

Convergence Lux

Société d'investissement à capital variable (SICAV)

an undertaking for collective investment in transferable securities (UCITS) in the form of
an open-ended investment company with variable share capital

subject to the Luxembourg law of 17 December 2010 relating to
undertakings for collective investment, as amended

Prospectus

December 2023

Table of Contents

	Page
1. INTRODUCTION	5
2. DIRECTORY	7
3. DEFINITIONS.....	8
4. INVESTMENT STRATEGY AND RESTRICTIONS	16
4.1 Authorised investments.....	16
4.2 Prohibited investments.....	18
4.3 Risk diversification limits	19
4.4 Control limits.....	22
4.5 Financial derivative instruments.....	23
4.6 Efficient portfolio management techniques and instruments	25
4.7 Collateral policy	27
4.8 Global exposure limits	31
4.9 Leverage.....	32
4.10 Breach of investment limits	32
5. GENERAL RISK FACTORS	32
5.1 Market risk.....	33
5.2 Liquidity risk.....	41
5.3 Counterparty risk.....	41
5.4 Operational risk.....	42
5.5 Certain financial instruments and investment techniques	48
6. MANAGEMENT AND ADMINISTRATION	52
6.1 The Board of Directors	52
6.2 The Management Company	52
6.3 Investment Manager	54
6.4 Sub-Investment Manager(s)	55
6.5 The Depository and Paying Agent.....	55
6.6 The Administrator	57
6.7 The Auditor.....	57
6.8 Conflicts of interest	57
7. SHARES.....	58
7.1 Shares, Sub-Funds and Share Classes	58
7.2 Dividend distribution policy.....	60
7.3 Eligible Investors	61
7.4 Subscription for Shares.....	61
7.5 Redemption of Shares	63

7.6	Conversion of Shares	65
7.7	Transfer of Shares.....	66
7.8	Special considerations.....	67
7.9	Late trading, market timing and other prohibited practices.....	69
7.10	Prohibited Persons.....	69
7.11	Prevention of money laundering	70
8.	VALUATION AND NET ASSET VALUE CALCULATION	71
8.1	Calculation of the Net Asset Value	71
8.2	Valuation procedure.....	72
8.3	Publication of the Net Asset Value	78
8.4	Temporary suspension of the Net Asset Value calculation	78
9.	FEES AND EXPENSES	80
9.1	Subscription Fee, Conversion Fee and Redemption Fee	80
9.2	Management Fee	80
9.3	Investment Manager Fee	81
9.4	Performance Fee	81
9.5	Fees of the Depositary and the Administrator.....	83
9.6	Directors' fees and expenses	83
9.7	Operating and Administrative Expenses.....	84
9.8	Transaction costs.....	85
9.9	Extraordinary costs and expenses	85
9.10	Formation costs and expenses.....	85
10.	GENERAL INFORMATION	85
10.1	Reports and financial statements.....	85
10.2	Meetings of shareholders	85
10.3	Investors' rights	86
10.4	Changes to this Prospectus	86
10.5	Documents available.....	86
10.6	Complaints.....	87
10.7	Benchmarks Regulation	87
10.8	Data protection.....	87
10.9	Sustainable Finance.....	91
10.10	Merger and reorganisation	92
10.11	Liquidation.....	93
11.	TAXATION	94
11.1	The Fund.....	95
11.2	Shareholders.....	95
11.3	Exchange of information – Common Reporting Standard.....	96
11.4	Exchange of information - FATCA.....	97

SUPPLEMENT 1– CONVERGENCE LUX – BONHÔTE IMPACT FUND	99
SUPPLEMENT 2 – CONVERGENCE LUX – ZO CHINA VALUE FUND.....	104
ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND	119

1. INTRODUCTION

This Prospectus contains information about Convergence Lux that a prospective investor should consider before investing in the Fund and should be retained for future reference.

The Fund is a public limited company (*société anonyme*) incorporated on 5 April 2019 under the laws of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

The Fund has been authorised by the *Commission de Surveillance du Secteur Financier* (CSSF) which is the Luxembourg supervisory authority of the financial sector. However, such authorisation does not require the CSSF to approve or disapprove either the adequacy or accuracy of this Prospectus or the portfolio of assets held by the Fund. Any declaration to the contrary should be considered as unauthorised and illegal.

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Shares in the Fund are shares in a specific Sub-Fund. The Fund may issue Shares of different Share Classes in each Sub-Fund. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of investors. Investors should refer to the Supplement for further information on characteristics of Share Classes.

The Fund is registered with the Luxembourg Trade and Companies Register under number B233606. The latest version of the Articles of Association was published on the *Recueil électronique des sociétés et associations* (RESA), the central electronic platform of the Grand-Duchy of Luxembourg on 16 April 2019.

This Prospectus is based on information, law and practice at the date hereof. The Fund cannot be bound by an out-of-date prospectus when it has issued a new prospectus, and investors should check with on www.fundsquare.net that this is the most recently published prospectus. Neither delivery of the Prospectus nor anything stated herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof. The information contained in this Prospectus is supplemented by the financial statements and further information contained in the latest Annual Report and Semi-Annual Report of the Fund, copies of which may be requested free of charge from the Fund at the registered office.

No distributor, agent, salesman or other person has been authorised to give any information or to make any representation other than those contained in the Prospectus and in the documents referred to herein in connection with the offer of Shares and, if given or made, such information or representation must not be relied upon as having been authorised.

The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may be restricted or prohibited by law. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation, or sale. It is the responsibility of any persons wishing to make an application for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. No Shares may be acquired or held by, on behalf or for the account or benefit of, Prohibited Persons.

In accordance with Regulation (EU) 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (**PRIIPs**), as amended, and the Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) No 1286/2014, as amended (collectively referred to as the "**PRIIPs Regulation**"), a key information document ("**KID**") shall be published for each share class where such share class is available to retail investors in the European Economic Area (the "**EEA**").

A retail investor within the meaning of the preceding paragraph means any person who is a retail client as defined in article 4(1), point (11), of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("**MiFID II**") (referred to herein as a "**Retail Investor**").

A KID shall be handed over to Retail Investors where shares are made available, offered, or sold in the EEA, in good time prior to their subscription in the Fund. In accordance with the PRIIPs Regulation, the KID shall be provided to Retail Investors (i) by using a durable medium other than paper or (ii) at <https://www.fundsquare.net/search-results?fastSearch=O&isISIN=N&search=Convergence+Lux> and it can also be obtained, upon request, in paper from the registered office of the Fund free of charge.

The Shares have not been, and will not be, registered under the United States Securities Act of 1933, or under any law that applies in an American State and the Shares may not be directly or indirectly transferred, offered or sold in the United States of America (including its territories and possessions), to any US Person within the framework of the United States Securities Act of 1933 adopted by the U.S. Securities and Exchange Commission (the "**SEC**") except if (i) a registration of the Shares was made or (ii) an exemption was applicable (with the prior consent of the Board of Directors).

The Fund is not, and will not be, registered under the U.S. Investment Company Act of 1940. Any resale or transfer of Shares in the United States or to a US Person may constitute a breach of U.S. law and require the prior written consent of the Board of Directors. Persons wishing to subscribe to Shares will have to certify in writing that they are not U.S. Persons.

The distribution of this Prospectus in some jurisdictions may require the translation of this Prospectus into the languages specified by the regulatory authorities of those jurisdictions. In case of inconsistency between the translated and the English version of this Prospectus, the English version shall prevail.

The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing. In particular, anti-money laundering measures in force in Luxembourg require the Fund or its agent to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the relationship on an ongoing basis. Failure to provide information or documentation may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisers to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion, or disposal of the Shares of the Fund.

THE VALUE OF THE SHARES MAY FALL AS WELL AS RISE AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INITIALLY INVESTED. INVESTING IN THE FUND INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL.

2. DIRECTORY

Registered office of the Fund

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

Administrator

CACEIS Bank, Luxembourg Branch
5, allée Scheffer, L-2520, Luxembourg
Grand Duchy of Luxembourg

Board of Directors

Géraldine Bosshart
Brodard Legal counsel,
vice-president, Banque
Bonhôte & Cie S.A.

Investment Manager

Banque Bonhôte & Cie S.A.
2, quai Ostervald
2000 Neuchâtel, Switzerland

Steve Métrallet Independent director

Olivia Tournier-Demal
Independent director

Management Company

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

Sub-Investment Managers

Zhong Ou Asset Management International Limited
9/F, 80 Gloucester Road, Wan Chai,
Hong Kong

Board of Directors of the Management Company

Gianluigi Sagramoso (Chairman)
Carlo Sagramoso
Philippe Meloni

Auditor

PricewaterhouseCoopers, *société coopérative*
2, rue Gerhard Mercator, L-2182 Luxembourg
Grand Duchy of Luxembourg

Conducting officers of the Management Company

Jean Philippe Claessens
Alexandre Dumont
Philippe Meloni Armelle
Moulin
Gilles Roland

Legal adviser as to matters of Luxembourg law

Arendt & Medernach S.A.
41A, avenue J.F.
Kennedy L-2082
Luxembourg
Grand Duchy of Luxembourg

Depositary and Paying Agent

CACEIS Bank, Luxembourg Branch
5, allée Scheffer, L-2520, Luxembourg
Grand Duchy of Luxembourg

3. DEFINITIONS

1915 Law	the Luxembourg law of 10 August 1915 on commercial companies, as may be amended from time to time.
1993 Law	the Luxembourg law of 5 April 1993 on the financial sector, as may be amended from time to time.
2004 Law	the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time.
2010 Law	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
Administration Agreement	the central administration agreement entered into between the Fund, the Management Company and the Administrator governing the appointment of the Administrator, as may be amended or supplemented from time to time.
Administrator	the central administration, registrar and transfer agent appointed by the Management Company and the Fund in accordance with the provisions of the 2010 Law and the Administration Agreement, as identified in the Directory.
Anti-Dilution Levy	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Anti-Dilution Threshold	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Annual Report	the report issued by the Fund as of the end of the latest financial year in accordance with the 2010 Law.
Articles of Association	the articles of association of the Fund, as may be amended from time to time.
Board of Directors	the board of directors of the Fund.
Brussels I (Recast)	Regulation (EU) No 1215/2015 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).
Business Day	Unless otherwise provided in the relevant Supplement, every full day of the week when the banks are open throughout the day in Luxembourg.

