-FUNDS**

### **I. Cobas Selection Fund**

#### **Reference currency**

The reference currency of the Sub-Fund is the Euro (EUR).

#### **Investment Objective**

The Sub-Fund seeks to provide principal preservation and long term capital appreciation by offering an exposure to Global Equities. There is however no guarantee that the Sub-Fund will achieve its investment objective.

The Sub-Fund normally invests in the common stocks of companies with, in the Investment Manager's opinion, a sustainable competitive advantage. Consistent with preserving principal, the Investment Manager intends to select investments that, in its opinion, have low downside risk and high upside potential. The Investment Manager intends to purchase securities that trade at a discount to their calculated intrinsic value, thus providing a margin of safety to the investment.

#### **Investment Policy**

The Sub-Fund will mainly invest in worldwide equities and equity related securities (such as ADR, GDR, preferred stocks) of companies of any market capitalization.

The choice of investments will neither be limited by geographical area (including emerging markets), nor by economic sector, nor in terms of market capitalization, nor currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries, as OECD countries) and/or in a single currency and/or in a single economic sector.

The Sub-Fund can be invested to up to 49% of its net assets in any other eligible assets, other than those above-mentioned, such as debt securities, money market instruments, cash and cash equivalents, UCITS and Other UCIs.

Within the above limit, the Compartment will be subject to the following restrictions:

- the Sub-Fund's investments in units or shares of UCITS and/or Other UCIs shall not exceed 10% of the net assets of the Sub-Fund.
- When investing in debt securities of any type (including money market instruments) from corporate and/or public issuer, in order to limit the risk of these securities, the Investment Manager may not invest in debt securities classified as "high yield", defined as security or issuer credit ratings of below BBB- by Standard & Poor's and/or Moody's equivalent and/or with quality considered as equivalent by the Investment Manager in the absence of any official rating. In case of dual official rating (Standard & Poor's and Moody's), the higher rating shall apply.

Investments in Russia, other than those which are listed on the MICEX-RTS and any other regulated markets in Russia, combined with investments that are made in other assets referred in the Investment Restrictions under item 3.2(a), shall not exceed 10% of the net assets of the Sub-fund.

The Sub-Fund will continuously invest at least 51% of its net assets into equity participations within the meaning of Section 2 para. 8 of the German Investment Tax Act 2018.

Equity participations are:

- listed shares on an official stock exchange or regulated market,
- shares in a corporation, which is not listed and is not a real estate company and is either
  - domiciled and subject to corporate income tax without being exempted from it in a member state of the European Union or in a contracting state of the treaty of the European Economic Area or
  - domiciled and subject to corporate income tax of at least 15% in a third country;
- units in equity funds that continuously invest at least 51% of its value into equity participations or more, if the investment guidelines provide for a higher percentage or if the equity fund publishes on each valuation day its effective higher equity holding.

The Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) for hedging and for investment and efficient portfolio management purposes, within the limits set out in the investment restrictions in the main body of the Prospectus and provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. If used, the Investment Manager intends to use principally futures and options on transferable securities and/or financial indices and currency forwards.

The Sub-Fund shall ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

If the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market UCITS and/or Other UCIs (within the above-mentioned 10% limit) and money market instruments.

### **Investment Manager of the Sub-Fund**

The Management Company has appointed Cobas Asset Management SGIIC S.A. as Investment Manager pursuant to an agreement effective as of 18 April 2017.

The Investment Manager was founded in Madrid, Spain on 3 February 2017. The Investment Manager is regulated by and subject to the supervision of the Spanish Commission Nacional del Mercado de Valores (CNMV). The Investment Manager is formed by a team of recognized professionals with extensive experience of 25 years in value investing. The portfolio managers and the core members of the Investment Manager share an international experience in Finance and a strong expertise on the application of the principles of value management. The Investment Manager has a team-based approach to portfolio management. The members of the investment

management team of the Investment Manager (the "Investment Management Team") promote the research of new investment ideas individually. Once an idea fits within the investment criteria, such as low valuation, high quality business, strong entry barriers, strong financial data available on a long run, etc... the Investment Manager confirms the idea through deeper qualitative analysis. When both qualitative and quantitative research satisfy investment criteria, the new idea is shared within the Investment Management Team and a deeper final qualitative analysis is driven. Keeping always in mind that the first step in the process of selecting an idea is key and goes to a strong and in-depth research that could lead to on-site visits, conference call with competitors, contact with previous employees and consultants... The very strict process will lead to a target price that fixes the real value of the future holding. The Investment Management Team tries to avoid the short-term noise of the stock market that will lead to volatile prices, but will look for taking advantage of the cyclical turbulence, with the help of the execution desk, who informs about price movements of target stocks or existing companies in portfolios and decide the necessary adjustments in the portfolio. Adjustments are normally referred to increase or decrease of weights of the stocks in the portfolio as well as decisions to exit or incorporate new stocks in the portfolio.

Consistency, rigorous, integrity, patience are the foundation of any investment idea. The success and the long run strong overperformance of the Investment team is the result of over 25 years of experience in valuating and managing portfolios following the same pattern. The transparency of the investment process seeks to offer tranquillity in the long term.

The Investment Manager is entitled to an investment management fee as disclosed below.

**Deadline for receipt of subscription, redemption and conversion orders**

4 p.m. Luxembourg time on the Business Day preceding the applicable Valuation Day.

**Value date for receipt of the subscription price and payment of the redemption price for shares**

The subscription price for each share must reach the Depositary Bank within 3 Business Days from the applicable Valuation Day.

The redemption price will normally be paid to the shareholder within 4 Business Days from the applicable Valuation Day.

All relevant dates and deadlines relating to subscription, redemption and conversion orders are summarized in the table below:

Cut-off	Subscription: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Redemption: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Conversion (*): 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day
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Valuation Day (Pricing Day)	Each Business Day
Calculation Day	The first Business Day following the relevant Valuation Day
Settlement Day	Subscription: within 3 Business Days after the relevant Valuation Day Redemption: within 4 Business Days after the relevant Valuation Day Conversion: within 4 Business Days after the relevant Valuation Day

(\*) Conversion: conversion orders between Sub-Funds with different Valuation Days are not allowed.

### **Classes of Shares**

The Sub-Fund issues Class P and Z shares in different currencies, as specified below:

P	Acc	Z	Acc
EUR		EUR	
P	Acc	Z	Acc
USD		USD	

The features of the relevant classes are described in Chapter "VIII Shares" of the Prospectus.

The Classes of Shares issued in other currency than the Reference Currency will be fully hedged. The aim of the hedging is to minimize the currency exposure.

A detailed description of the risks linked to hedging can be found in Section "VI.RISK FACTORS" in this Prospectus.

There is however, no guarantee or assurance that such coverage will be effective.

### **Fees**

	Subscription fee <sup>1</sup>	Short-term exit fee <sup>2</sup>	Conversion fee <sup>3</sup>	Investment management fee <sup>4</sup>	Performance Fee
Class P	Up to 3%	4%	Up to 3%	max. 1.75% per year	none
Class Z	Up to 3%	4%	Up to 3%	none	none

### **Risk Measurement Approach:**

The global exposure of the Sub-Fund is calculated using the Commitment Approach.

### **Specific risk factors**

#### **Sector Risk**

The Sub-Fund may focus its investments from time to time on one or more economic sectors. To the extent that it does so, developments affecting companies in that sector or sectors will likely have a magnified effect on the Sub-Fund's Net Asset Value per Share and total returns and may subject the Sub-Fund to greater risk of loss. Accordingly, the Sub-Fund could be considerably more volatile than a broad-based market index or other investment vehicles that are diversified across a greater number of securities and sectors.

#### **Value Investing Risk**

A value-oriented investment approach is subject to the risk that a security believed to be undervalued does not appreciate in value as anticipated.

#### **Emerging Markets Risk**

Trading practices in certain emerging market countries ("Emerging Countries" or "Emerging Markets") are significantly different from those in Developed Countries such as the United States. Brokerage commissions and other transaction costs are generally higher than in the Developed

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<sup>1</sup> The subscription fee is taken out of the amount subscribed and may be charged for the benefit of the financial intermediaries and other persons involved in the distribution of shares at the Board's discretion.

<sup>2</sup> The short-term exit fee will apply in relation to redemption requests received within one year of subscription of the relevant shares. Please refer to the section IX "Redemption of Shares" for further details.

<sup>3</sup> The conversion fee is taken out of the Net Asset Value of the relevant Class of Shares may be charged for the benefit of the Sub-Fund or the financial intermediaries at the Board's discretion.

<sup>4</sup> The investment management fee is taken out of the Net Asset Value of the relevant Class of Shares calculated as of such Valuation Day and payable monthly in arrears by the Company to the Investment Manager.



Countries, although the Sub-Fund will endeavor to achieve the most favorable net results in its portfolio transactions.

**a) Social, Political and Economic Factors**

- a) The Emerging Countries may be subject to a greater degree of social, political and economic instability than is the case with Developed Countries.

The economies of individual Emerging Countries may differ favorably or unfavorably and significantly from the economies of Developed Countries in such respects as the rate of growth of their gross domestic products or gross national products, rates of inflation, currency depreciations, capital reinvestments, savings rates, fiscal balances, resource self-sufficiencies, structural unemployment and balance of payment positions. Governments of many Emerging Countries have exercised and continue to exercise substantial influence over many aspects of the private sector and own or control many companies, including some of the largest in their respective countries. Accordingly, government actions in the future could have a significant effect on economic conditions in an Emerging Country, which could materially adversely affect the Sub-Fund.

- b) The economies of certain Emerging Countries are heavily dependent upon international trade and accordingly are affected by protective trade barriers and the economic conditions of their trading partners and the economies of Emerging Countries are vulnerable to weaknesses in world prices for their commodity exports and natural resources.

## II. Cobas Iberian Fund

### Reference currency

The reference currency of the Sub-Fund is the Euro (EUR).

### Investment Objective

The Sub-Fund seeks to provide principal preservation and long term capital appreciation by offering an exposure to Iberian (Spain and Portugal) equities. There is however no guarantee that the Sub-Fund will achieve its investment objective.

The Sub-Fund normally invests in the common stocks of companies with, in the Investment Manager's opinion, a sustainable competitive advantage. Consistent with preserving principal, the Investment Manager intends to select investments that, in its opinion, have low downside risk and high upside potential. The Investment Manager intends to purchase securities that trade at a discount to their calculated intrinsic value, thus providing a margin of safety to the investment.

### Investment Policy

To achieve the investment objectives, the Sub-Fund will invest at least 75% of its net assets in equities or equity-related securities (such as depositary receipts (ADR, GDR), closed-ended REITs, subscription rights) of companies which are domiciled, headquartered or exercise the predominant part of their economic activity in Spain or in Portugal. This 75% threshold will ensure the eligibility of the Sub-Fund for the French PEA Savings Plan (*Plan d'Epargne en Actions*).

Except for the geographical focus, the choice of investments will neither be limited by an economic sector, market capitalization nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in only one of the Iberian countries and/or in a single currency and/or in a single economic sector.

The Sub-Fund can be invested to up to 25% of its net assets in any other eligible assets, other than those above-mentioned, such as debt securities, Money Market Instruments, cash, UCITS and Other UCIs.

However, the Sub-Fund will be subject to the following restrictions:

- the Sub-Fund's investments in units or shares of UCITS and/or Other UCIs shall not exceed 10% of its net assets;
- the Sub-Fund's investments in closed-ended collective real estate investments (notably closed-ended REITs), closed-ended real estate investment funds and closed-ended real investment companies shall not exceed 20% of its net assets;

- when investing in debt securities of any type (including Money Market Instruments) from corporate and/or public issuer, in order to limit the risk of these securities, the Investment Manager may not invest in debt securities classified as "high yield", defined as security or issuer credit ratings of below BBB- by Standard & Poor's and/or Moody's equivalent and/or with quality considered as equivalent by the Investment Manager in the absence of any official rating. In case of dual official rating (Standard & Poor's and Moody's), the higher rating shall apply;
- the Sub-Fund will not invest in contingent convertible bonds.

Investments in Russia, other than those which are listed on the Moscow Exchange (formerly MICEX-RTS) and any other regulated markets in Russia, combined with investments that are made in other assets referred in the Investment Restrictions under item 3.2(a), shall not exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund will continuously invest at least 51% of its net assets into equity participations within the meaning of Section 2 para. 8 of the German Investment Tax Act 2018.

Equity participations are:

- listed shares on an official stock exchange or regulated market,
- shares in a corporation, which is not listed and is not a real estate company and is either
  - domiciled and subject to corporate income tax without being exempted from it in a member state of the European Union or in a contracting state of the treaty of the European Economic Area or
  - domiciled and subject to corporate income tax of at least 15% in a third country;
- units in equity funds that continuously invest at least 51% of its value into equity participations or more, if the investment guidelines provide for a higher percentage or if the equity fund publishes on each valuation day its effective higher equity holding.

The Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) for hedging and for investment and efficient portfolio management purposes, within the limits set out in the investment restrictions in the main body of the Prospectus and provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to equities and currency forwards.