Capitalisation Shares	Shares with respect to which the Fund does not intend to distribute dividends.
China A Shares	shares denominated in Renminbi and issued by companies in the PRC and listed on PRC stock exchanges (the Shanghai Stock Exchange and the Shenzhen Stock Exchange)
China B Shares	shares denominated in Renminbi and traded in Hong Kong dollar or US dollar and issued by companies in the PRC and listed on PRC stock exchanges (the Shanghai Stock Exchange and the Shenzhen Stock Exchange)
China H Shares	shares denominated in Hong Kong dollar and issued by companies in the PRC and listed on the Hong Kong Stock Exchange.
Conversion Day	the day or days on which Original Shares may be converted into New Shares, being a day which is a Redemption Day for the Original Shares and, if that day is not a Subscription Day for the New Shares, the day which is the immediately following Subscription Day for the New Shares, provided that the Cut-Off Time for a Conversion Day shall be the earlier of the Cut-Off Time for redemption of the Original Shares on that Redemption Day and the Cut-Off Time for subscription to the New Shares on that Subscription Day. For the avoidance of doubt, the Conversion Day may be a different day for the Original Shares and the New Shares.
Conversion Fee	a fee which the Fund may charge upon conversion of Shares and which is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.
Conversion Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the conversion of all or part of his Shares.
CRS	the Common Reporting Standard, within the meaning of the Standard for Automatic Exchange of Financial Account Information in Tax Matters, as set out in the Luxembourg law on the Common Reporting Standard.
CSSF	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector.
CSSF Circular 16/644	the CSSF Circular 16/644 of 11 October 2016 concerning the provisions applicable to depositaries of UCITS subject to Part I of the 2010 Law and to all UCITS, as the case may be, represented by their management company.
Currency Hedged Share Classes	Share Classes for which a currency hedging strategy is implemented, as further described in the Prospectus. Currency Hedged Share Classes are identified in the Supplements.

Cut-Off Time	for any Subscription Day, Redemption Day or Conversion Day, the day and time by which an application for subscription, redemption or conversion, as applicable, must in principle be received by the Fund in order for the application to be processed, if accepted, by reference to the Net Asset Value per Share calculated as of that Subscription Day, Redemption Day or Conversion Day, as applicable. The Cut-Off Time is specified for each Sub-Fund or Share Class in the Supplement.
Depository	the depository bank appointed by the Fund in accordance with the provisions of the 2010 Law and the Depository Agreement, as identified in the Directory.
Depository Agreement	the agreement entered into between the Fund, the Management Company and the Depository governing the appointment of the Depository, as may be amended or supplemented from time to time.
Directive 2004/39/EC	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as may be amended from time to time.
Directive 2005/60/EC	Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing as may be amended from time to time.
Directive 2006/48/EC	Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast), as may be amended from time to time.
Directive 2009/65/EC or the UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast), as may be amended from time to time.
Directive 2013/34/EU	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as may be amended from time to time.
Distribution Shares	Shares with respect to which the Fund intends to distribute dividends and which confer on their holder the right to receive such dividends, if and when declared by the Fund.
Distributors	intermediaries appointed by the Management Company to distribute the Shares.
Eligible Investor	an investor who satisfies all eligibility requirements for a specific Sub-Fund or Share Class, as specified for the Sub-Fund or Share Class in the Supplement.

ESMA	the European Securities and Markets Authority.
EU	the European Union.
EUR	the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
FATCA	the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA).
Fund	Convergence Lux.
High Water Mark	the higher of (i) the last highest Net Asset Value per Share for which a Performance Fee was paid, and (ii) the first Net Asset Value per Share.
Initial Offer	the first day or period on or during which Shares of a Share Class will be or were available for subscription.
Initial Offer Price	the price at which Shares may be subscribed for on or during the Initial Offer.
Institutional Investor	an institutional investor as defined for the purposes of the 2010 Law and by the administrative practice of the CSSF.
Investment Management Agreement	the agreement entered into between the Fund, the Management Company and the Investment Manager governing the appointment of the Investment Manager, as may be amended or supplemented from time to time.
Investment Manager	the investment manager appointed by the Management Company with the consent of the Fund in accordance with the provisions of the 2010 Law and the Investment Management Agreement, as identified in the Directory.
Investment Manager Fee	the fee payable by the Fund to the Investment Manager under the Investment Management Agreement, as described in section 9.3 (Investment Manager Fee) of this Prospectus.
Lugano Convention	the Convention of Lugano of 30 October 2007 on jurisdiction and the enforcement of judgments in civil and commercial matters.
Management Company	the management company appointed by the Fund in accordance with the provisions of the 2010 Law and the Management Company Services Agreement, as identified in the Directory.
Management Company Services Agreement	the agreement entered into between the Fund and the Management Company governing the appointment of the Management Company, as may be amended or supplemented from time to time.

Management Fee	the fee payable by the Fund to the Management Company under the Management Company Agreement, as described in section 9.2 (Management Fee) of this Prospectus.
Member State	a State that is a contracting party to the Agreement creating the European Union. The States that are contracting parties to the Agreement creating the European Economic Area, other than the Member States of the European Union, within the limits set forth by such Agreement and related acts, are considered as equivalent to Member States of the European Union.
Money Market Instrument	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
Net Asset Value	as the context indicates, the net asset value of the Fund, a Sub-Fund, or a Share Class determined in accordance with the provisions of this Prospectus.
Net Asset Value per Share	the Net Asset Value of a Share Class in a Sub-Fund divided by the total number of Shares of that Share Class which are in issue as of the Valuation Day for which the Net Asset Value per Share is calculated.
New Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
Non-Member State	any State, other than a Member State, in Europe, America, Africa, Asia or Oceania.
OECD	the Organisation for Economic Cooperation and Development.
Original Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
Paying Agent	the paying agent appointed by the Fund, as identified in the Directory.
Performance Fee	the fee which may be payable to the Investment Manager depending on the performance of certain Sub-Funds or Share Classes, where applicable, as described in section 9.4 (Performance Fee) of this Prospectus.
PRC or China	People's Republic of China (excluding the Hong Kong and Macau Special Administration Regions and Taiwan). The term "Chinese" shall be construed accordingly.
Prohibited Person	any person considered as a Prohibited Person in the opinion of the Board of Directors according to the criteria set out in the Articles of Association and section 7.10 (Prohibited Persons) of the Prospectus.
Prospectus	this prospectus including all Supplements, as may be amended from time to time.

Redemption Day	a Valuation Day on which Shares may be redeemed by the Fund at a Redemption Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Redemption Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit redemptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.
Redemption Fee	a fee which the Fund may charge upon redemption of Shares, equal to a percentage of the Redemption Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Redemption Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the redemption of all or part of his Shares.
Redemption Price	the price at which the Fund may redeem Shares on a Redemption Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Redemption Day and in accordance with the provisions of this Prospectus.
Redemption Settlement Period	the period of time, as specified for each Sub-Fund or Share Class in the Supplement, by the end of which the Fund will normally pay the Redemption Price (less any Redemption Fee) to redeeming investors, subject to the provisions of this Prospectus.
Reference Currency	as the context indicates, (i) in relation to the Fund, the Euro, or (ii) in relation to a Sub-Fund, the currency in which the assets and liabilities of the Sub-Fund are valued and reported, as specified in each Supplement, or (iii) in relation to a Sub-Fund or Share Class, the currency in which the Shares of that Sub-Fund or Share Class are denominated, as specified in each Supplement.
Regulated Market	a regulated market within the meaning of Directive 2004/39/EC.
Semi-Annual Report	the report issued by the Fund as of the first half of the current financial year in accordance with the 2010 Law.
SFTR	the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse, as may be amended from time to time.
Share Class	a class of Shares of a Sub-Fund created by the Board of Directors, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus. For the purposes of this Prospectus, each Sub-Fund shall be deemed to comprise at least one Share Class.
Shares	shares of a Sub-Fund or Share Class issued by the Fund.

Stock Connect	the mutual market access program through which non-PRC investors can deal in select securities listed on a PRC stock exchange, currently the Shanghai Stock Exchange and Shenzhen Stock Exchange, through a platform organized by the Hong Kong Stock Exchange and a broker and a clearing house based in Hong Kong and PRC domestic investors can deal in select securities listed on the Hong Kong Stock Exchange through a platform put in place by a PRC stock exchange, currently the Shanghai Stock Exchange and Shenzhen Stock Exchange.
Sub-Fund	a Sub-Fund of the Fund, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus.
Sub-Investment Manager	any sub-investment manager appointed by the Investment Manager the Sub-Investment Management Agreement, as identified in the Directory and disclosed in each supplement relating to each Sub-Fund.
Subscription Day	a Valuation Day on which investors may subscribe for Shares at a Subscription Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Subscription Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit subscriptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.
Subscription Fee	a fee which the Fund may charge upon subscription for Shares, equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Subscription Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to make an initial and/or additional application for subscription to Shares.
Subscription Price	the price at which investors may subscribe for Shares on a Subscription Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Subscription Day and in accordance with the provisions of this Prospectus.
Subscription Settlement Period	the period of time by the end of which the subscriber is required to pay the Subscription Price (plus any Subscription Fee) to the Fund. The Subscription Settlement Period is specified for each Sub-Fund or Share Class in the Supplement.
Supplement	the supplement(s) to this Prospectus for each specific Sub-Fund, which form part of this Prospectus.
Sustainability Factor	means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
Sustainability Risk	means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by a Sub-Fund.

Swing Factor	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Swing Threshold	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Target Sub-Fund	a Sub-Fund into which another Sub-Fund has invested in accordance with the provisions of this Prospectus.
Transferable Security	shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.
UCI	undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in transferable securities and other liquid financial assets.
UCITS	undertaking for collective investment in transferable securities.
UCITS Rules	the set of rules formed by the UCITS Directive, the 2010 Law, CSSF Circular 16/644 and any derived or connected EU or national act, statute, regulation, circular or binding guidelines.
US Person or United States Person	unless otherwise specified in this Prospectus, any United States Person as defined in Regulation S under the United States Securities Act of 1933, as amended. "United States Persons" or "US Persons" shall be construed accordingly. For the purposes of further clarity, the term US Person shall not include any person whose application has been approved by the Board of Directors in its sole discretion.
Valuation Day	A Business Day as on which the Net Asset Value per Share is calculated, as specified in the Supplement.

4. INVESTMENT STRATEGY AND RESTRICTIONS

Each Sub-Fund has a specific investment objective and policy described in its Supplement. The investments of each Sub-Fund must comply with the provisions of the 2010 Law. The investment restrictions and policies set out in this section apply to all Sub-Funds, without prejudice to any specific rules adopted for a Sub-Fund, as described in its Supplement where applicable. The Board of Directors may impose additional investment guidelines for each Sub-Fund from time to time, for instance where it is necessary to comply with local laws and regulations in countries where Shares are distributed. Each Sub-Fund should be regarded as a separate UCITS for the purposes of this section.

4.1 Authorised investments

4.1.1 The investments of each Sub-Fund must comprise only one or more of the following.

- (a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market.
- (b) Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognised and open to the public.
- (c) Transferable Securities and Money Market Instruments admitted to the official listing on a stock exchange in a Non-Member State or dealt in on another market in a Non-Member State which is regulated, operates regularly and is recognised and open to the public.
- (d) Recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or dealing on a Regulated Market or another regulated market referred to in paragraphs (a) to (c) of this section, and that such admission is secured within one year of issue.
- (e) Shares or units of UCITS or other UCI, whether or not established in a Member State, provided that the following conditions are satisfied:
 - such other UCI are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
 - the level of protection for shareholders or unitholders in such other UCI is equivalent to that provided for shareholders or unitholders in a UCITS, and in particular, the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
 - the business of the other UCI is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and

- no more than 10% of the assets of the UCITS or the other UCI whose acquisition is contemplated can, according to their constitutive documents, be invested in aggregate in shares or units of other UCITS or other UCI.
- (f) Deposits with credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, which are repayable on demand or have the right to be withdrawn and maturing in no more than twelve months.
- (g) Financial derivative instruments, including equivalent cash-settled instruments, listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (a) to (c) of this section, or financial derivative instruments dealt in over-the-counter (OTC) provided that:
- the underlying consists of assets covered by this section 4.1.1 including instruments with one or more characteristics of those assets, and/or financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objective;
 - the counterparties to OTC derivatives are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Fund.
- (h) Money Market Instruments other than those dealt in on a Regulated Market or on another regulated market referred to in paragraphs (a) to (c) of this section, provided that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and that such instruments are:
- (i) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong;
 - (ii) issued by an undertaking any securities of which are listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (a) to (c) of this section;
 - (iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
 - (iv) issued by other bodies provided that investments in such instruments are subject to investor protection equivalent to that set out in paragraphs (h)(i) to (h)(iii) of this section and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Directive

2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- 4.1.2 Each Sub-Fund may invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those identified in paragraphs (a) to (d) and (h) of section 4.1.1.
- 4.1.3 Each Sub-Fund may hold ancillary liquid assets. Such ancillary liquid assets are limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Law or for a period of time strictly necessary in case of unfavourable market conditions. Liquid assets held to cover exposure to financial derivative instruments do not fall under this restriction. The holding of such ancillary liquid assets is limited to 20% of the net assets of a Sub-Fund. Each Sub-Fund may exceptionally and temporarily breach the above mentioned 20% limit for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors, for instance in highly serious circumstances such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008
- 4.1.4 Each Sub-Fund may borrow up to 10% of its net assets on a temporary basis. Collateral arrangements to cover exposure to financial derivative instruments are not considered borrowings for the purposes of this restriction. Each Sub-Fund may also acquire foreign currency by means of a back-to-back loan.
- 4.1.5 The Fund may acquire movable and immovable property which is essential for the direct pursuit of its business. Each Sub-Fund may borrow up to 10% of its net assets for this purpose. However, the total amount of borrowing for this purpose and any borrowing on a temporary basis permitted by section 4.1.4 above may not exceed 15% of the net assets of the Sub-Fund.
- 4.1.6 Each Sub-Fund may invest into shares issued by other Sub-Funds of the Fund (called Target Sub-Funds) provided that, during the period of investment:
- (a) the Target Sub-Fund does not, in turn, invest in the investing Sub-Fund and no more than 10% of the net assets of the Target Sub-Fund may be invested in other Sub-Funds;
 - (b) the voting rights attached to such Shares of the Target Sub-Fund are suspended; and
 - (c) the value of such Shares of the Target Sub-Fund will not be taken into consideration for the calculation of the Net Asset Value of the Fund for the purposes of verifying the minimum threshold of net assets imposed by the 2010 Law.

4.2 **Prohibited investments**

- 4.2.1 The Sub-Funds may not acquire commodities or precious metals or certificates representing them or hold any right or interest therein. Investments in financial instruments linked to, or backed by the performance of, commodities or precious metals, or any right or interest therein, do not fall under this restriction.

- 4.2.2 Except as set out in section 4.1.5, the Sub-Funds may not invest in real estate or hold any right or interest in real estate. Investments in financial instruments linked to, or backed by the performance of, real estate or any right or interest therein, or shares or debt instruments issued by companies which invest in real estate or interests therein, do not fall under this restriction.
- 4.2.3 The Sub-Funds may not grant loans or guarantees in favour of a third party. Such restriction will not prevent any Sub-Fund from investing in Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1 which are not fully paid-up. Furthermore, such restriction will not prevent any Sub-Fund from entering into repurchase agreements, buy-sell back transactions or securities lending transactions as described in section 4.6 (Efficient portfolio management techniques and instruments) below.
- 4.2.4 The Sub-Funds may not enter into uncovered sales of Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1.

4.3 Risk diversification limits

- 4.3.1 If an issuer or body is a legal entity with multiple sub-funds or compartments where the assets of each sub-fund or compartment are exclusively reserved to the investors of that sub-fund or compartment and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund or compartment, each sub-fund or compartment is to be considered as a separate issuer or body for the purpose of the application of these risk diversification limits.

Transferable Securities and Money Market Instruments

- 4.3.2 No Sub-Fund may purchase additional Transferable Securities or Money Market Instruments of any single issuer if, upon such purchase:
- (a) more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of such issuer; or
 - (b) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of its net assets.
- 4.3.3 The limit of 10% set out in section 4.3.2(a) is increased to 25% in respect of qualifying debt securities (i) which were issued before 8 July 2022 and are issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities, and (ii) which fall under the definition of covered bonds under point (1) of Article 3 of Directive (EU)

2019/2162 of the European Parliament and of the Council ("**Covered Bonds**"). In particular, the proceeds from the issue of Covered Bonds must be invested, in accordance with applicable law, in assets which are capable of covering claims attached to such bonds until their maturity and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of accrued interest. To the extent a Sub-Fund invests more than 5% of its net assets in Covered Bonds, the total value of such investments may not exceed 80% of its net assets. Covered Bonds are not included in the calculation of the limit of 40% set out in section 4.3.2(b).

4.3.4 The limit of 10% set out in section 4.3.2(a) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any non-Member State or by a public international body of which one or more Member States are members. Such securities are not included in the calculation of the limit of 40% set out in section 4.3.2(b).

4.3.5 **Notwithstanding the limits set out above, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one or more of its local authorities, by a member State of the OECD or the Group of Twenty (G20) such as the United States of America, by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China, or by a public international body of which one or more Member States are members, provided that the Sub-Fund holds in its portfolio securities from at least six different issues and that securities from any issue do not account for more than 30% of the net assets of the Sub-Fund.**

Financial derivative instruments and efficient portfolio management techniques

4.3.6 The counterparty risk exposure arising from OTC financial derivative instruments and efficient portfolio management techniques (as described below) undertaken with a single body for the benefit of a Sub-Fund may not exceed 10% of the net assets of the Sub-Fund where the counterparty is a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, or 5% of its net assets in other cases.

Bank deposits

4.3.7 Each Sub-Fund may invest up to 20% of its net assets in deposits made with a single body.

Combined limits

4.3.8 Notwithstanding the individual limits set out in sections 4.3.2 and 4.3.7, a Sub-Fund may not combine, where this would lead to an exposure of more than 20% of its net assets to a single body:

- (a) investments in Transferable Securities or Money Market Instruments issued by that body;
- (b) bank deposits made with that body; and
- (c) counterparty exposure arising from OTC financial derivative instruments and efficient portfolio management techniques (as described below) undertaken with that body.

4.3.9 The limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not be combined: investments in Transferable Securities or Money Market Instruments, bank deposits, counterparty exposure arising from OTC financial derivative instruments and efficient portfolio management techniques, issued by or undertaken with, a single issuer or body, each in accordance with the limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not exceed a total of 35% of the net assets of the Sub-Fund.

- 4.3.10 For the purposes of the combined limits set out in sections 4.3.8 and 4.3.9, issuers or bodies that are part of the same group of companies are considered as a single issuer or body. A group of companies comprises all companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules.

Sub-Fund replicating the composition of a financial index

- 4.3.11 Without prejudice to the limits laid down in section 4.4 (Control limits) below, the limits set out in section 4.3.2 are raised to 20% for investments in Transferable Securities or Money Market Instruments issued by a single issuer where the investment objective of the Sub-Fund is to replicate the composition of a certain financial index of stock or debt securities which is recognised by the CSSF.
- 4.3.12 The limit of 20% set out in the preceding section is raised to 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for a single issuer.
- 4.3.13 A financial index is an index which complies, at all times, with the following conditions: the composition of the index is diversified in accordance with the limits set out in sections 4.3.11 and 4.3.12, the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

Shares or units of UCITS or other UCI

- 4.3.14 Unless otherwise specified in its Supplement, no Sub-Fund is permitted to invest in aggregate more than 10% of its net assets in shares or units of UCITS or other UCI. If otherwise specified in its Supplement, the following limits will apply:
- (a) investments made in shares or units of a single other UCITS or other UCI may not exceed 20% of the net assets of the Sub-Fund; and
 - (b) investments made in shares or units of other UCI may not, in aggregate, exceed 30% of the net assets of the Sub-Fund.
- 4.3.15 The underlying assets of the UCITS or other UCI into which a Sub-Fund invests do not have to be combined with any other direct or indirect investment of the Sub-Fund into such assets for the purposes of the limits set out in section 4.3 (Risk diversification limits) above.
- 4.3.16 If a Sub-Fund invests in shares or units of UCITS or other UCI that are managed, directly or by delegation, by the Management Company or by any other company which is linked to the Management Company by common management or control, or by a substantial direct or indirect holding, the Management Company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares or units of such UCITS or other UCI.
- 4.3.17 If a Sub-Fund invests a substantial proportion of its assets in UCITS or other UCI, the Supplement will disclose the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the UCITS or other UCI in which it intends to invest. The Fund will disclose in the Annual Report the maximum proportion of management fees charged to both the Sub-Fund itself and the UCITS or other UCI in which the Sub-Fund invests.