The Sub-Fund shall ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

If the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market UCITS and/or Other UCIs (within the above-mentioned 10% limit) and Money Market Instruments.

### **Investment Manager of the Sub-Fund**

The Management Company has appointed Cobas Asset Management SGIIC S.A. as Investment Manager pursuant to an agreement effective as of 18 April 2017.

The Investment Manager was founded in Madrid, Spain on 3 February 2017. The Investment Manager is regulated by and subject to the supervision of the Spanish Commission Nacional del Mercado de Valores (CNMV). The Investment Manager is formed by a team of recognized professionals with extensive experience of 25 years in value investing. The portfolio managers and the core members of the Investment Manager share an international experience in Finance and a strong expertise on the application of the principles of value management. The Investment Manager has a team-based approach to portfolio management. The members of the investment management team of the Investment Manager (the "Investment Management Team") promote the research of new investment ideas individually. Once an idea fits within the investment criteria, such as low valuation, high quality business, strong entry barriers, strong financial data available on a long run, etc... the Investment Manager confirms the idea through deeper qualitative analysis. When both qualitative and quantitative research satisfy investment criteria, the new idea is shared within the Investment Management Team and a deeper final qualitative analysis is driven. Keeping always in mind, that the first step in the process of selecting an idea is key and goes to a strong and in-depth research that could lead to on-site visits, conference call with competitors, contact with previous employees and consultants... The very strict process will lead to a target price that fixes the real value of the future holding. The Investment Management Team tries to avoid the short-term noise of the stock market that will lead to volatile prices, but will look for taking advantage of the cyclical turbulence, with the help of the execution desk, who informs about price movements of target stocks or existing companies in portfolios and decide the necessary adjustments in the portfolio. Adjustments are normally referred to increase or decrease of weights of the stocks in the portfolio as well as decisions to exit or incorporate new stocks in the portfolio.

Consistency, rigorous, integrity, patience are the foundation of any investment idea. The success and the long run strong overperformance of the Investment team is the result of over 25 years of experience in valuating and managing portfolios following the same pattern. The transparency of the investment process seeks to offer tranquillity in the long term.

The Investment Manager is entitled to an investment management fee as disclosed below.

### **Initial Offering Period**

The Sub-Fund will be launched at a later date to be decided by the Board of Directors at its sole discretion.

### **Deadline for receipt of subscription, redemption and conversion orders**

4 p.m. Luxembourg time on the Business Day preceding the applicable Valuation Day.

**Value date for receipt of the subscription price and payment of the redemption price for shares**

The subscription price for each share must reach the Depositary Bank within 3 Business Days from the applicable Valuation Day.

The redemption price will normally be paid to the shareholder within 4 Business Days from the applicable Valuation Day.

All relevant dates and deadlines relating to subscription, redemption and conversion orders are summarized in the table below:

Cut-off	Subscription: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Redemption: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Conversion (*): 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day
Valuation Day (Pricing Day)	Each Business Day
Calculation Day	The first Business Day following the relevant Valuation Day
Settlement Day	Subscription: within 3 Business Days after the relevant Valuation Day Redemption: within 4 Business Days after the relevant Valuation Day Conversion: within 4 Business Days after the relevant Valuation Day

(\*) Conversion: conversion orders between Sub-Funds with different Valuation Days are not allowed.

**Classes of Shares**

The Sub-Fund issues Class P and Z shares in different currencies, as specified below:

P	Acc	Z	Acc
EUR		EUR	
P	Acc	Z	Acc
USD		USD	

The features of the relevant classes are described in Chapter "VIII Shares" of the Prospectus.

The Classes of Shares issued in other currency than the Reference Currency will be fully hedged. The aim of the hedging is to minimize the currency exposure.

A detailed description of the risks linked to hedging can be found in Section "VI.RISK FACTORS" in this Prospectus.

There is however, no guarantee or assurance that such coverage will be effective.

### **Fees**

	Subscription fee <sup>1</sup>	Short-term exit fee <sup>2</sup>	Conversion fee <sup>3</sup>	Investment management fee <sup>4</sup>	Performance Fee
Class P	Up to 3%	4%	Up to 3%	max. 1.75% per year	none
Class Z	Up to 3%	4%	Up to 3%	none	none

### **Risk Measurement Approach:**

The global exposure of the Sub-Fund is calculated using the Commitment Approach.

### **Specific risk factors**

#### **Sector Risk**

The Sub-Fund may focus its investments from time to time on one or more economic sectors. To the extent that it does so, developments affecting companies in that sector or sectors will likely have a magnified effect on the Sub-Fund's Net Asset Value per Share and total returns and may subject the Sub-Fund to greater risk of loss. Accordingly, the Sub-Fund could be considerably more volatile than a broad-based market index or other investment vehicles that are diversified across a greater number of securities and sectors.

#### **Value Investing Risk**

A value-oriented investment approach is subject to the risk that a security believed to be undervalued does not appreciate in value as anticipated.

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<sup>1</sup> The subscription fee is taken out of the amount subscribed and may be charged for the benefit of the financial intermediaries and other persons involved in the distribution of shares at the Board's discretion.

<sup>2</sup> The short-term exit fee will apply in relation to redemption requests received within one year of subscription of the relevant shares. Please refer to the section IX "Redemption of Shares" for further details.

<sup>3</sup> The conversion fee is taken out of the Net Asset Value of the relevant Class of Shares may be charged for the benefit of the Sub-Fund or the financial intermediaries at the Board's discretion.

<sup>4</sup> The investment management fee is taken out of the Net Asset Value of the relevant Class of Shares calculated as of such Valuation Day and payable monthly in arrears by the Company to the Investment Manager.

### **III. Cobas International Fund**

#### **Reference currency**

The reference currency of the Sub-Fund is the Euro (EUR).

#### **Investment Objective**

The Sub-Fund seeks to provide principal preservation and long term capital appreciation by offering an exposure to global equities (ex Spain and Portugal). There is however no guarantee that the Sub-Fund will achieve its investment objective.

The Sub-Fund normally invests in the common stocks of companies with, in the Investment Manager's opinion, a sustainable competitive advantage. Consistent with preserving principal, the Investment Manager intends to select investments that, in its opinion, have low downside risk and high upside potential. The Investment Manager intends to purchase securities that trade at a discount to their calculated intrinsic value, thus providing a margin of safety to the investment.

#### **Investment Policy**

To achieve the investment objectives, the Sub-Fund will invest at least 80% of its net assets in equities or equity-related securities (such as depositary receipts (ADR, GDR), closed-ended REITs, subscription rights) of companies of any market capitalization.

The choice of investments will neither be limited by geographical area (including emerging markets), economic sector, market capitalization nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries, as OECD countries) and/or in a single currency and/or in a single economic sector.

Up to 20% of its net assets, the Sub-Fund may invest in any other type of eligible assets such as debt securities, Money Market Instruments, cash, UCITS and Other UCIs.

However, the Sub-Fund will be subject to the following restrictions:

- the Sub-Fund's investments in units or shares of UCITS and/or Other UCIs shall not exceed 10% of its net assets;
- the Sub-Fund's investments in closed-ended collective real estate investments (notably closed-ended REITs), closed-ended real estate investment funds and closed-ended real estate investment companies shall not exceed 20% of its net assets;
- when investing in debt securities of any type (including Money Market Instruments) from corporate and/or public issuer, in order to limit the risk of these securities, the Investment Manager may not invest in debt securities classified as "high yield", defined as security or issuer credit ratings of below BBB- by Standard & Poor's and/or Moody's equivalent and/or with quality considered as equivalent by the Investment Manager in the absence of

any official rating. In case of dual official rating (Standard & Poor's and Moody's), the higher rating shall apply;

- the Sub-Fund will not invest in contingent convertible bonds.

Investments in Russia, other than those which are listed on the Moscow Exchange (formerly MICEX-RTS) and any other regulated markets in Russia, combined with investments that are made in other assets referred in the Investment Restrictions under item 3.2(a), shall not exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund will continuously invest at least 51% of its net assets into equity participations within the meaning of Section 2 para. 8 of the German Investment Tax Act 2018.

Equity participations are:

- listed shares on an official stock exchange or regulated market,
- shares in a corporation, which is not listed and is not a real estate company and is either
  - domiciled and subject to corporate income tax without being exempted from it in a member state of the European Union or in a contracting state of the treaty of the European Economic Area or
  - domiciled and subject to corporate income tax of at least 15% in a third country;
- units in equity funds that continuously invest at least 51% of its value into equity participations or more, if the investment guidelines provide for a higher percentage or if the equity fund publishes on each valuation day its effective higher equity holding.

The Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) for hedging and for investment and efficient portfolio management purposes, within the limits set out in the investment restrictions in the main body of the Prospectus and provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to equities and currency forwards.

The Sub-Fund shall ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

If the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market UCITS and/or Other UCIs (within the above-mentioned 10% limit) and Money Market Instruments.

#### **Investment Manager of the Sub-Fund**

The Management Company has appointed Cobas Asset Management SGIIC S.A. as Investment Manager pursuant to an agreement effective as of 18 April 2017.

The Investment Manager was founded in Madrid, Spain on 3 February 2017. The Investment Manager is regulated by and subject to the supervision of the Spanish Commission Nacional del Mercado de Valores (CNMV). The Investment Manager is formed by a team of recognized



professionals with extensive experience of 25 years in value investing. The portfolio managers and the core members of the Investment Manager share an international experience in Finance and a strong expertise on the application of the principles of value management. The Investment Manager has a team-based approach to portfolio management. The members of the investment management team of the Investment Manager (the "Investment Management Team") promote the research of new investment ideas individually. Once an idea fits within the investment criteria, such as low valuation, high quality business, strong entry barriers, strong financial data available on a long run, etc... the Investment Manager confirms the idea through deeper qualitative analysis. When both qualitative and quantitative research satisfy investment criteria, the new idea is shared within the Investment Management Team and a deeper final qualitative analysis is driven. Keeping always in mind, that the first step in the process of selecting an idea is key and goes to a strong and in-depth research that could lead to on-site visits, conference call with competitors, contact with previous employees and consultants... The very strict process will lead to a target price that fixes the real value of the future holding. The Investment Management Team tries to avoid the short-term noise of the stock market that will lead to volatile prices, but will look for taking advantage of the cyclical turbulence, with the help of the execution desk, who informs about price movements of target stocks or existing companies in portfolios and decide the necessary adjustments in the portfolio. Adjustments are normally referred to increase or decrease of weights of the stocks in the portfolio as well as decisions to exit or incorporate new stocks in the portfolio.

Consistency, rigorous, integrity, patience are the foundation of any investment idea. The success and the long run strong overperformance of the Investment team is the result of over 25 years of experience in valuating and managing portfolios following the same pattern. The transparency of the investment process seeks to offer tranquillity in the long term.

The Investment Manager is entitled to an investment management fee as disclosed below.

**Deadline for receipt of subscription, redemption and conversion orders**

4 p.m. Luxembourg time on the Business Day preceding the applicable Valuation Day.

**Value date for receipt of the subscription price and payment of the redemption price for shares**

The subscription price for each share must reach the Depositary Bank within 3 Business Days from the applicable Valuation Day.

The redemption price will normally be paid to the shareholder within 4 Business Days from the applicable Valuation Day.

All relevant dates and deadlines relating to subscription, redemption and conversion orders are summarized in the table below:

Cut-off	Subscription: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Redemption: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Conversion (*): 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day
Valuation Day (Pricing Day)	Each Business Day
Calculation Day	The first Business Day following the relevant Valuation Day
Settlement Day	Subscription: within 3 Business Days after the relevant Valuation Day Redemption: within 4 Business Days after the relevant Valuation Day Conversion: within 4 Business Days after the relevant Valuation Day

(\*) Conversion: conversion orders between Sub-Funds with different Valuation Days are not allowed.

### **Classes of Shares**

The Sub-Fund issues Class P and Z shares in different currencies, as specified below:

P	Acc	Z	Acc
EUR		EUR	
P	Acc	Z	Acc
USD		USD	

The features of the relevant classes are described in Chapter "VIII Shares" of the Prospectus.

The Classes of Shares issued in other currency than the Reference Currency will be fully hedged. The aim of the hedging is to minimize the currency exposure.

A detailed description of the risks linked to hedging can be found in Section "VI.RISK FACTORS" in this Prospectus.

There is however, no guarantee or assurance that such coverage will be effective.

### **Fees**

	Subscription fee <sup>1</sup>	Short-term exit fee <sup>2</sup>	Conversion fee <sup>3</sup>	Investment management fee <sup>4</sup>	Performance Fee
Class P	Up to 3%	4%	Up to 3%	max. 1.75% per year	none
Class Z	Up to 3%	4%	Up to 3%	none	none

### **Risk Measurement Approach:**

The global exposure of the Sub-Fund is calculated using the Commitment Approach.

### **Specific risk factors**

#### **Sector Risk**

The Sub-Fund may focus its investments from time to time on one or more economic sectors. To the extent that it does so, developments affecting companies in that sector or sectors will likely have a magnified effect on the Sub-Fund's Net Asset Value per Share and total returns and may subject the Sub-Fund to greater risk of loss. Accordingly, the Sub-Fund could be considerably more volatile than a broad-based market index or other investment vehicles that are diversified across a greater number of securities and sectors.