Derogation

4.3.18 During the first six (6) months following its authorisation, a new Sub-Fund may derogate from the limits set out in this section 4.3 (Risk diversification limits) above, provided that the principle of risk-spreading is complied with.

4.4 Control limits

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

4.4.2 No Sub-Fund may acquire more than:

- (a) 10% of the non-voting shares of the same issuer;
- (b) 10% of the debt securities of the same issuer;
- (c) 10% of the Money Market Instruments of any single issuer; or
- (d) 25% of the shares or units of the same UCITS or other UCI.

4.4.3 The limits set out in section 4.4.2(b) to 4.4.2(d) may be disregarded at the time of acquisition if, at that time, the gross amount of the debt securities or Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

4.4.4 The limits set out in sections 4.4.1 to 4.4.2 do not apply in respect of:

- (a) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- (b) Transferable Securities and Money Market Instruments issued or guaranteed by any non-Member State;
- (c) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member States are members;
- (d) shares in the capital of a company which is incorporated under or organised pursuant to the laws of a non-Member State, provided that:
 - such company invests its assets principally in securities issued by issuers having their registered office in that State;
 - pursuant to the laws of that State, a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State; and
 - such company observes in its investments policy the restrictions set out in section 4.3 (Risk diversification limits) above (with the exceptions of sections 4.3.5 and 4.3.11 to 4.3.13) and sections 4.4.1 to 4.4.2;

- (e) shares held by the Fund in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of shareholders exclusively on its or their behalf.

4.5 Financial derivative instruments

4.5.1 General

Each Sub-Fund may use financial derivative instruments such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging or investment purposes, in accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement. The use of financial derivative instruments may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

Financial derivative instruments used by any Sub-Fund may include, without limitation, the following categories of instruments.

- (a) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of an underlying asset at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.
- (b) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.
- (c) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.
- (d) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.
- (e) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.
- (f) Credit default swaps: a credit default swap or CDS is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread.
- (g) Total return swaps: a total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

- (h) Contracts for differences: a contract for differences or CFD is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends.

Each Sub-Fund must hold at any time sufficient liquid assets to cover its financial obligations arising under financial derivative instruments used.

The global exposure of a Sub-Fund to financial derivative instruments and efficient portfolio management techniques may not exceed the Net Asset Value of the Sub-Fund, as further described in section 4.8 (Global exposure limits) below.

The exposure of a Sub-Fund to underlying assets referenced by financial derivative instruments, combined with any direct investment in such assets, may not exceed in aggregate the investment limits set out in section 4.3 (Risk diversification limits) above. However, to the extent a Sub-Fund invests in financial derivative instruments referencing financial indices as described in section 4.5.3, the exposure of the Sub-Fund to the underlying assets of the financial indices do not have to be combined with any direct or indirect investment of the Sub-Fund in such assets for the purposes of the limits set out in section 4.3 (Risk diversification limits) above.

Where a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account in complying with the risk diversification rules, global exposure limits and information requirements of this section 4 applicable to financial derivative instruments.

4.5.2 OTC financial derivative instruments

Each Sub-Fund may invest into financial derivative instruments that are traded 'over-the-counter' or OTC including, without limitation, total return swaps or other financial derivative instruments with similar

characteristics, in accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement.

The counterparties to OTC financial derivative instruments will be selected among financial institutions subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction. The identity of the counterparties will be disclosed in the Annual Report.

The Management Company uses a process for accurate and independent assessment of the value of OTC derivatives in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under OTC derivatives, the Sub-Fund may receive cash or other assets as collateral, as further specified in section 4.7 (Collateral policy) below.

Each Sub-Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager, the Sub-Investment Manager(s) or the Management Company, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in each Supplement.

4.5.3 Derivatives referencing financial indices

Each Sub-Fund may use financial derivative instruments to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in section 4.1 (Authorised investments) above and instruments with one or more characteristics of those assets, as well as interest rates, foreign exchange rates or currencies, other financial indices and/or other assets, such as commodities or real estate.

For the purposes of this Prospectus, a 'financial index' is an index which complies, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

4.6 Efficient portfolio management techniques and instruments

Each Sub-Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments, such as securities lending transactions, repurchase agreements and buy-sell back transactions, provided that such techniques and instruments are used for the purposes of efficient portfolio management, in accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement. The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under a securities lending transaction, repurchase agreements and buy-sell back transactions, the Sub-Fund will receive cash or other assets as collateral, as further specified in section 4.7 (Collateral policy) below.

Each Sub-Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Manager, the Sub-Investment Manager(s) or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary, the Investment Manager, the Sub-Investment Manager(s) or the Management Company, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in each Supplement. All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

4.6.1 Securities lending and Borrowing

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

Where specified in its Supplement, a Sub-Fund may enter into securities lending and/or borrowing transactions as lender or borrower of securities or instruments. Securities lending transactions are, in particular, subject to the following conditions:

- (a) the counterparty must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (b) a Sub-Fund may only lend securities or instruments to a borrower either directly, through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction; and
- (c) a Sub-Fund may only enter into securities lending transactions provided that it is entitled at any time, under the terms of the agreement, to request the return of the securities or instruments lent or to terminate the agreement.

At the date of this Prospectus, no Sub-Fund enters into securities lending and/or borrowing transactions. Should this be no longer the case, this Prospectus will be amended accordingly.

4.6.2 Repurchase agreements and buy-sell back transactions

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as

repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Buy-sell back transactions consist of transactions, not being governed by a repurchase agreement or a reverse repurchase agreement as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty selling them.

Where specified in its Supplement, a Sub-Fund may enter into repurchase agreements and/or buy-sell back transactions as buyer or seller of securities or instruments. Such transactions are, in particular, subject to the following conditions:

- (a) the counterparty must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law; and
- (b) the Sub-Fund must be able, at any time, to terminate the agreement or recall the full amount of cash in a reverse repurchase agreement or buy-sell back transaction (on either an accrued basis or a mark-to-market basis) or any securities or instruments subject to a repurchase agreement or sell-buy back transaction. Fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow cash or assets to be recalled at any time.

At the date of this Prospectus, no Sub-Fund enters into reverse repurchase and/or repurchase agreement transactions. Should this be no longer the case, this Prospectus will be amended accordingly.

4.6.3 Total Return Swap Agreements

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

In general, total return swaps are unfunded derivatives, i.e. no upfront payment is made by the total return receiver at inception. However, a total return swap can be traded in a fashion, where the total return receiver pays an upfront amount in return for the total return of the reference asset. An unfunded total return swap allows both parties to gain exposure to a specific asset in cost-effective manner (the asset can be held without having to pay additional costs). In contrast, a funded total return swap is relatively costlier due to the upfront payment requirement.

The counterparties will be financial institutions specialised in this type of transaction and subject to prudential regulation and supervision in an OECD member state. The counterparties must hold a rating of minimum BBB+.

Typically, investments in total return swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

The counterparties do not have discretionary power over the composition or management of the investment portfolio of the any Sub-Fund or over the underlying assets of the total return swap transaction.

Where specified in its Supplement, a Sub-Fund may enter into a total swap agreement. A Sub-Fund that enters into a total swap 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.

The expected amount of assets that can be subject to total return swap under normal circumstances and exceptional circumstances will be disclosed in the Sub-Fund supplement if such Sub-Fund enters into total return swap transactions.

All revenues arising from TRS, net of direct and indirect operational costs and fees, will be returned to the relevant Sub-Fund. Neither the Investment Manager nor the Sub-Investment Managers do receive any of the revenues of total return swaps transactions.

4.7 Collateral policy

This section sets out the policy adopted by the Fund for the management of collateral received for the benefit of each Sub-Fund in the context of OTC financial derivatives instruments and efficient portfolio management techniques (securities lending transactions, repurchase agreements, and buy-sell back transactions). All cash or assets received by a Sub-Fund in the context of efficient portfolio management techniques will be considered as collateral for the purposes of this section.

4.7.1 Eligible collateral

Collateral received for the benefit of a Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. In particular, collateral received for the benefit of a Sub-Fund should comply with the following conditions:

- (a) collateral other than cash should be of high quality, 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;
- (b) collateral should be valued at least on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further specified below;
- (c) collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) collateral should be sufficiently diversified in terms of countries, markets and issuers. The maximum exposure of a Sub-Fund to any given issuer included in the basket of collateral received is limited to 20% of the net assets of the Sub-Fund. When the Sub-Fund is exposed to different counterparties, collateral received should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, this limit may be exceeded and up to 100% of the collateral received by a Sub-Fund may consist in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one or more of its local authorities, by a member State of the OECD or the Group of Twenty (G20) such as the United States of America, by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China, or by a public international body of which one or more Member States are members, provided that such securities or instruments are part of a basket of collateral comprised of securities or instruments of at least six different issues and that securities or instruments from any one issue do not account for more than 30% of the net assets of the Sub-Fund;
- (e) where there is a title transfer, collateral received should be held by the Depositary or one of its sub-custodians to which the Depositary has delegated the custody of such collateral. For other types of collateral arrangement (e.g., a pledge), collateral can be held by a third-party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral;
- (f) collateral should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty; and
- (g) where applicable, collateral received should also comply with the control limits set out in section 4.4 (Control limits) above.

Subject to the above conditions, permitted forms of collateral include:

- (a) cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) bonds issued or guaranteed by a Member State, any other member state of the OECD or their local public authorities, by supranational institutions and undertakings with an EU, regional or worldwide scope;
- (c) shares or units issued by money market UCI calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

- (d) shares or units issued by other UCITS investing mainly in bonds and/or shares identified in items (e) and (f) below;
- (e) bonds issued or guaranteed by first class issuers offering adequate liquidity; and
- (f) shares admitted to or dealt in on a Regulated Market or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

4.7.2 Level of collateral

The level of collateral required for OTC financial derivatives transactions and efficient portfolio management techniques will be determined as per the agreements in place with the individual counterparties, taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Prospectus.

The counterparty risk in OTC financial derivative transactions combined with the risk arising from other effective portfolio management techniques must not exceed 10% of the assets of a given Sub-Fund when the counterparty is a credit institution, or 5% of its assets in other cases.

4.7.3 Haircut policy

Collateral will be evaluated, on a daily basis, pursuant to section 8 (Valuation and net asset value calculation). The Fund will, however, apply appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Fund as detailed below. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

OTC derivative instruments	
Type of collateral received	Haircut
Cash	0-10%
Shares	0-10%
Government Bonds ⁽¹⁾	0-10%
Securities lending	
Type of collateral received	Haircut
Shares	0-10%
Government Bonds ⁽²⁾	0-10%
Cash ⁽³⁾	0-10%
Repo / Reverse Repo	
Type of collateral received	Haircut
Shares	0-10%
Government Bonds ⁽²⁾	0-10%

- (1) issued or guaranteed by OECD Member States
- (2) issued or guaranteed by OECD Member States or by their regional or local authorities or by good quality supranational institutions and organisations
- (3) in the same currency as the securities lent

4.7.4 **Stress tests**

Where a Sub-Fund receives collateral for at least 30% of its assets, regular stress tests will be carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy includes, without limitation, (i) design of stress test scenario analysis including calibration, certification and sensitivity analysis; (ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates; (iii) reporting frequency and limit/loss tolerance thresholds; and (iv) mitigation actions to reduce loss, including haircut policy and gap risk protection.

4.7.5 **Reinvestment of collateral**

Non-cash collateral received for the benefit of a Sub-Fund may not be sold, re-invested or pledged. Cash collateral received for the benefit of a Sub-Fund can only be:

- (a) placed on deposit with a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (b) invested in high-quality government bonds;
- (c) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; and/or
- (d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds issued by ESMA (CESR/10-049) as may be amended from time to time.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above. Re-investment of cash collateral involves certain risks for the Sub-Fund, as described in section 5 (General risk factors) below.

4.7.6 **Centrally cleared OTC derivatives**

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Generally, centrally-cleared OTC derivatives may be cleared under the agency model or the principal-to-principal model. Under the principal-to-principal model there is usually one transaction between the Fund and its clearing broker and another back-to-back transaction between the clearing broker and the central counterparty, whereas under the agency model there is one transaction between the Fund and the central counterparty. For these trades, the Fund will post and/or receive collateral for the benefit of a Sub-Fund in the form of margin payments, as agreed with the clearing broker in accordance with the rules of the applicable clearinghouse, including rules on acceptable forms of collateral, collateral level, valuation and haircuts. The Fund will ensure that variation margin receivable from the clearing broker is consistent with its collateral policy. Central clearing is designed to reduce counterparty credit risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely, as described in section 5.5.1 (OTC financial derivative instruments) below.

4.8 **Global exposure limits**

4.8.1 **General**

In accordance with Luxembourg laws and regulations, the Management Company has adopted and implemented a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Sub-Fund.

The global exposure of a Sub-Fund to financial derivative instruments and efficient portfolio management techniques may not exceed the Net Asset Value of the Sub-Fund. Global exposure is calculated, at least on a daily basis, using either the commitment approach or the value-at-risk or "VaR" approach, as further explained below. Global exposure is a measure designed to limit either the incremental exposure and leverage generated by a Sub-Fund through the use of financial derivative instruments and efficient portfolio management techniques (where the Sub-Fund uses the commitment approach) or the market risk of the Sub-Fund's portfolio (where the Sub-Fund uses the VaR approach). The method used by each Sub-Fund to calculate global exposure is mentioned in its Supplement.

4.8.2 **Commitment approach**

Under the commitment approach, all financial derivative positions of the Sub-Fund are converted into the market value of the equivalent position in the underlying assets. Netting and hedging arrangements may be taken into account when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Under this approach, the global exposure of a Sub-Fund is limited to 100% of its Net Asset Value.

4.8.3 **VaR approach**

In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR measures the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The calculation of VaR is conducted on the basis of a one-sided confidence interval of 99% and a holding period of 20 days. The exposure of the Sub-Fund is subject to periodic stress tests.

VaR limits are set using an absolute or relative approach. The Management Company and the Board of Directors will decide which VaR approach is the most appropriate methodology given the risk profile and investment strategy of the Sub-Fund. The VaR approach selected for each Sub-Fund using VaR is specified in its Supplement.

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark for the Sub-Fund (for instance, where the Sub-Fund has an absolute return target). Under the absolute VaR approach a limit is set as a percentage of the Net Asset Value of the Sub-Fund. Based on the above calculation parameters, the absolute VaR of each Sub-Fund is limited to 20% of its Net Asset Value. The Management Company may set a lower limit if appropriate.

The relative VaR approach is generally appropriate for Sub-Funds where a leverage-free VaR benchmark or reference portfolio may be defined, reflecting the investment strategy of the Sub-Fund. The relative VaR of a Sub-Fund is expressed as a multiple of the VaR of the defined benchmark or reference portfolio and is limited to no more than twice the VaR on that benchmark or reference portfolio. The VaR benchmark or reference portfolio of the Sub-Fund, which may be different from the benchmark used for other purposes, is specified in its Supplement.

4.9 **Leverage**

Unless otherwise indicated in its Supplement, a Sub-Fund may use leverage to increase its exposure through the use of financial derivative instruments. Leverage may be used at the discretion of the Investment Manager or the Sub-Investment Manager(s) in accordance with the investment objective and policy of each Sub-Fund and its defined risk profile. Leverage involves certain risks for the Sub-Fund, as further described in section 5 (General risk factors) below. Leverage is monitored on a regular basis by the Management Company.

Under applicable laws and regulations, the level of leverage is defined as the sum of the absolute value of the notional amount of all financial derivative instruments used by the Sub-Fund, as well as any additional exposure generated by the reinvestment of cash collateral in relation to efficient portfolio management techniques. For each Sub-Fund using the VaR approach to calculate and monitor its global exposure, the expected level of leverage, expressed as a percentage of the Net Asset Value of the Sub-Fund, is disclosed in the Supplement.

The above methodology based on the "sum of notionals" is mandatory under applicable laws and regulations. It does not allow for the offset of hedging transactions and other risk mitigation strategies involving financial derivative instruments, such as currency hedging or duration management. Similarly, this methodology does not allow for the netting of derivative positions and does not make any distinction between short term and long-term assets. As a result, strategies that aim to reduce risks may contribute to an increased level of leverage for the Sub-Fund.

4.10 **Breach of investment limits**

The Sub-Funds need not comply with the limits set out above in this section 4 when exercising subscription rights attached to Transferable Securities and Money Market Instruments which form part of its assets.

If the limits set out above in this section 4 are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective in its sales transactions the remedying of that situation, taking due account of the interest of investors.

5. **GENERAL RISK FACTORS**

The performance of the Shares depends on the performance of the investments of the Sub-Fund, which may increase or decrease in value. The past performance of the Shares is not an assurance or guarantee of future performance. The value of the Shares at any time could be significantly lower than the initial investment and investors may lose a portion or even the entire amount originally invested.

Investment objectives express an intended result only. Unless otherwise specified in a Supplement, the Shares do not include any element of capital protection and the Fund gives no assurance or guarantee to any investors as to the performance of the Shares. Depending on market conditions and a variety of other factors outside the control of the Fund, investment objectives may become more difficult or even impossible to achieve. The Fund gives no assurance or guarantee to any investors as to the likelihood of achieving the investment objective of a Sub-Fund.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisors to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws

of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

Investors should also carefully consider all of the information set out in this Prospectus and the Supplement of the Sub-Fund before making an investment decision with respect to Shares of any Sub-Fund or Share Class. The following sections are of general nature and describe certain risks that are generally relevant to an investment in Shares of any Sub-Fund or Share Class. Other risks may be described in the Supplement. This section and the Supplements do not purport to be a complete explanation of all risks involved in an investment in the Shares of any Sub-Fund or Share Class and other risks may also be or become relevant from time to time.

5.1 Market risk

Market risk is understood as the risk of loss for a Sub-Fund resulting from fluctuation in the market value of positions in its portfolio attributable to changes in market variables, such as general economic conditions, interest rates, foreign exchange rates, or the creditworthiness of the issuer of a financial instrument. This is a general risk that applies to all investments, meaning that the value of a particular investment may go down as well as up in response to changes in market variables. Although it is intended that each Sub-Fund will be diversified with a view to reducing market risk, the investments of a Sub-Fund will remain subject to fluctuations in market variables and the risks inherent in investing in financial markets.

5.1.1 Investment in Emerging Markets

Potential investors should be aware that investment in emerging markets such as China, India, Russia, Africa and the Middle East may involve, due to the economic and political development process which some of these countries are undergoing, a higher degree of risk which could adversely affect the value of the investments.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, in addition to the possibility of expropriation of assets, confiscatory taxation which could affect the investments in those countries. The assets of Sub-Funds investing in such markets, as well as the income derived from the Sub-Fund, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of Shares of these Sub-Funds may be subject to significant volatility. Also, there might be restrictions on the repatriation of the capital invested.

Some of these markets may offer less publicly available information about certain financial instruments than some investors would find customary and entities in these markets any is not subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well-defined tax laws and procedures than in countries with more developed securities markets.

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

Moreover, settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the "Counterparties") through whom the relevant transaction is effected might result in a loss being suffered by the Sub-Funds investing in emerging market securities.

The Fund will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Fund will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries. There may also be a danger that, due to uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

It must also be borne in mind that companies are selected regardless of their market capitalization (micro, small, mid, large caps), sector or geographical location. This may lead to a concentration in geographical or sector terms. In this respect, Investors are informed that, in some Eastern European countries uncertainties regarding the ownership of properties exists. As a result, investing in transferable securities issued by companies holding ownership of such Eastern European properties may be subject to increased risk.

5.1.2 Economic risk

The value of investments held by a Sub-Fund may decline in value due to factors affecting financial markets generally, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The value of investments may also decline due to factors affecting a particular, industry, area or sector, such as changes in production costs and competitive conditions. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict. When the economy performs well, there can be no assurance that investments held by a Sub-Fund will benefit from the advance.