#### **Value Investing Risk**

A value-oriented investment approach is subject to the risk that a security believed to be undervalued does not appreciate in value as anticipated.

#### **Emerging Markets Risks**

Trading practices in certain emerging market countries ("Emerging Countries" or "Emerging Markets") are significantly different from those in Developed Countries such as the United States. Brokerage commissions and other transaction costs are generally higher than in the Developed Countries, although the Sub-Fund will endeavor to achieve the most favorable net results in its portfolio transactions.

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<sup>1</sup> The subscription fee is taken out of the amount subscribed and may be charged for the benefit of the financial intermediaries and other persons involved in the distribution of shares at the Board's discretion.

<sup>2</sup> The short-term exit fee will apply in relation to redemption requests received within one year of subscription of the relevant shares. Please refer to the section IX "Redemption of Shares" for further details.

<sup>3</sup> The conversion fee is taken out of the Net Asset Value of the relevant Class of Shares may be charged for the benefit of the Sub-Fund or the financial intermediaries at the Board's discretion.

<sup>4</sup> The investment management fee is taken out of the Net Asset Value of the relevant Class of Shares calculated as of such Valuation Day and payable monthly in arrears by the Company to the Investment Manager.

**a) Social, Political and Economic Factors**

- a) The Emerging Countries may be subject to a greater degree of social, political and economic instability than is the case with Developed Countries.

The economies of individual Emerging Countries may differ favorably or unfavorably and significantly from the economies of Developed Countries in such respects as the rate of growth of their gross domestic products or gross national products, rates of inflation, currency depreciations, capital reinvestments, savings rates, fiscal balances, resource self-sufficiencies, structural unemployment and balance of payment positions. Governments of many Emerging Countries have exercised and continue to exercise substantial influence over many aspects of the private sector and own or control many companies, including some of the largest in their respective countries. Accordingly, government actions in the future could have a significant effect on economic conditions in an Emerging Country, which could materially adversely affect the Sub-Fund.

- b) The economies of certain Emerging Countries are heavily dependent upon international trade and accordingly are affected by protective trade barriers and the economic conditions of their trading partners and the economies of Emerging Countries are vulnerable to weaknesses in world prices for their commodity exports and natural resources.

#### **IV. Cobas Large Cap Fund**

##### **Reference currency**

The reference currency of the Sub-Fund is the Euro (EUR).

##### **Investment Objective**

The Sub-Fund seeks to provide principal preservation and long term capital appreciation by offering an exposure to global equities. There is however no guarantee that the Sub-Fund will achieve its investment objective.

The Sub-Fund normally invests in the common stocks of companies with, in the Investment Manager's opinion, a sustainable competitive advantage. Consistent with preserving principal, the Investment Manager intends to select investments that, in its opinion, have low downside risk and high upside potential. The Investment Manager intends to purchase securities that trade at a discount to their calculated intrinsic value, thus providing a margin of safety to the investment.

##### **Investment Policy**

To achieve the investment objectives, the Sub-Fund will invest at least 80% of its net assets in equities or equity-related securities (such as depositary receipts (ADR, GDR), closed-ended REITs, subscription rights), with at least 70% of the equity exposure dedicated to large capitalization companies.

Except for the market capitalization focus, the choice of investments will neither be limited by geographical area (including emerging markets), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries, as OECD countries) and/or in a single currency and/or in a single economic sector.

Up to 20% of its net assets, the Sub-Fund may invest in any other type of eligible assets such as debt securities, Money Market Instruments, cash, UCITS and Other UCIs.

However, the Sub-Fund will be subject to the following restrictions:

- the Sub-Fund's investments in units or shares of UCITS and/or Other UCIs shall not exceed 10% of its net assets;
- the Sub-Fund's investments in closed-ended collective real estate investments (notably closed-ended REITs), closed-ended real estate investment funds and closed-ended real estate investment companies shall not exceed 20% of its net assets;
- when investing in debt securities of any type (including Money Market Instruments) from corporate and/or public issuer, in order to limit the risk of these securities, the Investment Manager may not invest in debt securities classified as "high yield", defined as security or issuer credit ratings of below BBB- by Standard & Poor's and/or Moody's equivalent and/or with quality considered as equivalent by the Investment Manager in the absence of

any official rating. In case of dual official rating (Standard & Poor's and Moody's), the higher rating shall apply;

- the Sub-Fund will not invest in contingent convertible bonds.

Investments in Russia, other than those which are listed on the Moscow Exchange (formerly MICEX-RTS) and any other regulated markets in Russia, combined with investments that are made in other assets referred in the Investment Restrictions under item 3.2(a), shall not exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund will continuously invest at least 51% of its net assets into equity participations within the meaning of Section 2 para. 8 of the German Investment Tax Act 2018.

Equity participations are:

- listed shares on an official stock exchange or regulated market,
- shares in a corporation, which is not listed and is not a real estate company and is either
  - domiciled and subject to corporate income tax without being exempted from it in a member state of the European Union or in a contracting state of the treaty of the European Economic Area or
  - domiciled and subject to corporate income tax of at least 15% in a third country;
- units in equity funds that continuously invest at least 51% of its value into equity participations or more, if the investment guidelines provide for a higher percentage or if the equity fund publishes on each valuation day its effective higher equity holding.

The Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) for hedging and for investment and efficient portfolio management purposes, within the limits set out in the investment restrictions in the main body of the Prospectus and provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

Nevertheless, in normal market conditions, the Investment Manager intends to use futures and options offering an exposure to equities and currency forwards.

The Sub-Fund shall ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

If the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market UCITS and/or Other UCIs (within the above-mentioned 10% limit) and Money Market Instruments.

#### **Investment Manager of the Sub-Fund**

The Management Company has appointed Cobas Asset Management SGIIC S.A. as Investment Manager pursuant to an agreement effective as of 18 April 2017.

The Investment Manager was founded in Madrid, Spain on 3 February 2017. The Investment Manager is regulated by and subject to the supervision of the Spanish Commission Nacional del

Mercado de Valores (CNMV). The Investment Manager is formed by a team of recognized professionals with extensive experience of 25 years in value investing. The portfolio managers and the core members of the Investment Manager share an international experience in Finance and a strong expertise on the application of the principles of value management. The Investment Manager has a team-based approach to portfolio management. The members of the investment management team of the Investment Manager (the "Investment Management Team") promote the research of new investment ideas individually. Once an idea fits within the investment criteria, such as low valuation, high quality business, strong entry barriers, strong financial data available on a long run, etc... the Investment Manager confirms the idea through deeper qualitative analysis. When both qualitative and quantitative research satisfy investment criteria, the new idea is shared within the Investment Management Team and a deeper final qualitative analysis is driven. Keeping always in mind, that the first step in the process of selecting an idea is key and goes to a strong and in-depth research that could lead to on-site visits, conference call with competitors, contact with previous employees and consultants... The very strict process will lead to a target price that fixes the real value of the future holding. The Investment Management Team tries to avoid the short-term noise of the stock market that will lead to volatile prices, but will look for taking advantage of the cyclical turbulence, with the help of the execution desk, who informs about price movements of target stocks or existing companies in portfolios and decide the necessary adjustments in the portfolio. Adjustments are normally referred to increase or decrease of weights of the stocks in the portfolio as well as decisions to exit or incorporate new stocks in the portfolio.

Consistency, rigorous, integrity, patience are the foundation of any investment idea. The success and the long run strong overperformance of the Investment team is the result of over 25 years of experience in valuating and managing portfolios following the same pattern. The transparency of the investment process seeks to offer tranquillity in the long term.

The Investment Manager is entitled to an investment management fee as disclosed below.

#### **Initial Offering Period**

The Sub-Fund will be launched at a later date to be decided by the Board of Directors at its sole discretion.

#### **Deadline for receipt of subscription, redemption and conversion orders**

4 p.m. Luxembourg time on the Business Day preceding the applicable Valuation Day.

#### **Value date for receipt of the subscription price and payment of the redemption price for shares**

The subscription price for each share must reach the Depositary Bank within 3 Business Days from the applicable Valuation Day.

The redemption price will normally be paid to the shareholder within 4 Business Days from the applicable Valuation Day.

All relevant dates and deadlines relating to subscription, redemption and conversion orders are summarized in the table below:

Cut-off	Subscription: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Redemption: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Conversion (*): 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day
Valuation Day (Pricing Day)	Each Business Day
Calculation Day	The first Business Day following the relevant Valuation Day
Settlement Day	Subscription: within 3 Business Days after the relevant Valuation Day Redemption: within 4 Business Days after the relevant Valuation Day Conversion: within 4 Business Days after the relevant Valuation Day

(\*) Conversion: conversion orders between Sub-Funds with different Valuation Days are not allowed.

### **Classes of Shares**

The Sub-Fund issues Class P and Z shares in different currencies, as specified below:

P	Acc	Z	Acc
EUR		EUR	
P	Acc	Z	Acc
USD		USD	

The features of the relevant classes are described in Chapter "VIII Shares" of the Prospectus.

The Classes of Shares issued in other currency than the Reference Currency will be fully hedged. The aim of the hedging is to minimize the currency exposure.

A detailed description of the risks linked to hedging can be found in Section "VI.RISK FACTORS" in this Prospectus.

There is however, no guarantee or assurance that such coverage will be effective.



### **Fees**

	Subscription fee <sup>1</sup>	Short-term exit fee <sup>2</sup>	Conversion fee <sup>3</sup>	Investment management fee <sup>4</sup>	Performance Fee
Class P	Up to 3%	4%	Up to 3%	max. 1.00% per year	none
Class Z	Up to 3%	4%	Up to 3%	none	none

### **Risk Measurement Approach:**

The global exposure of the Sub-Fund is calculated using the Commitment Approach.

### **Specific risk factors**

#### **Sector Risk**

The Sub-Fund may focus its investments from time to time on one or more economic sectors. To the extent that it does so, developments affecting companies in that sector or sectors will likely have a magnified effect on the Sub-Fund's Net Asset Value per Share and total returns and may subject the Sub-Fund to greater risk of loss. Accordingly, the Sub-Fund could be considerably more volatile than a broad-based market index or other investment vehicles that are diversified across a greater number of securities and sectors.

#### **Value Investing Risk**

A value-oriented investment approach is subject to the risk that a security believed to be undervalued does not appreciate in value as anticipated.

#### **Emerging Markets Risk**

Trading practices in certain emerging market countries ("Emerging Countries" or "Emerging Markets") are significantly different from those in Developed Countries such as the United States. Brokerage commissions and other transaction costs are generally higher than in the Developed Countries, although the Sub-Fund will endeavor to achieve the most favorable net results in its portfolio transactions.

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<sup>1</sup> The subscription fee is taken out of the amount subscribed and may be charged for the benefit of the financial intermediaries and other persons involved in the distribution of shares at the Board's discretion.

<sup>2</sup> The short-term exit fee will apply in relation to redemption requests received within one year of subscription of the relevant shares. Please refer to the section IX "Redemption of Shares" for further details.

<sup>3</sup> The conversion fee is taken out of the Net Asset Value of the relevant Class of Shares may be charged for the benefit of the Sub-Fund or the financial intermediaries at the Board's discretion.

<sup>4</sup> The investment management fee is taken out of the Net Asset Value of the relevant Class of Shares calculated as of such Valuation Day and payable monthly in arrears by the Company to the Investment Manager.

**a) Social, Political and Economic Factors**

- a) The Emerging Countries may be subject to a greater degree of social, political and economic instability than is the case with Developed Countries.

The economies of individual Emerging Countries may differ favorably or unfavorably and significantly from the economies of Developed Countries in such respects as the rate of growth of their gross domestic products or gross national products, rates of inflation, currency depreciations, capital reinvestments, savings rates, fiscal balances, resource self-sufficiencies, structural unemployment and balance of payment positions. Governments of many Emerging Countries have exercised and continue to exercise substantial influence over many aspects of the private sector and own or control many companies, including some of the largest in their respective countries. Accordingly, government actions in the future could have a significant effect on economic conditions in an Emerging Country, which could materially adversely affect the Sub-Fund.

- b) The economies of certain Emerging Countries are heavily dependent upon international trade and accordingly are affected by protective trade barriers and the economic conditions of their trading partners and the economies of Emerging Countries are vulnerable to weaknesses in world prices for their commodity exports and natural resources.

## **V. AG Genesis Bond Fund**

### **Reference currency**

The reference currency of the Sub-Fund is the US dollar (USD).

### **Investment Objective**

The Sub-Fund seeks income and capital appreciation by mainly investing in debt securities. Its broadly diversified portfolio offers an attractive risk-adjusted opportunity and attempts to reduce volatility by actively managing allocation between countries (with focus on Latin American countries), sectors and issuers. There is however no guarantee that the Sub-Fund will achieve its investment objective

### **Investment policy**

The Sub-Fund intends to offer an exposure to debt securities of any type (including money market instruments), issued by corporate and/or sovereign issuers around the world.