5.1.3 Interest rate risk

The performance of a Sub-Fund may be influenced by changes in the general level of interest rates. Generally, the value of fixed income instruments will change inversely with changes in interest rates: when interest rates rise, the value of fixed income instruments generally can be expected to fall and vice versa. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. In accordance with its investment objective and policy, a Sub-Fund may attempt to hedge or reduce interest rate risk, generally through the use of interest rate futures or other derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

5.1.4 Foreign exchange risk

Each Sub-Fund investing in securities denominated in currencies other than its Reference Currency may be subject to foreign exchange risk. As the assets of each Sub-Fund are valued in its Reference Currency, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in such other currencies. Foreign exchange exposure may increase the volatility of investments relative to investments denominated in the Reference Currency. In accordance with its investment objective and policy, a Sub-Fund may attempt to hedge or reduce foreign exchange risk, generally through the use of derivatives. However, it

may not be possible or practical to hedge or reduce such risk at all times.

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-Fund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-Fund. Currency Hedged Share Classes seek to limit

the impact of such fluctuations through currency hedging transactions. However, there can be no assurance that the currency hedging policy will be successful at all times. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-Fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

5.1.5 Credit risk

Sub-Funds investing in fixed income instruments will be exposed to the creditworthiness of the issuers of the instruments and their ability to make principal and interest payments when due in accordance with the terms and conditions of the instruments. The creditworthiness or perceived creditworthiness of an issuer may affect the market value of fixed income instruments. Issuers with higher credit risk typically offer higher yields for this added risk, whereas issuers with lower credit risk typically offer lower yields. Generally, government debt is considered to be the safest in terms of credit risk, while corporate debt involves a higher credit risk. Related to that is the risk of downgrade by a rating agency. Rating agencies are private undertakings providing ratings for a variety of fixed income instruments based on the creditworthiness of their issuers. The agencies may change the rating of issuers or instruments from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the market value of the affected instruments.

5.1.6 Commodities risk

Where specified in the Supplements, certain Sub-Funds may invest in instruments providing exposure to the commodities market, including financial derivative instruments referencing commodities indices and financial instruments or funds linked to, or backed by the performance of, commodities. Investments in derivatives related to commodities can be highly volatile: market prices of commodities derivatives may fluctuate rapidly. The price of commodities derivatives may fluctuate based on numerous factors, including changes in supply and demand (whether actual or perceived, anticipated or unanticipated) and other trading considerations generally or in the relevant commodity, domestic and international political, monetary and economic events and policies, and other public or private policies, actions or inactions, natural events such as weather conditions, agricultural factors, diseases, or technological developments. The current or "spot" prices of commodities may also affect the prices of futures contracts in respect of the relevant commodity.

5.1.7 Volatility

The volatility of a financial instrument is a measure of the variations in the price of that instrument over time. A higher volatility means that the price of the instrument can change significantly over a short time period in either direction. Each Sub-Fund may make investments in instruments or markets that are likely to experience high levels of volatility. This may cause the Net Asset Value per Share to experience significant increases or decreases in value over short periods of time.

5.1.8 Leverage

Leverage refers to the use of borrowed funds or financial derivative instruments to increase exposure to an asset in excess of the capital amount invested in that asset. Each Sub-Fund is subject to strict restrictions on borrowings which are generally not permitted for investment purposes. However, in accordance with its investment objective and policy, a Sub-Fund may use financial derivative

instruments to gain additional market exposure to underlying assets in excess of its Net Asset Value, thereby creating a leverage effect. While leverage presents opportunities for increasing gains of a Sub-Fund, it also has the effect of potentially increasing losses incurred by the Sub-Fund. The maximum expected level of leverage of each Sub-Fund calculating its global exposure under the VaR approach is disclosed in the Supplement. For regulatory purposes, leverage must be calculated by reference to the gross notional amounts of the derivatives used. This calculation method does not take into account the market risk and volatility of the underlying assets. A relatively high notional amount may be required in order to achieve the desired level of exposure to the underlying assets. This may be the case in particular for short-term interest rate derivatives to the extent their sensitivity to interest rate changes is low relative to other assets.

5.1.9 Short positions

Certain Sub-Funds may use financial derivative instruments such as swaps, futures and forwards in order to obtain a short exposure to certain securities or other assets. A synthetic short position replicates the economic effect of a transaction in which a fund sells a security or asset it does not own but has borrowed, in anticipation that the market price of that security or asset will decline. When a Sub-Fund initiates such a synthetic short position in a security or asset that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. If the price of the security or asset on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-fund will incur a loss; conversely, if the price declines, the Sub-Fund will realise a gain. Any gain will be decreased and any loss increased by transactional costs and fees. Although a Sub-Fund's gain is limited to the price at which it opened the synthetic short position, its potential loss may be substantially higher. Stop loss policies are typically employed to limit losses. Each Sub-Fund is required to maintain sufficiently liquid assets to cover any obligations arising from its short positions at any time.

5.1.10 Investment in the PRC securities markets

Investing in the securities markets in the PRC such as China A Shares, China B Shares or China H Shares may be made using any permissible means pursuant to any prevailing regulations, including through the Stock Connect, the Hong Kong Stock Exchange, the Qualified Foreign Investor ("QFI") status and/or any other eligible means.

Such investment is subject to the risks of investing in emerging markets generally and the risks specific to the China market in particular, without prejudice, where applicable, to the specific risks related to the use of Stock Connect and/or QFI scheme, and disclosed below.

Since 1978, the PRC government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy, moving from the previous planned economy system. However, many of the economic measures are experimental or unprecedented and may be subject to adjustment and modification. Any significant change in PRC's political, social or economic policies may have a negative impact on investments in the China market.

The regulatory and legal framework for capital markets in the PRC are still in developing stage when compared with those of developed countries.

Companies in the PRC are required to follow the Chinese accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accounts following the Chinese accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Currently, PRC entities are undergoing reform with the intention of increasing liquidity of debt and equity instruments. However, the effects of such reform on the PRC debt and equity markets as a whole remain to be seen.

Investors should also be aware that changes in the PRC taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of the Fund. Laws governing taxation will continue to change and may contain conflicts and ambiguities.

Market volatility and potential lack of liquidity in PRC debt and/or equity markets may result in prices of securities traded on such markets fluctuating significantly, thereby causing volatility in the net asset value of the relevant Sub-Fund.

5.1.11 Investment through Stock Connect

Some of the Sub-Funds may seek exposure to stocks issued by companies listed on PRC stock exchanges via the Stock Connect (Shanghai-Hong Kong and/or the Shenzhen-Hong Kong Stock Connect). Stock Connect is a trading program that links stock markets in PRC and Hong Kong and may be subject to additional risk factors. Investors in Hong Kong and Mainland China can trade and settle shares listed on the other market via the exchange and clearing house in their home market. Stock Connect is subject to quota limitations, which may restrict a Sub-Fund's ability to deal via Stock Connect on a timely basis. This may impact that Sub-Fund's ability to implement its investment strategy effectively. Investors should note that a security may be recalled from the scope of Stock Connect. This may adversely affect the Sub-Fund's ability to meet its investment objective, e.g. when it wishes to purchase a security which is recalled from the scope of Stock Connect. Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices. Foreign shareholding restrictions and disclosure obligations are also applicable to China A Shares. The Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares. The Investment Manager is solely responsible for compliance with all notifications, reports and relevant requirements in connection with their interests in China A Shares. Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on the Shanghai Stock Exchange, the investor is required to disclose its interest within three working days and during which it cannot trade the shares of that company. The investor is also required to disclose any change in its shareholding and comply with related trading restrictions in accordance with the Mainland China rules. According to existing Mainland China practices, the Fund as beneficial owners of China A Shares traded via Stock Connect cannot appoint a proxy to attend shareholders' meetings on its behalf.

Transactions using Stock Connect are not covered by any local investor compensation fund or scheme.

The Sub-Funds, whose Reference Currency is not RMB, may also be exposed to currency risk due to the need for the conversion into RMB for investments China A Shares traded via Stock Connect.

The Sub-Funds investing in China A Shares trading through Stock Connect are further subject to legal and beneficial ownership risks, clearing and settlement risks, trading suspension risk, differences in trading day risks, operational risks and regulatory risks.

5.1.12 QFI Regime Risks

The Fund may invest in PRC Securities through institutions that have obtained the QFII status or through institutions that have obtained the RQFII status in the PRC, collectively QFIs. Certain restrictions imposed on QFIs will apply. Furthermore, the QFI regime is governed by rules and regulations as promulgated by the PRC Chinese authorities, i.e., the CSRC, the SAFE and the PBOC, see in the end of this section for further details.

The Fund itself is not a QFI but may obtain access to PRC Securities or other permissible investments directly through the appointment of a QFI investment manager.

The current QFI rules, comprising QFI Regulations as defined below, include rules on investment restrictions applicable to the Fund.

To further open the capital market, quota applicable to both QFII and RQFII have been abolished as from 10 September 2019. Thereafter, the Measures on Capital Administration of Domestic Securities and Futures Investment of Foreign Institutional Investors (境外机构投资者境内证券期货投资资金管理规定, the "New QFII / RQFII Capital Rules") which became effective from 6 June 2020, removed the requirement for QFIIs / RQFIIs to apply for Quotas from SAFE.

Instead of a quota, after obtaining QFII / RQFII licences / Securities and Futures Operation License from the CSRC, QFIIs /RQFIIs need to register with SAFE through their respective main custodians for permission to open special accounts. A QFII/RQFII may further decide the timing and currency in which investment capital will be remitted into the PRC.

QFIIs / RQFIIs are subject to strict investment restrictions imposed by the CSRC. These restrictions currently include, but are not limited to:

- (i) net realised profits of a QFI or its product may be repatriated following a repatriation application/instruction and a tax payment undertaking letter, and all such repatriations shall be handled by the custodian. A special audit report and a tax clearance or filing form (unless otherwise not required by the law) will be required when a QFI or its product is liquidated. The same currency used for the inward remittance shall be applied for future repatriation in principle to avoid currency arbitrage between RMB and the foreign currency.
- (ii) the holdings by a single QFI and other foreign investors should not exceed 10% of the shares of any company listed on any stock exchange or admitted on the National Equities Exchange ("NEEQ") in the PRC and the aggregate holdings of all QFI and other foreign investors of China A-Shares in any exchange-listed or NEEQ-admitted company in the PRC cannot exceed 30% of the total number of shares in such a company.
- (iii) each QFI is obliged to appoint licensed custodian bank(s) to act in respect of its holdings. A QFI shall entrust its custodian bank to open one or more securities trading accounts with the CSDCC. A QFI shall apply for the opening of securities trading account(s) in its own name for investment with its proprietary funds and if the QFI provides asset management services for its customers, it shall open accounts in the joint names of "QFI+ Fund Name" or "QFI+ Client Funds". For any account deemed necessary to be

named "QFI+ Client Funds", the QFI shall, in accordance with the rules of securities depository and clearing institutions and the futures market monitoring institutions, report via the custodian bank relevant account information such as names of investors or funds and assets under custody. The QFI shall entrust an institution who has obtained the participants qualification of the CSDCC to conduct capital settlement. Upon registration with PBOC and SAFE, a QFI shall open one or more qualified investors' special account(s) with its custodian bank.

- (iv) a QFI may only invest in market sectors which are classified as open to foreign investment and all such holdings will be subject to a maximum foreign investment limit or ratio as specified in (ii) above.
- (v) derivatives transactions conducted by a QFI within PRC are limited to foreign exchange derivatives for hedging purposes and other financial derivatives that comply with applicable rules. Exposure to derivatives should be reasonably related to the risk exposure under the underlying domestic securities investment.
- (vi) In the case where the QFI is the information disclosure obligor in respect of the domestic securities investment under its name, it shall submit information disclosure documents to the trading venues where necessary; in the case where the underlying foreign investor is the information disclosure obligor in respect of the domestic securities investment under its name, it shall submit information disclosure documents to the trading venues through the QFI where necessary. The QFI shall appoint persons familiar with laws and regulations of domestic securities and futures markets and who have good professional ethics to be inspectors to supervise the lawful operation.

The legal requirements on repatriation of the invested capital and net profits may impact on the Fund's ability to meet the realisation on requests of its shareholders. In the event that realisation requests for a large number of Shares are received, the Fund may need to realise other investments instead of the investments held through a QFI for the purposes of meeting such realisation requests and/or suspending the determination of the net asset value of the Fund and dealing of the Fund. It is likely that such impact will increase as the investment of the Fund in PRC Securities increases.

There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Fund's ability to meet redemption requests from the shareholders. Furthermore, as the QFI local custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the QFI local custodian in case of non-compliance with the QFI rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming shareholder as soon as practicable and after the completion of the repatriation of funds concerned.

It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Fund or the Investment Manager's control. There is no assurance, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Fund's ability to meet redemption requests.

Foreign investment limits, and the regulations relating to the repatriation of capital and profits may potentially be applied in relation to the QFI as a whole. Hence the ability of the Fund to make investments and/or repatriate monies may be affected adversely by the investments, performance and/or repatriation of monies invested by other investors through the QFI.

In extreme circumstances, the Fund may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to QFI investment restrictions, illiquidity of the PRC's securities markets, and delay or disruption in execution of trades or in settlement of trades.

The Depositary has been appointed to hold the assets of the Fund. The Sub-Investment Manager (in its capacity as QFI) and the Depositary have appointed a PRC local custodian of the QFII/RQFII (the "QFI Local Custodian"), pursuant to relevant laws and regulations.

Onshore PRC securities are registered in the name of "the full name of the QFI investment manager – the name of the Fund" in accordance with the relevant rules and regulations, and maintained in electronic form via a securities account with the CSDCC. The Investment Manager may select PRC brokers (each a "PRC Broker") to act on its behalf in each of the two onshore PRC securities markets as well as the QFI Local Custodian to maintain its assets in custody in the PRC.

Onshore PRC assets will be maintained by the QFI Local Custodian in electronic form via a securities account with the CSDCC and a cash account with the QFI Local Custodian. The Investment Manager also selects the PRC Broker to execute transactions for it in the PRC markets.

Should, for any reason, the Fund's ability to use the relevant PRC Broker be affected, this could disrupt the operations of the Fund and affect the ability of the Fund to implement its investment strategy, causing a premium or a discount to the trading price of the relevant securities on the relevant stock exchange. The Fund may also incur losses due to the acts or omissions of either the relevant PRC Broker(s) or the QFI Local Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in the PRC, the Depositary will make arrangements to ensure that the QFI Local Custodian has appropriate procedures to properly safe-keep the Fund's assets.

According to the QFI Regulations and market practice, the securities and cash accounts for the Fund in the PRC are to be maintained in the name of "the full name of the QFI – the name of the Fund".

Investors should note that cash deposited in the cash account of the Fund with the QFI Local Custodian will not be segregated but will be a debt owing from the QFI Local Custodian to the Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the QFI Local Custodian. In the event of bankruptcy or liquidation of the QFI Local Custodian, the Fund will not have any proprietary rights to the cash deposited in such cash account, and the Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the QFI Local Custodian. The Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Fund will suffer losses.

In the event of any default of either the relevant PRC Broker or the QFI Local Custodian (directly or through their delegates) in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC, the Fund may encounter delays in recovering its assets which may in turn adversely impact the net asset value of the Fund.

QFI rules and regulations ("QFI Regulations") currently in force include but are not limited to:

- (i) the "Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors" issued by the CSRC, PBOC and SAFE on 25 September 2020 and effective on 1 November 2020 (合格境外机构投资者和人民币合格境外机构投资者境内证券期货投资管理办法);
- (ii) the "Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors" issued by the CSRC on 25 September 2020 and effective on 1 November 2020 (关于实施《合格境外机构投资者和人民币合格境外机构投资者境内证券期货投资管理办法》有关问题的规定);
- (iii) the "Measures on Capital Administration of Domestic Securities and Futures Investment of Foreign Institutional Investors", issued by the PBOC and SAFE on 7 May 2020 and effective from 6 June 2020 (境外机构投资者境内证券期货投资资金管理规定);
- (iv) any other applicable regulations promulgated by the relevant authorities.

5.2 Liquidity risk

Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-Fund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In principle, each Sub-Fund will only make investments for which a liquid market exists or which can otherwise be sold, liquidated or closed at any time within a reasonable period of time. However, in certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, a Sub-Fund may invest in financial instruments traded over-the-counter or OTC, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for a Sub-Fund and/or compromise the ability of the Sub-Fund to meet a redemption request.

5.3 Counterparty risk

Counterparty risk refers to the risk of loss for a Sub-Fund resulting from the fact that the counterparty to a transaction entered into by the Sub-Fund may default on its contractual obligations. There can be no

assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Sub-Fund. This risk may arise at any time the assets of a Sub-Fund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a Sub-Fund has deposited cash with a financial institution, or invests into debt securities and other fixed income instruments. Counterparty risk may also arise when a Sub-Fund enters into OTC financial derivative instruments, or enters into securities lending transactions, repurchase agreements

and buy-sell back transactions, as further described below.

5.4 Operational risk

Operational risk means the risk of loss for the Fund resulting from inadequate internal processes and failures in relation to people and systems of the Fund, the Management Company and/or its agents and service providers, or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the Fund.

5.4.1 Valuation

Certain Sub-Funds may hold investments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market. In addition, in certain circumstances, investments may become less liquid or illiquid. Such investments will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or liquidation prices of investments.

5.4.2 Laws and regulations

The Fund may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the Sub-Funds and their operations.

5.4.3 FATCA

The Fund may be subject to regulations imposed by foreign regulators, in particular, the United States laws and regulations known as FATCA. FATCA provisions generally impose a reporting obligation to the US Internal Revenue Services of non-US financial institutions that do not comply with FATCA and US persons' (within the meaning of FATCA) direct and indirect ownership of non-US accounts and non-US entities. Failure to provide the requested information will result in a 30% withholding tax applying to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends. The Fund will be treated as a Foreign Financial Institution within the meaning of FATCA. As such, the Fund may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned regulations.

Notwithstanding any other provision of this Prospectus, to the extent permitted by Luxembourg law, the Fund shall have the right to: (i) withhold on any payment to investors an amount equal to any taxes or similar charges required by applicable laws and regulations to be withheld in respect of any shareholding in the Fund, (ii) require any investor or beneficial owner of Shares to promptly provide such personal data as may be required by the Fund in its discretion in order to comply with applicable laws and regulations and/or determine the amount to be withheld; (iii) divulge any such personal data to any tax authority, as may be required by applicable laws and regulations or requested by such authority; (iv) delay payments to any investor, including any dividend or redemption proceeds, until the Fund holds sufficient information to comply with applicable laws and regulations and/or determine the amount to be withheld.

5.4.4 Common Reporting Standard

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters and its Common Reporting Standard ("CRS") as set out in the Luxembourg law on the Common Reporting Standard (the "CRS Law").

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) investors that are reportable persons under the CRS Law, and (ii) Controlling Persons (as defined below) of certain non-financial entities which are themselves reportable persons. This information, as exhaustively set out in the CRS Law, will include personal data related to the reportable persons (the "CRS Information").

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the required CRS Information, as explained above, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Fund will process such CRS Information for the purposes as set out in the CRS Law. The investors undertake to inform their controlling persons, if applicable, of the processing of their CRS Information by the Fund.

For the purposes of this section, "Controlling Person" means the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

Investors are further informed that the CRS Information related to reportable persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, reportable persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities. Similarly, investors undertake to inform the Fund within thirty (30) days of receipt of these statements should any personal data not be accurate. The investors further undertake to immediately inform the Fund of and provide the Fund with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes. Any investor that fails to comply with the Fund's CRS Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the Information or subject to disclosure of the CRS Information by the Fund to the Luxembourg tax authorities.

5.4.5 PRC Tax Risks

Certain Fund's investments in the PRC may be subject to PRC tax liabilities.

The interpretation and applicability of existing PRC tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in the PRC may be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the PRC investment.

There can be no guarantee that new tax laws, regulations, and practice in the PRC that may be promulgated in the future will not adversely impact the tax exposure of the PRC investment.

The PRC Government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and foreign investors in such companies.

In light of the legal and regulatory uncertainties, provision for taxes may be made in respect of the PRC investment. Any provision for taxes made may be more or less than the PRC investment's actual PRC tax liabilities. Any shortfall may be debited from the PRC investment's assets to meet the actual PRC tax liabilities. As a result, the income from, and/or the performance of the PRC investment may be reduced/adversely affected.