In order to achieve its objective, the Sub-Fund will mainly invest directly in the securities mentioned in the previous paragraph and/or in any transferable securities (such as structured products, as described below) linked (or offering an exposure) to the performance of the above-mentioned securities.

It is expected that approximately 30 to 100% of the Sub-Fund's net assets will be exposed to Latin American issuers. The above-mentioned weights must be understood as a long term guide and are, therefore, indicative. Depending on investment opportunities and market conditions, the Sub-Fund may deviate from these weights at any time and for indefinite period of time.

The choice of investments will neither be limited by economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector. The Sub-Fund can be exposed to investment grade and non-investment grade debt securities (other than defaulted and distressed debt securities), without any particular restriction.

The Sub-Fund can be invested to up to 49% of its net assets in any other eligible assets, other than those above-mentioned (equities, UCITS and Other UCIs), within the following constraints:

Investments in asset-backed securities and mortgage-backed securities can be made up to 20% of the net assets of the Sub-Fund.

The Sub-Fund's investments in units or shares of UCITS and/or Other UCIs shall not exceed 10% of the net assets of the Sub-Fund.

For hedging and for investment and efficient portfolio management purposes and within the limits set out in the investment restrictions in the main body of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. However, the Investment Manager intends to use principally futures and warrants.

The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

The Sub-Fund may invest in structured products, such as but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the grand-ducal regulation dated 8 February 2008 (including indices on volatility, commodities, precious metals, etc.), currencies, exchange rates, transferable securities or a basket of transferable securities or an undertaking for collective investment, at all times in compliance with the grand-ducal regulation.

In compliance with the grand-ducal regulation, the Sub-Fund may invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Sub-Fund.

If the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market UCITS and/or Other UCIs (within the above-mentioned 10% limit) and money market instruments.

#### **Investment Manager of the Sub-Fund**

The Management Company has appointed Genesis Fund Management LLC as Investment Manager for the Sub-Fund pursuant to an agreement effective as of 20 July 2015.

The Investment Manager was founded in 2010 and is affiliated to Genesis Investment Advisors LLC, formed in 2000. The Investment Manager is regulated by and subject to the supervision of the U.S. Securities and Exchange Commission (and only by the U.S. Securities and Exchange Commission). As of September 30, 2014, Genesis Fund Management LLC and its affiliate Genesis Investment Advisors had approximately \$800 million in assets under management and offices in New York and Miami.

The investment committee (the "Investment Committee") of the Investment Manager is responsible for the Sub-Fund's long-term strategy, taking into consideration macro-economic and market conditions, country allocations, credit rating and duration as well as the approval of all credits to be included in the Sub-Fund. The responsible portfolio manager within the Investment Manager will implement that strategy determined by the Investment Committee, taking into consideration short-term opportunities, market conditions and liquidity. The Investment Committee meets on a weekly basis and, if necessary, on a daily basis.

The Investment Manager is entitled to an investment management fee as disclosed below.

**Valuation Day**

Each Business Day on which the prices of the underlying securities in the Sub-Fund's portfolio are available. The list of Valuation Days will be kept updated on the website: [www.fundsquare.net](http://www.fundsquare.net).

**Deadline for receipt of subscription, redemption and conversion orders**

4 p.m. Luxembourg time on each Business Day preceding the applicable Valuation Day.

**Value date for receipt of the subscription price and payment of the redemption price for shares**

The subscription price for each share must reach the Depositary Bank within 3 business days from the applicable Valuation Day.

The redemption price will normally be paid to the shareholder within 4 Business Days from the applicable Valuation Day.

All relevant dates and deadlines relating to subscription, redemption and conversion orders are summarized in the table below:

Cut-off	Subscription: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Redemption: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Conversion (*): 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day
Valuation Day (Pricing Day)	Each Business Day
Calculation Day	The first Business Day following the relevant Valuation Day
Settlement Day	Subscription: within 3 Business Days after the relevant Valuation Day Redemption: within 4 Business Days after the relevant Valuation Day Conversion: within 4 Business Days after the relevant Valuation Day

(\*) Conversion: conversion orders between Sub-Funds with different Valuation Days are not allowed.

### **Classes of Shares**

The Sub-Fund issues Class P and Z shares in different currencies, as specified below:

P Acc EUR	P Dis EUR	Z Acc EUR	Z Dis EUR
P Acc USD	P Dis USD	Z Acc USD	Z Dis USD

The features of the relevant classes are described in Chapter "VIII Shares" of the Prospectus.

### **Fees**

	Subscription fee <sup>1</sup>	Redemption fee <sup>2</sup>	Conversion fee <sup>3</sup>	Investment management fee <sup>4</sup>	Performance Fee
Class P	Up to 3%	Up to 3%	Up to 3%	max. 1.5% per year	none
Class Z	Up to 3%	Up to 3%	Up to 3%	none	none

### **Risk Measurement Approach:**

The global exposure of the Sub-Fund is calculated using the Commitment Approach.

### **Specific risk factors**

#### **Investments in bonds**

Fluctuations in interest rates affect the value of investments by the Sub-Fund in bonds. When long-term interest rates rise the value of investments tends to fall, and vice versa.

The value of a bond will fall in the event of the bankruptcy or a downgrade in the rating of an issuer (or if credit spreads widen in relation to sovereign debt). Similarly, an improvement in the quality of credit (or the narrowing of spreads) can result in an increase in value. In general, the higher the interest rate payable on a bond, the more the issuer is perceived as presenting a significant credit risk.

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<sup>1</sup> The subscription fee is taken out of the amount subscribed and may be charged for the benefit of the financial intermediaries and other persons involved in the distribution of shares at the Board's discretion.

<sup>2</sup> The redemption fee may be deducted from redemption proceeds for the benefit of financial intermediaries and other persons involved in the distribution of shares at the Board's discretion

<sup>3</sup> The conversion fee is taken out of the Net Asset Value of the relevant Class of Shares may be charged for the benefit of the Sub-Fund or the financial intermediaries at the Board's discretion.

<sup>4</sup> The investment management fee is taken out of the Net Asset Value of the relevant Class of Shares calculated as of such Valuation Day and payable monthly in arrears by the Company to the Investment Manager.

## **Asset-backed securities and mortgage-backed securities**

The Sub-Fund can invest in asset-backed securities (ABS), including mortgage-backed securities (MBS), which are debt securities guaranteed by a pool of assets or cash flow generated by a pool of specific underlying assets. ABS and MBS can be illiquid and, therefore, highly volatile.

## **Investment in non investment grade bonds or unrated bonds**

Non investment grade or unrated bonds (including high-yield bonds) may be considered highly speculative in terms of the ability of the issuer to pay the principal and interest. Therefore, investment in these bonds is accompanied by considerable risk. Issuers of debt securities may be heavily indebted, and may not have access to other traditional sources of finance. A recession can have negative consequences for the financial position of an issuer and the market value of the high-yield debt security issued by the entity. The ability of the issuer to honour its debts can be affected by developments specific to said issuer, its inability to meet its specific commercial objectives or the inability to receive additional financing. If an issuer goes bankrupt, the Sub-Fund may sustain losses and have to bear costs.

## **Trading in Emerging Markets**

Trading practices in certain emerging market countries ("Emerging Countries" or "Emerging Markets") are significantly different from those in Developed Countries such as the United States. Brokerage commissions and other transaction costs are generally higher than in the Developed Countries, although the Sub-Fund will endeavor to achieve the most favorable net results in its portfolio transactions.

### **a) Social, Political and Economic Factors**

- a) The Emerging Countries may be subject to a greater degree of social, political and economic instability than is the case with Developed Countries.

The economies of individual Emerging Countries may differ favorably or unfavorably and significantly from the economies of Developed Countries in such respects as the rate of growth of their gross domestic products or gross national products, rates of inflation, currency depreciations, capital reinvestments, savings rates, fiscal balances, resource self-sufficiencies, structural unemployment and balance of payment positions. Governments of many Emerging Countries have exercised and continue to exercise substantial influence over many aspects of the private sector and own or control many companies, including some of the largest in their respective countries. Accordingly, government actions in the future could have a significant effect on economic conditions in an Emerging Country, which could materially adversely affect the Sub-Fund.

- b) The economies of certain Emerging Countries are heavily dependent upon international trade and accordingly are affected by protective trade barriers and the economic conditions of their trading partners and the economies of Emerging Countries are

vulnerable to weaknesses in world prices for their commodity exports and natural resources.

#### **b) Legal Risks**

Emerging Countries often lack a fully developed consistent legal system and the body of commercial law and practice found in countries with more sophisticated market economies. Local laws and regulations, in particular those concerning foreign investment and taxation, may change quickly and unpredictably without prior notice. Inconsistencies and discrepancies among the vast number of local, regional and national laws, the lack of judicial or legislative guidance on unclear or conflicting laws, frequent corruption and broad discretion on the part of government and judicial authorities implementing the laws produce additional legal uncertainties.

#### **c) Accounting practices**

Accounting and auditing systems do not necessarily comply with international standards. Reports may contain inaccurate information, even if they comply with international standards. The obligation incumbent on companies in terms of the publication of financial statements may be restricted.

#### **d) Supervision of Emerging Markets**

With respect to Emerging Country investments, less information might be available to the Sub-Fund than about investments in Developed Countries and, in certain of these countries, less information may be available to the Sub-Fund than to local market participants.

#### **e) Commodities**

Commodities are assets that have tangible properties, such as oil, metals, and agricultural products. An exposure to commodities may not be suitable for all investors. Commodities and commodity-linked securities and derivatives may be subject to heightened risks and may be affected by overall market movements, changes in interest rates, and other factors such as weather, disease, embargoes, and international economic, regulatory and political developments, as well as the trading activity of speculators and arbitrageurs in the underlying. The commodity markets (including the markets for commodity-linked securities and derivatives) may be subject to a degree of volatility that may prove higher than in equity or bond markets due to their sensitivity to the development of commodity prices and their substantial exposure to emerging markets.



## **VI. Palm Harbour Global Value Fund**

### **Reference currency**

The reference currency of the Sub-Fund is the Euro (EUR).

### **Investment Objective**

The Sub-Fund seeks to provide principal preservation and long-term capital appreciation by offering an exposure to global equities. There is however no guarantee that the Sub-Fund will achieve its investment objective.

The Sub-Fund normally invests in the common stocks of companies with, in the Investment Manager's opinion, a sustainable competitive advantage. Consistent with preserving principal, the Investment Manager intends to select investments that, in its opinion, have low downside risk and high upside potential. The Investment Manager intends to purchase securities that trade at a discount to their calculated intrinsic value, thus providing a margin of safety to the investment.

### **Investment Policy**

The Sub-Fund will mainly invest in worldwide equities and equity related securities (such as ADR, GDR, closed-ended REITs, preferred stocks) of companies of any market capitalization.

The choice of investments will neither be limited by geographical area (including emerging markets), nor by economic sector, nor in terms of market capitalization, nor currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single market capitalisation and/or in a single currency and/or in a single economic sector.

Within the limits set-out below, the Sub-Fund can be invested to up to 49% of its net assets in any other eligible assets, other than those above-mentioned, such as debt securities of any type, structured products, money market instruments, cash and cash equivalents, UCITS and Other UCIs.

The Sub-Fund will be subject to the following limits:

- Non-investment grade debt securities up to 20% of its net assets (including distressed or defaulted debt securities up to 10% of the Sub-Fund's net assets);
- Units or shares of UCITS and/or Other UCIs up to 10% of its net assets.

Should the 10% threshold of investments in distressed or defaulted debt securities be exceeded due to a downgrading of securities that are already in the portfolio of the Sub-Fund at the time of the downgrading, the Investment Manager will endeavour to sell securities qualifying as distressed or defaulted in order to comply with the investment limits above, always taking into account the best interest of the shareholders

The Sub-Fund may invest in structured products with or without embedded derivatives in accordance with article 41 of the 2010 Law and article 2 of the Grand-Ducal Regulation of 8 February 2008, such as, but not limited to, credit-linked notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, equities and bonds, and selected in accordance with article 9 of the Grand-Ducal Regulation of 8 February 2008.

Investments in Russia, other than those which are listed on the Moscow Exchange MICEX-RTS, combined with investments that are made in other assets referred in the Investment Restrictions under item 3.2(a), shall not exceed 10% of the net assets of the Sub-fund.

Investments in Chinese companies will be made through ADRs, GDRs or Hong Kong listed Chinese companies (i.e. China H-shares) and via China A-shares. In order to invest in China A-shares, the Sub-Fund may use the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect. These investments will not exceed 10% of the Sub-Fund's net assets.

The Sub-Fund will continuously invest at least 51% of its net assets into equity participations within the meaning of Section 2 para. 8 of the German Investment Tax Act 2018.

Equity participations are:

- listed shares on an official stock exchange or regulated market,
- shares in a corporation, which is not listed and is not a real estate company and is either
  - domiciled and subject to corporate income tax without being exempted from it in a member state of the European Union or in a contracting state of the treaty of the European Economic Area or
  - domiciled and subject to corporate income tax of at least 15% in a third country;
- units in equity funds that continuously invest at least 51% of its value into equity participations or more, if the investment guidelines provide for a higher percentage or if the equity fund publishes on each valuation day its effective higher equity holding.

For hedging and for investment and/or efficient portfolio management purposes, within the limits set out in the investment restrictions of the main body of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. However the Investment Manager intends to use principally options and/or futures on equities and currency financial derivatives (including non-delivery forwards).

The Sub-Fund shall ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

If the Investment Manager considers this to be in the best interest of the shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among others cash deposits, money market UCITS and/or Other UCIs (within the above-mentioned 10% limit) and money market instruments.

### **Investment Manager of the Sub-Fund**

The Management Company has appointed Palm Harbour Capital LLP as Investment Manager pursuant to an agreement effective as of 14 March 2019.

The Investment Manager was founded in London, the United Kingdom on 10 April 2018. The Investment Manager is regulated by and subject to the supervision of the Financial Conduct Authority (FCA). The Investment Manager is formed by a team of recognized professionals with extensive experience in value investing. The portfolio manager and the core members of the Investment Manager have extensive financial education and a strong expertise in the application of the principles of value investment management.

The Investment Manager uses a value orientated investment philosophy. They believe that equities are shares of a business and bonds as loans to a business. They strive to determine the underlying intrinsic value of the business and then purchase shares of the business trading at a significant discount to their probability weighted intrinsic value range.

The Investment Manager sources ideas from a variety of places and its portfolio manager and core members have been closely following hundreds of companies for many years and follow news flow and company filings during their previous careers. They look at a wide variety of special situations as they develop. These include spin-offs, privatizations, change of management, divestitures, bankruptcies, and rights offers. They look for situations in which sellers may have motivations beyond the underlying fundamentals and value of the business, allowing them to buy at bargain prices. They have extensive networks in both the corporate and the investing communities. They follow many industries closely, including reviewing the relevant trade journals and speaking with industry participants. They have a number of general value investing resources and proprietary screens.

Initially Palm Harbour Capital use primary sources (e.g. financial filings) to establish the nature of the business and to understand what the opportunity is and why it might exist. If their preliminary analysis concludes that there might be an opportunity, they then develop a thorough understanding of the business model and industry. They usually would speak with industry contacts, the company and their competitors.

If they still believe that an interesting investment opportunity exists, they would then do full in-depth fundamental analysis and research. This would include a full analysis of the competitive advantages and their sustainability, financials, management, capital allocation, history, predictability of future cash flows and ultimately come to a range of valuations and assess their probabilities. They would analyze why the opportunity exists, what if any catalysts there are and in due course hone in on the key, value-added questions that determine the investment outcomes. Depending on the type of investment and key questions they would do the primary research necessary to answer these questions. They utilize an extensive check-list. The majority of situations analyzed will ultimately be rejected. They need a high level of conviction to include the investment in the portfolio. Once they believe that they have an understanding of the intrinsic value of the company, they try to purchase the company at a significant discount.

The Investment Manager tries to avoid the short-term noise of the stock market and tries to take advantage of the volatility of the market by increasing positions as they fall and decreasing positions as they rise. With help from the execution desk, adjustments are made as to position size and timing of the entry and exit of positions.

The Investment Manager believes in operating with integrity and prudence. All principles of the Investment Manager are also investors in the fund. The Investment Manager manages the portfolio following their long-term, value-orientated, rigorous research driven process.

The Investment Manager is entitled to an investment management fee as disclosed below.

**Deadline for receipt of subscription, redemption and conversion orders**

4 p.m. Luxembourg time on the Business Day preceding the applicable Valuation Day.

**Value date for receipt of the subscription price and payment of the redemption price for shares**

The subscription price for each share must reach the Depositary Bank within 3 Business Days from the applicable Valuation Day.

The redemption price will normally be paid to the shareholder within 4 Business Days from the applicable Valuation Day.

All relevant dates and deadlines relating to subscription, redemption and conversion orders are summarized in the table below:

Cut-off	Subscription: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Redemption: 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day Conversion (*): 16:00 Luxembourg time, 1 Business Day before the relevant Valuation Day
Valuation Day (Pricing Day)	Each Thursday that is a Business Day. If such Thursday is not a Business Day, the Valuation Day will be the next following Business Day.
Calculation Day	The first Business Day following the relevant Valuation Day
Settlement Day	Subscription: within 3 Business Days after the relevant Valuation Day Redemption: within 4 Business Days after the relevant Valuation Day Conversion: within 4 Business Days after the relevant Valuation Day

(\*) Conversion: conversion orders between Sub-Funds with different Valuation Days are not allowed.

### Classes of Shares

The Sub-Fund issues Class F, P and Z shares in different currencies, as specified below:

F     Acc EUR	P     Acc EUR	Z     Acc EUR
F     Acc USD	P     Acc USD	Z     Acc USD
F     Acc GBP	P     Acc GBP	Z     Acc GBP

The features of Class P and Class Z Shares are described in Chapter "VIII Shares" of the Prospectus.

The F Class of Shares ("**Class F Shares**") is deemed a 'founder' share class, and can be subscribed by Eligible Investors until six months after the launch of the Sub-Fund. The Directors may decide at their discretion to extend or shorten the period during which subscriptions in this class be accepted. Shares of the Class F may be capitalisation or distribution shares (as further described in Chapter XVIII), in which case the name of the relevant Class F will be completed by the term "Acc" for capitalisation shares (for example "F Acc EURO") or "Dis" for distribution shares (for example "F Dis EURO").

Class F Shares are available for investment at the Net Asset Value per Share with an initial subscription charge of up to 1 % and with no minimum initial and subsequent investment amount.

The Classes of Shares issued in other currency than the Reference Currency will be fully hedged. The aim of the hedging is to minimize the currency exposure.

A detailed description of the risks linked to hedging can be found in Section "VI.RISK FACTORS" in this Prospectus.

There is however, no guarantee or assurance that such coverage will be effective.

### **Fees**

	Subscription fee <sup>1</sup>	Short-term exit fee <sup>2</sup>	Conversion fee <sup>3</sup>	Investment management fee <sup>4</sup>	Performance Fee
Class F	Up to 1%	4%	Up to 3%	max. 1.00% per year	none
Class P	Up to 1%	4%	Up to 3%	max. 1.45% per year	none
Class Z	Up to 1%	4%	Up to 3%	none	none

### **Risk Measurement Approach:**

The global exposure of the Sub-Fund is calculated using the Commitment Approach.

### **Specific risk factors**

#### **Sector Risk**

The Sub-Fund may focus its investments from time to time on one or more economic sectors. To the extent that it does so, developments affecting companies in that sector or sectors will likely have a magnified effect on the Sub-Fund's Net Asset Value per Share and total returns and may subject the Sub-Fund to greater risk of loss. Accordingly, the Sub-Fund could be considerably more volatile than a broad-based market index or other investment vehicles that are diversified across a greater number of securities and sectors.

#### **Value Investing Risk**

A value-oriented investment approach is subject to the risk that a security believed to be undervalued does not appreciate in value as anticipated.

#### **Emerging Markets Risk**

Trading practices in certain emerging market countries ("Emerging Countries" or "Emerging Markets") are significantly different from those in Developed Countries such as the United States.

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<sup>1</sup> The subscription fee is taken out of the amount subscribed and may be charged for the benefit of the financial intermediaries and other persons involved in the distribution of shares at the Board's discretion.

<sup>2</sup> The short-term exit fee will apply in relation to redemption requests received within one year of subscription of the relevant shares. Please refer to the section IX "Redemption of Shares" for further details.

<sup>3</sup> The conversion fee is taken out of the Net Asset Value of the relevant Class of Shares may be charged for the benefit of the Sub-Fund or the financial intermediaries at the Board's discretion.

<sup>4</sup> The investment management fee is taken out of the Net Asset Value of the relevant Class of Shares calculated as of such Valuation Day and payable monthly in arrears by the Company to the Investment Manager.

Brokerage commissions and other transaction costs are generally higher than in the Developed Countries, although the Sub-Fund will endeavor to achieve the most favorable net results in its portfolio transactions.

**a) Social, Political and Economic Factors**

- a) The Emerging Countries may be subject to a greater degree of social, political and economic instability than is the case with Developed Countries.

The economies of individual Emerging Countries may differ favorably or unfavorably and significantly from the economies of Developed Countries in such respects as the rate of growth of their gross domestic products or gross national products, rates of inflation, currency depreciations, capital reinvestments, savings rates, fiscal balances, resource self-sufficiencies, structural unemployment and balance of payment positions. Governments of many Emerging Countries have exercised and continue to exercise substantial influence over many aspects of the private sector and own or control many companies, including some of the largest in their respective countries. Accordingly, government actions in the future could have a significant effect on economic conditions in an Emerging Country, which could materially adversely affect the Sub-Fund.

- b) The economies of certain Emerging Countries are heavily dependent upon international trade and accordingly are affected by protective trade barriers and the economic conditions of their trading partners and the economies of Emerging Countries are vulnerable to weaknesses in world prices for their commodity exports and natural resources.

**Investing in China**

**Political, Economic and Social Risks**

Investments in the People's Republic of China ("PRC") will be sensitive to any political, social and diplomatic developments which may take place in or in relation to China. Investors should note that any change in the policies of China may adversely impact on the securities markets in the PRC as well as the performance of the Sub-Fund.

**Economic Risks**

The economy of China differs from the economies of most developed countries in many respects, including with respect to government involvement in its economy, level of development, growth rate and control of foreign exchange. The regulatory and legal framework for capital markets and companies in China is not well developed when compared with those of developed countries.

The economy in China has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of Chinese economy. All these may have an adverse impact on the performance of the Sub-Fund.

### Legal and Regulatory Risk

The legal system of China is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, Chinese regulations which govern currency exchange in China are relatively new and their application is uncertain. Such regulations also empower the China Securities Regulatory Commission and the State Administration of Foreign Exchange to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

### Renminbi related risks

Renminbi ("RMB") is currently not a freely convertible currency as it is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. There are currently no repatriation limits that affect the Sub-Fund. If such policies change in future, the Sub-Fund's or the shareholders' position may be adversely affected. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors wish or intend to convert the redemption proceeds or dividends paid by the Sub-Fund or sale proceeds into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.



## APPENDIX II: PRIVACY NOTICE

We first invite you to familiarise yourselves with the few following key players as we will extensively refer to them in this Privacy Notice:

1. Personal data is any information relating to a data subject.
2. A data subject is a living natural person identified or identifiable in relation to her/his personal data.
3. An investor is any person (natural or not) investing, soliciting or solicited to invest, in the Fund.
4. A controller determines the purposes and means of personal data processing.
5. A processor processes personal data on behalf of, and upon instruction from the controller.

### 1. Categories of data subjects

#### Who are the data subjects in relation to whom we process personal data?

The majority of data subjects in relation to whom we process personal data fall into one or more of the three main categories of data subjects described in the table below (“you”, “your” and more generally together the “data subjects”).

<b><u>Categories of data subjects</u></b>	<b><u>Description</u></b>
Investing Persons	The Investing Persons category groups the investors who are natural persons, the natural persons (such as beneficial owners or family members) who are associated with investors, as well as the natural persons involved in entities (in particular intermediary companies, trusts or other vehicles) associated with investors.
Fund Persons	The Fund Persons category groups the natural persons who belong or may belong to the staff, team, governing body, committees or similar body of the Fund; and/or who are (to be) remunerated by the Fund in relation to their activities for the Fund.
Other Persons	The Other Persons category groups the natural persons (other than the Investing or Fund Persons) who, directly or within third-party entities, are involved in the Fund’s activities. These third-party entities include among others the Fund’s Management Company, as well as authorities or service providers (such as regulators, depositaries, administration agents, auditors or professional advisers) supervising, assisting and/or contributing otherwise to the Fund’s activities.

The above table uses terms such as “associated”, “involved”, “belong”, “supervising”, “assisting” and “contributing”. As a natural person, you may be so associated, involved, belonging to, assisting and/or contributing in an unlimited number of private, public and/or professional capacities, including – without limitation – as employee or self-employed, client, proxy-holder, authorised signatory, representative, nominee, intermediary, board or committee member, trustee, settlor, agent, officer, delegate, consultant and/or adviser.

### 2. Categories of personal data

#### What are the categories of personal data that we process?

As a general rule we reserve the right to process any past, present or future personal data needed

to attain the purposes described or referred to in this Privacy Notice. However, in the table below we have listed the main categories of personal data we process together with a few illustrations. Please note that these illustrations are not exhaustive and that certain illustrations may belong to one or more categories of personal data, whether or not we have a contractual relationship with any of them or the entity they represent or work for.

<b><u>Categories</u></b>	<b><u>In brief</u></b>	<b><u>Illustrations</u></b>
Identification data	This category groups the personal data used to identify you	Names, gender, place/date of birth, identification documentation (passport, ID cards), nationality, civil status, photos, tax identification numbers, login information, physical, vocal and digital signature and identifiers, etc.
Private data	This category groups the personal data related to your private environment	Private/residential physical and digital addresses (e.g. email, IP) and other contact data (e.g. telephone and fax numbers), websites, blogs and social networks, family-related information, centres of interest, contact history, etc.
Professional data	This category groups personal data related to your professional environment	Professional physical and digital addresses (e.g. email, IP) and other contact data (e.g. telephone and fax numbers), website, blogs and social networks, professional activities, occupation and organisation, status, position, grade and title, curriculum vitae, professional relationship (e.g. colleagues, assistants, staff, reporting lines,), contact history, etc.
Economic data	This category groups your personal data of a financial and economic nature	Amount, nature and source of salary, income and remuneration, properties, wealth and estate, current and historic placements and cash flows, transaction history, investment preferences and objectives, financial account details (including credit or debit cards), current and historic credit information, etc.
HR data	This category groups the personal data used for human resources management purpose	Experience, qualifications, education and training, assessment and valuation, identifiers (e.g. social security numbers, badges,) and use thereof, working schedules and presence (including remote working and travel history), professional and job history, biographies and curriculum vitae, etc.

The personal data that we process may consist of or result from any use of or activity on computer systems, network and website, and may take any form possible. Personal data that we process may then include all types of electronic support, pictures, images, videos, sounds and voice recordings (such as telephone or online conversation recordings).

We process identification data for all categories of natural persons described in Q&A 1 above. In addition, we mainly process private, professional and economic data of Investing Persons; we process all categories of data of Fund Persons; and we mainly process professional data of Other Persons.

Please note that the above categories of personal data are without prejudice to all specific or general personal data you have provided or will provide us with from time to time.

The so-called “sensitive” personal data referred to in Q&A 3 below may also come in addition to or be part of the above categories of personal data.

### 3. Sensitive personal data

#### **Do we process so-called “sensitive” personal data?**

Preamble – “Sensitive” personal data refer to personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, genetic data, biometric data for the purpose of uniquely identifying a natural person, and data concerning health or a natural person's sex life or sexual orientation, as well as personal data relating to criminal convictions and offences or related security measures. Sensitive personal data are sometimes referred to as “special category data” and “criminal offence data” targeted by Articles 9 and 10 of the GDPR, respectively.

We do happen to process such sensitive personal data. However, we do so in only a limited number of instances. We may notably process sensitive personal data (a) necessary for the purposes of carrying out your/our obligations or exercising your/our specific rights in the field of employment and social security and social protection law; (b) which you have manifestly made public; (c) necessary for reasons of substantial public interest; (d) under the control of an official authority; and/or (e) when authorised by applicable law providing appropriate safeguards for your rights and freedoms.

As a matter of illustration, we may process personal data revealing political opinions (which you have not necessarily manifestly made public) or relating to criminal convictions and offences when implementing our “know your customer” obligations. If you are a Fund Person, we may also process personal data concerning your health, or personal data relating to criminal convictions and offences.

We may also fortuitously process sensitive personal data when willfully processing non-sensitive personal data. As a matter of illustration, although we neither require nor need personal data revealing racial or ethnic origin or religious beliefs, nor genetic or biometric data, this information is sometimes disclosed in the official identification documents (such as passport photo pages) we receive for the purpose of implementing our “know your customer” obligations. If you do not want us to process this information and also for the reasons described in Q&A 4 below, we therefore strongly suggest that you carefully black this type of data out in any document sent or drawn to our attention.

### 4. Unsolicited personal data

#### **What is our responsibility in relation to the processing of “unsolicited” personal data?**

Preamble – “Unsolicited” personal data basically refer to personal data which we have no intention, nor interest in processing, mainly because these data are not needed to attain any of the purposes described or referred to in this Privacy Notice. These are personal data which we did not solicit, and which we technically process (e.g. store and/or transfer), sometimes quite fortuitously (as illustrated in Q&A 3 above), but for no specific purpose.

What is important for you to be aware of is that, in the absence of proved negligence on our part or unless otherwise so compelled by mandatory rules of law, we assume no obligation nor any liability for any damage suffered directly or indirectly by you or any third party as a result of such a technical processing, including in case of personal data breach.

In view of the foregoing, we strongly recommend that you exclusively provide personal data that are expressly required from you, and that you refrain from providing any unsolicited personal data or making it available.

## **5. Source of personal data**

### **From whom or where do we collect or obtain your personal data?**

We collect or obtain your personal data from various sources (and a combination thereof), and we reserve the right to opt at any time for any legally acceptable source. In practice, these sources may vary depending on the categories of natural persons described in Q&A 1 above.

Our first source of information is you. We collect your personal data each time we communicate with you. We collect your personal data either directly from you or via third parties representing us or you. In relation to Investing Persons in particular, third parties representing us may typically be our register and transfer agent, our Management Company/AIFM, certain of our distributors, and other appointed intermediaries. Third parties representing you may include discretionary managers, lawyers and specific proxyholders.

We may also obtain your personal data from a variety of third parties who represent neither us nor you. In relation to Investing Persons in particular, these third parties may include certain of our service providers (such as the depositary), certain distributors, your banker, social medias, subscription services and centralised investor database (whether or not they belong to the Fund's group), as well as your or our advisers. If you are a Fund Person and/or an Other Person in particular, these third parties will typically be the organisation you work for, which may well belong to the group to which we are affiliated.

Third parties from whom we may obtain your personal data may also be public authorities, bodies or services, including Luxembourg and foreign supervisory and tax authorities.

We may also obtain your personal data via any publicly accessible (free or paying) sources such as the internet, public registers (such as the Luxembourg Trade and Companies Register), and/or the press in general. In relation to Investing Persons in particular, we may obtain your personal data via special "know your customer" databases (such as World-Check™).

We collect or obtain your personal data from various means (and combinations thereof), and we reserve the right to opt at any time for any legally acceptable means. In the following paragraphs, we would like to draw your attention to a few of them.

In relation to Investing Persons in particular, the most obvious means of collection of your personal data is the subscription documentation, including that required to fulfil our "know your customer" or tax transparency obligations (e.g. via self-certification forms). But, we also collect information via your transactional activity.

For all categories of natural persons, we may also obtain personal information via exchanges of correspondence (whether or not in digital form), via telephone conversations (whether or not they are recorded), via contractual or operational documentation, via participation at board or shareholding meetings, and/or in the course of a complaint or litigious procedure.

## 6. Types of processing

### **What types of processing do we perform on your personal data?**

We perform and reserve the right to perform at any time any processing which the GDPR authorises us to perform on your personal data. The processing that we perform or may perform therefore includes any operations (or set of operations) on your personal data (or on sets of your personal data), whether by electronic or other means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, transfer, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

In particular, we or our service providers acting as processors or controllers in their own right may be obliged or wish to record communications (including telephone or online conversations and e-mails). Recordings may be produced in court or other legal proceedings and permitted as evidence with the same value as written documents. The absence of recordings may not in any way be used against us. The purposes, lawful bases and retention periods in this respect are described in Appendix A and Appendix D respectively.

Please, also note that processing that we perform or may perform on your personal data may also consist in profiling and solely automated individual decision-making. We have specifically addressed this type of processing in Q&A 10 below.

## 7. Purposes and lawful bases of processing

### **For what purposes and on what lawful bases do we process your personal data?**

We reserve the right to process your personal data for any specified, explicit and legitimate purposes we deem appropriate, provided such processing is based on one or more of the 6 possible lawful (or legal) bases authorised by the GDPR. These lawful bases are related to contract, compliance, vital interests, public interest, legitimate interests, and consent. These lawful bases are more fully described in Appendix A of this Privacy Notice.

We process your personal data for several purposes and on several lawful bases. These may vary depending on the category of data subjects (described in Q&A 1 above) to which you belong. In Appendix A, you will find tables listing the purposes of the processing (on the left-hand side column) and the corresponding lawful bases (on the right-hand side column). There is a table for all categories of data subjects, as well as a specific table for each category of data subjects.

You should be aware that any of the (initial) purposes listed in Appendix A or otherwise referred to in this Privacy Notice may change over time and lead to a new purpose. If the new purpose is compatible with the initial purpose, we may continue the processing under the original lawful basis (unless this original lawful basis is your consent).

Finally, you should also be aware of the following regarding the lawful bases of our processing. When we process sensitive personal data or transfer personal data to third countries, we may do so on specific lawful bases which are more fully described in Q&A 3 and Q&A 9, respectively, and which come in addition to those otherwise described in this Q&A 7 and in Appendix A. Also, when we exceptionally base the processing of your personal data on your consent, you are entitled to withdraw your consent as more fully described in Q&A 15 below.

## 8. Recipients of personal data

### **Do we transmit your personal data to third-party recipients? If so, who are these recipients?**

Preamble – In the context of this Privacy Notice we understand “transmission” (or derived terms thereof) of personal data to a party as including the disclosure, the accessibility or otherwise availability of these personal data to this party.

Yes, we also transmit your personal data to a series of recipients or categories of recipients, in particular, but not only, in relation to the processing of personal data belonging to Investing Persons. These include:

- all our service providers, whether they act as processors and/or controllers in their own rights (which may be the Fund’s Management Company, investment adviser, investment manager, depositary and paying agent, administrative agent, registrar and transfer agent, distributor and sub-distributors, auditor, legal, financial and other professional advisers, lawyers, consultants, as well as any existing or potential service provider of the Fund; the recipients may also be any of the foregoing respective representatives, agents, delegates, affiliates, subcontractors and/or their successors and assigns (including information technology providers, cloud service providers, or external processing centres);
- entities belonging to the Fund’s group;
- our various counterparties (such as prime brokers and credit institutions);
- any targeted markets (regulated or not), investment funds and/or related entities in or through which we intend to invest (including without limitation their governing entities, respective general partner, management companies, managers, central administration, investment manager, depositary, and other service providers);
- any judicial, public, governmental, administrative, supervisory, regulatory or tax bodies or authorities; as well as
- the Investing Persons, the Fund Persons, and the Other Persons.

You should also be aware that:

- more information about the foregoing recipients (including our processors) may be found in the Fund’s constitutive and offering documentation;
- certain of the foregoing recipients (including our processors) may themselves transfer your personal data to other sub-recipients established or operating in and/or outside the European Economic Area. This may notably be the case in the context of exchange of information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in FATCA and CRS, at OECD and European levels, or equivalent Luxembourg legislation, as more specifically detailed in Q&A 17;
- each of the foregoing recipients (including our processors) and sub-recipients may also process your personal data as controllers in their own right, in particular but not necessarily for compliance with laws and regulations applicable to them (such as those relating to “know your customer”) and/or order of any competent jurisdiction, court, governmental, supervisory or regulatory bodies, including tax authorities, and may be established or operating in and/or outside of the European Economic Area. Certain of these controllers have requested us to provide you with their own privacy policy information. In this respect, please, kindly refer to Q&A 17;
- in the absence of proved negligence on our part or unless otherwise so compelled by mandatory rules of law, we bear no liability for any transmission of your personal data to any third party not authorised by us and, more generally, for any such unauthorised third party receiving knowledge of your personal data.

## 9. Transfer to third countries

### **Do you intend to transfer personal data to third countries or international organisations?**

Preamble – In the context of this Privacy Notice we understand “transfer” (or derived terms thereof) of personal data to third countries or international organisations as including the disclosure, the accessibility or the otherwise availability of these personal data to or from third countries or international organisations.

Yes, we do and will transfer personal data to third countries. And by third countries, we mean countries which do not belong to the European Economic Area and which legislation does not necessarily ensure an adequate level of protection as regards the processing of personal data.

In Appendix B of this Privacy Notice, you will find a brief description of the available lawful bases for performing transfers of personal data to third countries, as well as a table listing the recipient countries or third-country recipients to which we transfer or may transfer personal data (left-hand side column) together with the corresponding specific lawful bases and, where applicable, additional information (right-hand side column). In this context, you should be aware that:

- a) Your personal data may be transferred to recipients (including processors and other controllers) which are located in third countries subject to an adequacy decision of the European Commission and/or on the basis of the so-called EU-U.S. Privacy Shield framework. In the table in Appendix B, each of these countries or recipients is referred to as an “adequate country” or an “adequate recipient”, respectively;
- b) Your personal data may be transferred to recipients (including processors and other controllers) which may be located in third-countries which are not subject to an adequacy decision of the European Commission and whose legislation does not ensure an adequate level of protection as regards the processing of personal data. In this case, the transfer of your personal data may be based on one or more of the appropriate safeguards listed and briefly described in Appendix B. In the table in Appendix B, each of the relevant countries or recipient is referred to as a “safeguarded country” or a “safeguarded recipient”, respectively, and earmarked with the relevant appropriate safeguard;
- c) In the absence of any adequacy decision or appropriate safeguard, your personal data may nevertheless be transferred to recipients (including processors and other controllers) located in third countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data. In this case, a transfer or set of transfers of your personal data may be based on one or more of the derogations listed and briefly described in Appendix B. In the table in Appendix B, each of the relevant countries or recipient is referred to as a “derogatory country” or a “derogatory recipient”, respectively, and earmarked with the relevant derogation;
- d) We may transfer your personal data to a third country in the event this is required by any judgment of a court or tribunal or any decision of an administrative authority, provided this takes place on the basis of an international agreement entered into between the European Union or another Member State and other jurisdictions worldwide.

In addition to the information provided in Appendix B, you should be aware that:

- you have the right to obtain a copy of, or access to, the appropriate safeguards which have been implemented for transferring your personal data to a safeguarded country or a safeguarded recipient by a request addressed to any contact point and by any means mentioned in Q&A 19 below;
- when the transfer of your personal data to third countries is based on your explicit consent, you are entitled to withdraw your consent as more fully described in Q&A 15 below;

- in the absence of proved negligence on our part or unless otherwise so compelled by mandatory rules of law, we bear no liability for any transfer of your personal data to any third country or third-country recipient not authorised by us and, more generally, for any such unauthorised third country or third-country recipient receiving knowledge of your personal data.

## 10. Profiling and solely automated decision-making

### Are you subject to profiling and/or solely automated (individual) decision-making?

Preamble – “Profiling” is an automated processing of your personal data to evaluate personal aspects about you in order to produce your corresponding profile. A “solely automated decision” is an individual decision based solely on automated processing (including profiling), hence without human involvement.

You may be subject to profiling and/or to a solely automated decision. In some instances, you may even be subject to a so-called “significant effect solely automated decision” which is a solely automated decision (including profiling) producing legal effects concerning you or similarly significantly affecting you.

As a matter of illustration, we perform or plan to perform the types of profiling and/or solely automated decision-making which are listed in the table attached as Appendix C of this Privacy Notice. Where applicable, we indicate (and, where appropriate, further describe) the processing which in our opinion leads to significant effect solely automated decisions.

There are a few important rights that you specifically have in relation to profiling and significant effect solely automated decisions. These rights are listed below. You may exercise these rights upon notice to the contact point mentioned in Q&A 19 below:

- As indicated in Q&A 13 below, you have the right to object, on grounds relating to your particular situation, to profiling which is based on your consent or on our interests;
- As also indicated in Q&A 13 below, you have the unconditional right to object to profiling related to direct marketing;
- In relation to significant effect solely automated decisions (other than those authorised by applicable law), you have the right to obtain a human intervention on our part, to express your point of view and to contest this solely automated decision.

## 11. Retention period

### For how long will we store your personal data?

Without prejudice to what follows, as a matter of general principle, we take care that your personal data is not held for longer than necessary with regard to the purposes for which they are or have been processed.

We hold personal data of Investing Persons at least until the concerned investor ceases to be an investor. We then hold these personal data for a subsequent period of 10 years where necessary to comply with applicable laws and regulations, and/or to establish, exercise or defend actual or potential legal claims.



Longer or shorter retention periods may apply where required by applicable laws and regulations, or as a result of applicable statutes of limitation. Some of these law and regulations are listed in the table of Appendix D to this Privacy Notice.

## 12. Data subject Rights

### **What are your rights in relation to our processing of your personal data?**

In addition to your right of information as well as to rights otherwise described in this Privacy Notice or provided for in the GDPR, the available rights in relation to our processing of your personal data are as listed and briefly described below.

The relevant legal provisions of the GDPR describing these rights may in our opinion be read and understood by persons who are not personal data protection professionals. For each of the rights listed below, we have therefore mentioned the applicable key provisions which we invite you to consult for further information.

Under the limits set out by the GDPR:

- Right of access (Art. 15 of the GDPR) – You have the right to receive confirmation that your data are being processed by us (or not), to access your personal data, and to receive supplementary information (however, largely corresponding to that provided in this Privacy Notice).
- Right to rectification (Art. 16 and 19 of the GDPR) – If your personal data are inaccurate or incomplete, you have the right to obtain assurance from us that they will be rectified without undue delay.
- Right to erasure (Art. 17 and 19 of the GDPR) – The right of erasure is also known as the “right to be forgotten”. The broad principle underpinning this right is to enable you to request us to delete or remove your personal data where there is no compelling reason for our continued processing thereof.
- Right to restriction (Art. 18 and 19 of the GDPR) – This right allows you to ‘block’ or suppress processing of your personal data. We may still store your data, but may not process them. We can retain just enough information about you to ensure that the restriction is respected in future.
- Right to data portability (Art. 20 of the GDPR) – This right allows you to obtain and reuse the personal data you have provided us with for your own purposes across different services. It allows you to move, copy or transfer your personal data easily from one IT environment to another.
- Right to complain to a supervisory authority (Art. 77 of the GDPR) – If you consider that our processing of personal data relating to you infringes the GDPR, you have the right to lodge a complaint with a supervisory authority, in particular in your EU Member State of habitual residence, place of work or place of the alleged infringement.

You may exercise any of the above rights (other than the right to complain to a supervisory authority) via any contact point and by any means mentioned in Q&A 19 below.

There is a last general and important point we wish to draw your attention to. Your rights under the GDPR (including those listed above) are not “absolute” or unconditional. Your rights may then be limited to certain cases or circumstances, conditioned and/or affected by various elements such as the lawful basis of our processing.

### 13. Right to object

#### **Do you have the right to object to our processing of your personal data?**

Yes, Article 21 of the GDPR gives you a right to object, but this right is limited and depends on the purpose or lawful basis of our processing:

- Firstly, you have the right to object at any time, on grounds relating to your particular situation, to processing of personal data, including profiling, concerning you which is based on our legitimate interests or on the performance of a task carried out in the public interest or in the exercise of any official authority that we would be vested in. In this case, we shall no longer process your personal data unless we demonstrate compelling legitimate grounds for the processing which override your interests, rights and freedoms or for the establishment, exercise or defence of legal claims.
- Secondly, where your personal data are processed for direct marketing purposes, you have the unconditional right to object at any time to the processing of personal data concerning you for such marketing, which includes profiling to the extent that it is related to such direct marketing.
- Finally, you have the right to object, on grounds relating to your particular situation, to the processing of your personal data for scientific or historical research purposes or statistical purposes, unless the processing is necessary for the performance of a task carried out for reasons of public interest.

You may exercise your right to object via any contact point and by any means mentioned in Q&A 19 below.

### 14. Refusal to provide personal data

#### **Can you refuse to provide your personal data? If so, what are the consequences?**

There are certain cases where the provision of your personal data results from a legal or contractual obligation applicable to you and/or to us, or where the provision of your personal data is necessary for us to enter into, continue and/or implement a professional relationship and/or contract, and/or otherwise deal with you.

As a general rule, failure to provide certain requested personal data may result in the impossibility to communicate (or to communicate safely) with you and/or to fulfil certain of our duties, obligations and services.

As an Investing Person in particular, failure to provide certain requested personal data may result in the impossibility for you or the investor to invest or maintain an investment in the Fund. It may also result in incorrect or double reporting.

As a Fund Person, failure to provide certain requested personal data may result in the impossibility for us to give you or maintain a position within our organisation.

Please note that we may from time to time and as the case may be on a case-by-case basis indicate whether or not requesting and/or providing this information is mandatory for us and/or for you, respectively, and/or the reasons for which this is mandatory. Where necessary, we may also indicate on such occasions the consequences for your refusal to provide the requested information.

## 15. Withdrawal of consent

### **Can you withdraw the consent given for processing your personal data, and if so, how?**

Yes, when we base the processing of your personal data on your consent, you have the right to withdraw your consent at any time, yet without affecting the lawfulness of all processing based on your consent before its withdrawal.

You must be aware, however, that we reserve the right to continue the processing for which you have withdrawn your consent if there is another lawful basis to this processing.

Your decision to withdraw your consent may be notified to any contact point and by any means mentioned in Q&A 19 below.

## 16. Further processing

### **Do we intend to process your personal data for a purpose other than that for which they were collected or obtained?**

Although we have no intention to do that at the date of issuance of this Privacy Notice, we reserve the right to further process your personal data for a purpose other than that for which they were collected or obtained. If such were the case and prior to that further processing, we would provide you with information on that other purpose and with any relevant further information required by law which is not already contained in this Privacy Notice.

## 17. Other information

### **Is there other information we deem appropriate to provide you with in the context of this Privacy Notice?**

Yes, we believe that the following additional information might be of interest to you.

(A) Data protection officer

The data protection officer is governed by specific provisions of the GDPR (Articles 37 to 39), but is not defined in the GDPR. It may be described as the person appointed by an organisation to serve as its personal data protection guardian.

For your information, we have appointed a data protection officer whose contact details are as follows: Mrs Emmanuelle Ressmann (eressmann@pictet.com), 15 A Avenue J.F. Kennedy, L-1855 Luxembourg.

(B) Professional secrecy and confidentiality waiver

Any consent that you may give or may from time to time be requested to give in order to waive the professional secrecy or confidentiality duty to which we are subject pursuant to laws and regulations applicable to us is distinct from, and may not be construed as, any consent that you might give in the context of the GDPR.

(C) FATCA, CRS and other tax identification legislation to prevent tax evasion and fraud

To comply with “know your customer” and tax related laws and regulations such as FATCA and CRS at OECD and European levels or equivalent Luxembourg legislation, we are and our service providers may be obliged to collect and, where appropriate, report certain information in relation to you and your investments in the Fund (including but not limited to name and address, date of birth, U.S. tax identification number (TIN), account number, balance on account, the “Tax Data”)

to the Luxembourg tax authorities (Administration des contributions directes) which will exchange this information (including personal data, financial data and Tax Data) on an automatic basis with the competent authorities in the United States or other permitted jurisdictions (including the U.S. Internal Revenue Service (IRS) or other US competent authority and foreign tax authorities located outside the European Economic Area) for the purposes provided for in FATCA and CRS at OECD and European levels or equivalent Luxembourg legislation.

In this context, it is mandatory to answer questions and requests with respect to the data subjects' identification and investment held in the Fund. We reserve the right to reject any application for investment if the required information and/or documentation are not provided or the applicable requirements not complied with. Investors acknowledge that failure to provide the relevant information in the course of their relationship with the Fund may result in incorrect or double reporting, prevent them from acquiring or maintaining their investment in the Fund and may be reported to the relevant Luxembourg authorities.

(D) Update of this Privacy Notice and additional information

You should first be aware that we reserve the right to amend or modify this Privacy Policy at any time and for any reason, notably in response to changes in applicable data protection and privacy legislation.

Any further update of this Privacy Notice as well as any additional information relating to our processing of personal data is accessible upon request to the contact point mentioned in Q&A 19, below. If there are any significant changes, we make these clear through any other means of contact such as email.

Additional information relating to our processing of your personal data and further update of this Privacy Notice may also be found in the constitutive and offering documentation of the Fund, our contractual arrangements, or provided or made available, on an ongoing basis, through additional documentation (such as contract notes or specific notice and reports, whether periodic or not) and/or through any other communications channels, including electronic communication means, such as electronic mail, internet/intranet websites, portals or platform, as deemed appropriate to allow us to comply with our obligations of information according to the GDPR.

All the foregoing additional information and updates are deemed to be inserted by reference in and, where applicable, amend or replace, this Privacy Notice.

(E) What we expect from you – to keep your personal data updated

It is important that the personal data we have about you are correct. We ask you to inform us in writing in a timely manner of any change to the information which you provide us, so that we can update them during our entire relationship.

## 18. Non-exhaustive information

### **Is this Privacy Notice exhaustive of all information pertaining to the processing of your personal data?**

No. Although this Privacy Notice claims to be exhaustive in relation to the information that we must convey to data subjects pursuant to the GDPR, it does not claim to be exhaustive of all information pertaining to the entire processing we perform as controller.

In relation to personal data that we did not obtain directly from you, our duty to inform you does not apply insofar as:


- you may already have the information;


- the provision of certain information may prove impossible or would involve a disproportionate effort, or is likely to render impossible or seriously impair the achievement of the objectives of certain processing;
- obtaining or disclosure is expressly laid down by Union or Member State law to which we are subject;
- where the personal data must remain confidential subject to an obligation of professional secrecy regulated by EU or Member State law, including a statutory obligation of secrecy.


## 19. Contact Point

### What are our contact details and how can you contact us?

You may contact us for any request, notice or other reasons via:

 Telephone by dialing number +352 467 171-1 (telephone conversation will be recorded)

 Email sent to [europe-data-protection@pictet.com](mailto:europe-data-protection@pictet.com)

 Letter sent to the Fund's registered address (as mentioned in the main part of the offering document) and for the attention of Pictet Group Data Protection Officer

When you contact us, please, kindly provide your complete identification information, and state as clearly and completely as possible why you are contacting us and what you expect from us. Please kindly note that before we are able to revert to you or implement your request, you may be required to provide further identification details, information or clarification. You may also be required to fill out specific forms. All this may be needed for adequately addressing your solicitation, as well as protecting both your and our interests.

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### List of Appendices and Schedules

- Appendix A – Purposes and legal basis of the processing
- Appendix B – Transfers to third countries
- Appendix C – Specific retention periods
- Appendix D - Categories of recipients of personal data

## APPENDIX A

### Purposes and legal basis of the processing

#### The authorised lawful bases under the GDPR

**Our processing of your personal data shall be lawful only if and to the extent that at least one of the following applies:**

- 1) Contract = our processing is necessary for the performance of a contract to which you are a party or in order to take steps at your request prior to entering into a contract
- 2) Compliance = our processing is necessary for compliance with a legal obligation to which we are subject
- 3) Public interest = our processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in us
- 4) Legitimate interests = our processing is necessary for the purposes of the legitimate interests pursued by us or by a third party, except where such interests are overridden by your interests or fundamental rights and freedoms which require protection of personal data
- 5) Vital interests = our processing is necessary in order to protect your vital interests or those of another natural person.

Our processing of your personal data for one or more specific purposes shall also be lawful if you have given your consent to this processing for this or these specific purposes.

We process personal data of all categories of persons	
for	based on
general and global purpose of communication, which involves each respective identification and the exchange of information and documents among relevant parties	compliance, contract, legitimate interests of all parties concerned to ensure the identity of her/his/its intended correspondent
complying with the general prudential duties imposed by laws and regulations applicable to us; and which may involve acting honestly, with due skill, care and diligence and fairly in conducting the Fund's activities, acting in and promoting the best interests of the investors and the integrity of the market, and managing and preventing conflicts of interests	compliance
reporting to and/or cooperating with supervisory and regulatory bodies, and/or other authorities pursuant to applicable laws and regulations	compliance (when acting pursuant to EU law or the Member State law applicable to us), our legitimate interests and that of the Fund's group to avoid being in breach of applicable regulatory and legal obligations (otherwise)
complying with, and providing (or causing the provision of) the services contemplated, in the Fund's constitutive and offering documentation, as well as regulatory compliance monitoring and managing risks (including those related to personal data and their processing)	compliance, contract
general, specific and/or periodic reporting and or providing of information to investors and other stakeholders of the Fund (including certain counterparties of the Fund)	

processing and verifying instructions received and transactions, as well as record-keeping as proof of such an instruction or transaction or related communication in the event of a disagreement	compliance, contract, our legitimate interests and that of the Fund's group to organise the defence and protection of our/their interests, enforce our/their rights, and/or as the case may be help maintain service quality and train staff to deal with complaints and disputes
conducting and handling enquiries, escalation, complaints, disputes, litigation and audits of all nature (including in relation to security incidents and/or data breach), all at any stage and level	
complying with any of the contractual obligations, duties and liabilities agreed upon with any third party with whom we are dealing in the context of the Fund's activities	our legitimate interests to avoid being in breach of a contract to which we are a party
seeking professional advice, including legal, accounting, and other advice	our legitimate interests and that of the Fund's group to legitimate interests to act in accordance with the laws and regulations and/or with due skill, care and diligence
<b>In addition to what is provided for in the first table above, we process personal data of Investing Persons</b>	
<b>for</b>	<b>based on</b>
assessing potential and existing investors and checking their eligibility, which includes verifying the information received, conducting credit and financial due diligence, and monitoring investors' solvency, liquidity risks and cash flows	compliance, contract, our legitimate interests and that of the other investors to ensure investors' solvency, prevent adverse liquidity risk materialisation and facilitate the Fund's investments (including related financings)
<p>general holding, maintenance, management and administration of:</p> <ul style="list-style-type: none"> <li>the Fund's registers and, where applicable, capital or similar accounts</li> <li>each investor's position in the register and, where applicable each investor's capital or similar account</li> </ul> <p>in the context of the foregoing and among other things:</p> <ul style="list-style-type: none"> <li>processing issues, subscriptions, redemptions, conversion, similar corporate events, and related operations</li> <li>making capital calls and drawdowns</li> <li>allocating and distributing income and liquidation proceeds, including handling and recording of orders, paying agency services and settlement</li> <li>billing, accounting, record-keeping and valuation, including producing and issuing all reporting (including financial and other periodic reporting)</li> <li>performing domiciliation and corporate trust function, including convening, holding and handling meetings of investors</li> </ul>	compliance, contract
complying with all tax-related obligations applicable to us or data subject (including those resulting from FATCA and/or CRS), and reporting to and/or cooperating with	compliance, public interests (when acting pursuant to EU law or the Member State law applicable to us)

supervisory and regulatory bodies, and/or other authorities accordingly	our legitimate interests and that of the Fund's group to avoid being in breach of applicable regulatory and legal obligations (otherwise)
complying with all "know your customer" obligations (including anti-money laundering and counter terrorism checks and assimilated checks such as tracking persons subject to economic and trade sanctions, e.g.), and reporting to and/or cooperating with supervisory and regulatory bodies, and/or other authorities accordingly	
record keeping as proof of transactions or related communications in the event of a disagreement, processing and verification of instructions, investigation and fraud prevention purposes, enforce or defend our or others interests or rights in compliance with any legal obligation to which we or they are subject to and quality, business analysis, training and related purposes to improve our business relationship with you	
helping to detect, prevent, investigate, and prosecute fraud, third-party malfeasance and/or other criminal activity (including bribery and corruption), and reporting to and/or cooperating with supervisory and regulatory bodies, and/or other authorities accordingly	
preventing late trading and market timing	compliance
assessing and evaluation of the existing investors base and composition, including conducting market research and analysis	our legitimate interests and that of third parties such as the Fund's group and the other investors to improve quality business and training, and implement product development and distribution policy and strategy
processing relationship with the investors in general	
marketing the Fund to new and existing investors	contract, our legitimate interests to promote investment in the Fund, and that of investors to access the Fund
ensuring fair treatment of investors	compliance, our legitimate interests and that of the Fund's group to comply with contractual obligations
<b>In addition to what is provided for in the first table above, we process personal data of Fund Persons</b>	
<b>for</b>	<b>based on</b>
recruiting and acquiring human resources, as well as implementing all related procedures, that are necessary for the proper performance of the Fund's activities	compliance, our legitimate interests and that of the Fund's group to ensure adequacy, quality and trustworthiness of relevant human resources
performing the obligations, duties and liabilities set out in our employment, self-employed and other mandates contractual arrangements	contract
complying with our obligations under labour law in general (including social security, tax and social protection laws), and exercising our or your rights in this field	compliance
managing human resources in general, including	contract, compliance, our legitimate



organisation of work and planning, as well as Management of access to premises and working time	interests and that of the Fund's group to ensure efficient working environment, as well as internal security
the administration of personal human resources files, including managing working time, leave, training and formation, accounting, payment of salaries and expenses, appraisal, and career planning	contract, compliance
safety at work including managing accidents at work	compliance, contract, vital interest
managing corporate information technology resources put at disposal for professional use (including mobile devices) and monitoring of all correspondence sent and received using these resources	Vital interest, our legitimate interests and that of the Fund's group to protect business information and have access to key information relevant to our activities
assessing, recruiting, and handling the administration of, and the prudential requirements related to, board and committee members as well as self-employed team members	compliance, contract, our legitimate interests and that of the Fund's group to ensure adequacy, quality and trustworthiness of relevant members
performing domiciliation and corporate trust function, including convening, holding and handling board and committee meetings	compliance, contract
inviting you to events and presentations organised by the Fund's group and/or associated parties	our Legitimate interests and that of third parties such as the Fund's group and/or associated parties to promote and/or improve our activities, image and/or collaboration
whistleblowing management	compliance, our legitimate interests and that of the Fund's group of being informed of internal wrongdoings
preventing inside trading and related illegal trading activities	compliance
<b>In addition to what is provided for in the first table above, we process personal data of Other Persons</b>	
<b>for</b>	<b>based on</b>
assessing and hiring service providers, as well as effectively supervising delegated or otherwise outsourced services and activities	compliance, our legitimate interests and that of third parties such as the investors to ensure adequacy, quality and trustworthiness of human resources and management team in services providers
managing our relationship with service providers (including their remuneration)	compliance, contract
inviting you to events and presentations organised by the Fund's group	our legitimate interests and that of third parties such as the Fund's to promote and/or improve our activities, image and/or collaboration
performing due diligence of target investments	compliance, our legitimate interests and that of third parties such as the investors to ensure adequacy, quality and trustworthiness of governance and management of target entities

## **APPENDIX B**

### **Transfers to third-countries**

#### **Appropriate safeguards**

As indicated in Q&A 9, we only consider the following appropriate safeguards when your personal data are to be transferred to a recipient located in a third country which is not subject to an adequacy decision. These appropriate safeguards may be provided for by:

- 1) BCR = binding corporate rules
- 2) EU contractual clauses = standard data protection clauses adopted by the European Commission
- 3) National contractual clauses = standard data protection clauses adopted by a supervisory authority and approved by the European Commission
- 4) Private contractual clauses = contractual clauses between us and the controller, processor or the recipient of the personal data in the third country (subject to authorisation by competent supervisory authority)
- 5) Code of Conduct = an approved code of conduct with binding and enforceable commitments of the controller or processor in the third country to apply the appropriate safeguards, including as regards your rights
- 6) Certification = an approved certification mechanism together with binding and enforceable commitments of the controller or processor in the third country to apply the appropriate safeguards, including as regards your rights

Appropriate safeguards may also be provided for by a legally binding and enforceable instrument between public authorities or bodies, and (subject to authorisation by competent supervisory authority) by provisions to be inserted into administrative arrangements between public authorities or bodies which include enforceable and effective data subject rights.

#### **Derogations**

As indicated in Q&A 9, we only consider the following derogations when we have to make a transfer or a set of transfers of your personal data to a recipient located in a third country which is not subject to an adequacy decision and where there is no appropriate safeguard. Such a transfer or a set of transfers may take place only on one of the following derogatory conditions:

- 1) Consent = you have explicitly consented to the proposed transfer, after having been informed of the possible risks of such transfers due to the absence of an adequacy decision and appropriate safeguards;
- 2) Contract with you = the transfer is necessary for the performance of a contract between you and us or the implementation of pre-contractual measures taken at your request;
- 3) Contract in your interest = the transfer is necessary for the conclusion or performance of a contract concluded in your interest between us and another natural or legal person;
- 4) Public interest = the transfer is necessary for important reasons of public interest;
- 5) Legal claim = the transfer is necessary for the establishment, exercise or defence of legal claims;
- 6) Vital interests = the transfer is necessary in order to protect your vital interests or those of other persons, where the relevant person is physically or legally incapable of giving consent;
- 7) Public register = the transfer is made from a register which according to EU or Member State law is intended to provide information to the public and which is open to consultation either by the public in general or by any person who can demonstrate a legitimate interest, but only to the extent that the conditions laid down by Union or Member State law for consultation are fulfilled in the particular case;
- 8) Compelling interests = where necessary and under specific conditions for the purposes of compelling legitimate interests pursued by us.

<b>We may transfer personal data to</b>	<b>as it is or they are</b>
Andorra, Argentina, Canada, Faeroe Islands, Guernsey, Isle of Man, Israel, Jersey, New Zealand, Switzerland, United States of America and Uruguay	adequate countries
Entities and companies affiliated with the Fund's group	adequate recipients
Service providers of the Fund	Safeguarded recipients

## APPENDIX C

### Specific retention periods

Without prejudice and subject to retention periods that are imposed by applicable laws, regulations and court orders, the following retention periods should apply to personal data.

Relevant data, laws and regulations	Retention period
Personal data processed for the purpose of the administration and payment of salaries (of any nature)	3 years starting from the termination of the employment contract
Personal data processed for the purpose of recruitment	2 years starting from the termination of the employment contract
Personal data processed for the purpose of evaluation and career planning	3 years starting from the termination of the employment contract
Personal data processed for the purpose of monitoring of information technology resources made available for professional use, including mobile devices	6 months on a rolling basis during employment and for 6 months starting from the termination of the employment contract, unless monitoring resulted in finding evidence or suspicions of irregularities or misuse of our information technology resources
Personal data related to health	May be kept after termination of employment contract where necessary, for the appropriate duration, notably with regard to the establishment, exercise or defence of legal claim(s) or in the case of control performed by the labour inspectorate
Data related to accounting and corporate documentation	10 years starting from the end of the financial year concerned
Customer identification and transaction	5 or 10 years starting from termination of relationship with customers or from execution of the transaction (for AML purposes where applicable)
Recordings of communications	10 years starting from the date of the recording

## APPENDIX D

### Categories of recipients of personal data

Service Provider / Activity	Industry/sector	Location
Management Company	Asset management servicing	Luxembourg
Investment managers	Asset management servicing	Spain, United States, United Kingdom
Depository and paying agent	Asset management servicing	Luxembourg
Administrative agent	Asset management servicing	Luxembourg
Registrar and transfer agent	Asset management servicing	Luxembourg
Domiciliation agent	Domiciliation, accounting and corporate services	Luxembourg
Distributor, sub-distributors, placement agents	Asset management servicing, financial and insurance services	Spain, United Kingdom
Auditor	Audit	Luxembourg
Legal, financial and other professional advisers, lawyers, consultants	Professional services	Luxembourg
Information technology providers, cloud service providers, or external processing centres	Information technology services	Luxembourg
Credit institutions	Financial services	Luxembourg
Target investments	According to target	According to target