(i) Corporate Income Tax ("CIT")

Under the PRC Corporate Income Tax law and its implementation rules, if the Fund and/or any of its Sub-Funds is considered as a PRC tax resident enterprise, it will be subject to PRC CIT at 25% on its worldwide taxable income; if the Fund and/or any of its Sub-Funds are considered as a non-PRC tax resident enterprise but has an establishment or place of business ("PE") in the PRC, they would be subject to PRC CIT at 25% on the profits attributable to that PE.

It is the intention of the Sub-Investment Manager to operate the affairs of the Fund and/or any of its Sub-Funds such that it should not be treated as tax resident enterprises of the PRC or non-tax resident enterprises with PE in the PRC for PRC CIT purposes, although this cannot be guaranteed. Income derived from the PRC by non-PRC tax resident enterprises that have no establishment or place in the PRC are subject to 10% PRC withholding income tax ("WIT"), unless reduced or exempted under current laws and regulations or relevant tax treaties.

(ii) Dividend and interest

Unless a specific exemption or reduction is available under current PRC tax laws and regulations or relevant tax treaties, for recipients that are non-PRC tax resident enterprises, PRC WIT is levied on the payment of dividend on PRC A-Shares and H-Shares and interest on fixed income securities issued by PRC enterprises. The prevailing PRC WIT rate is 10% and the entity paying such dividend and interest is required to withhold such PRC WIT from the dividend and interest paid to the non-PRC tax resident enterprises.

Under the current PRC-Luxembourg tax treaty, Luxembourg tax resident is eligible for a reduced WIT at 5% on dividend provided that it owns at least 25% of the PRC shares and is the beneficial owner of dividend. As the Fund and/or any of its Sub-Funds generally would own less than 25% of the shares in a PRC company, the Fund and/or any of its Sub-Funds would not be eligible for treaty relief on dividend under the PRC-Luxembourg tax treaty.

On 7 November 2018, the Ministry of Finance ("MOF") and the State Taxation Administration ("STA") jointly issued a notice Cai Shui [2018] No. 108 ("Notice 108"), pursuant to which bond interest income derived from domestic bond market by foreign institutions (including the Fund) are exempted from WIT during the period from 7 November 2018 to 6 November 2021. Notice 108 does not provide for WIT exemption on interest income derived by foreign institutions from non-government PRC bonds issued in overseas market (i.e. outside the PRC).

Interests derived from PRC government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council are exempt from PRC CIT under CIT law. As such, the Fund's investments in PRC A-Shares and H-Shares, as well as bonds issued by PRC tax resident enterprises, are subject to WIT on income (including dividend from PRC A-Shares and H-Shares, non-government bond interest income derived from bonds issued by PRC tax residents in overseas market (i.e. outside the PRC) or non-government bond interest income derived from domestic bond market but outside the exemption period stipulated in Notice 108), and such WIT may reduce the income from, and/or adversely affect the performance of certain Sub-Funds.

(iii) Capital Gains

There is a risk that the relevant PRC tax authority may impose a CIT on realized gains from dealings in PRC A-Shares and H-Shares and this will have an impact on the net asset value of a Fund.

a. Trading of PRC A-Shares and H-Shares

Pursuant to a tax circular "Cai Shui [2014] No. 79" ("Notice 79") issued on 14 November 2014, QFII and RQFIIs (without an establishment or place in the PRC or having an establishment in the PRC but the income so derived in China is not effectively connected with such establishment) are temporarily exempted from PRC CIT on gains realised from the trading of PRC equity investment (including PRC A-Shares) effective from 17 November 2014.

In addition, pursuant to Cai Shui [2014] No.81 ("Notice No.81") and Cai Shui [2016] No.127 ("Notice No.127"), PRC CIT will also be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Fund) on trading of PRC A-Shares through the Stock Connect implemented from 17 November 2014.

There has been no official clarification from the STA on whether and how capital gains on H-Shares should be taxed from a PRC tax perspective. Absence of specific guidance, technically, gains derived by non-resident enterprises from the trading of PRC shares (including H-Shares) should be subject to WIT at 10% which may be reduced by the tax treaty. In practice, the STA has not actively enforced PRC tax on capital gains arising from sales of H-Shares by non-resident enterprises whereby both the purchase and sale of H-Shares are conducted at the public stock exchanges.

In case the PRC tax authorities would enforce WIT on gains derived by non-residents from the trading of PRC shares (including A-Shares / H-Shares), Luxembourg tax residents should be eligible for WIT on the disposal of PRC shares provided that the Luxembourg tax resident owns less than 25% of the PRC company and the PRC company is non-land-rich. Thus, if the Fund / Sub-Funds are the registered owner of the PRC share and qualify as Luxembourg tax residents, potentially, they may be eligible for treaty relief on gains derived from PRC shares if the above conditions are met.

b. Trading of fixed income securities issued by PRC tax residents

Under current PRC tax law, there are no specific rules or regulations governing the taxation of the disposal of fixed income securities issued by PRC tax resident enterprises. The tax treatment for investment in fixed income securities issued by PRC tax residents is governed by the general taxing provisions of the CIT Law. Under such general taxing provision, the Fund would be potentially subject to 10% PRC WIT on the PRC-sourced capital gains, unless exempt or reduced under relevant double tax treaties.

Based on the current interpretation and practice of the STA and the local tax authorities, on the basis that fixed income securities issued by PRC tax resident enterprises are treated as movable assets, there should be basis to support that gains derived from investment in such fixed income securities should not be treated as PRC sourced income, and thus should not be subject to WIT. In practice, the PRC tax authorities have not actively enforced the collection of PRC WIT in respect of gains derived by non-PRC tax resident enterprises from the trading of fixed income securities issued and listed by PRC tax resident enterprises in public markets.

(iv) Value-added Tax ("VAT")

a. Dividend and interest

The Pilot Implementation Measures for Replacing Business Tax with VAT issued by the MOF and the STA which came into effect on 1 May 2016 stipulates trading of marketable securities (including PRC A-Shares and PRC fixed income securities) would be subject to VAT at 6% or if the taxpayer is small-scale, the VAT rate is 3%, unless otherwise exempted by MOF and / or STA. Dividend income from PRC A-Shares and H-Shares is not within the taxable scope of VAT.

According to Notice 108, bond interest income derived from domestic bond market by foreign institutions (including the Fund) are exempted from VAT during the period from 7 November 2018 to 6 November 2021. Notice 108 does not provide for VAT exemption on interest income derived by foreign institutions from offshore bond market. However, in practice the PRC tax bureaus have not actively enforced VAT on such interest income.

b. Capital gains

The MOF and the STA have clarified under transitional policies that gains derived by QFIs and RQFIs from the trading of securities (generally including PRC Shares and bonds) are exempt from VAT at present.

VAT is exempted on gains derived by Hong Kong and overseas investors (including the Fund) on the trading of PRC A-Shares shares through the Stock Connect.

According to Cai Shui [2016] No. 70, gains derived from investment in the PRC interbank local currency markets (including bond market) by foreign investors, which are qualified by People's Bank of China, are exempt from VAT.

Absence of specific VAT exemption provision on gains derived from, there is no clear guidance on whether gains derived by non-residents from the trading of H-Shares and fixed income securities issued by PRC tax resident in overseas market (i.e. outside the PRC) should be treated as PRC-sourced income for VAT purpose. In practice, the PRC tax authorities have not actively enforced the VAT on such gains.

Where VAT is applicable, there are also other surtaxes (which include Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) that would amount to as high as a sum of surtaxes of 12% of VAT.

c. Stamp Duty

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in China of certain documents, including contracts for the sale of PRC A-Shares and PRC B-Shares traded on the PRC stock exchanges, at the rate of 0.1%. In the case of contracts for sale of China A-Shares,

such stamp duty is currently imposed on the seller but not on the purchaser.

d. Provision for Taxes

In light of the uncertainty on the tax treatment on certain investment income derived by the Fund and in order to meet the above potential tax liability, the Investment Manager reserves the right to make provisions for any PRC taxes payable by the Fund on investment income and withhold the tax for the account of the Fund.

The Investment Manager may decide to make WIT provision at 10% for the Fund's (i) gross realized and unrealized capital gains derived from trading of PRC fixed income securities and (ii) dividend and interest income which is outside the tax exemption scope of Notice 108 if the relevant WIT is not withheld at source; and VAT provision at 6% for the Fund's interest income which is outside the tax exemption scope of Notice 108 if the relevant VAT is not withheld at source (except for PRC government bond interest which is exempt under domestic law). Pursuant to Notice No. 79, Notice No. 81 and Notice No.127 and market practice, the Investment Manager will not make WIT provision for gross realised or unrealised capital gains derived from trading of PRC H-Shares (whose purchase and sale are both conducted on exchange) or A-Shares via RQFII and Stock Connect. The Investment Manager will closely monitor any further guidance by the relevant PRC tax authorities and adjust the tax provision approach of the Fund accordingly.

Any tax provision on investment income made by the Investment Manager in respect of the Fund may be less than the Fund's actual tax liabilities. It should also be noted that there is a possibility of the PRC tax rules being changed and taxes being applied retrospectively. As such, it should be noted that the level of provision may be inadequate to meet actual PRC tax liabilities on investments made by the Fund. Consequently, shareholders may be disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares. If the actual tax levied is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of the Fund may be lowered, as the Fund will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities will only impact Shares in issue at the relevant time, and the then existing shareholders and subsequent shareholders will be disadvantaged as such shareholders will bear, through the Fund, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the Fund. On the other hand, the actual tax liabilities may be lower than the tax provision made. In that case, those persons who have already redeemed their Shares before the actual tax liabilities are

determined will not be entitled or have any right to claim any part of such overprovision and as such may be disadvantaged. Notwithstanding the above change in tax provisioning policy, persons who have already redeemed their Shares in the Fund before the return of any overprovision to the account of the Fund will not be entitled or have any right to claim any part of such overprovision.

Shareholders may, depending on their own circumstances, be subject to PRC tax or taxes in other jurisdictions. The Fund would not be able to guarantee that taxes paid at the Sub-Fund's level will be attributable to any shareholders for personal tax purposes. Investors should refer to the relevant risk factors disclosed in the section headed Taxation of this Prospectus. Shareholders should seek their own tax advice on their tax position with regard to their investment in the Fund.

5.4.6 Segregation of Sub-Funds

The Fund is a single legal entity incorporated as an "umbrella fund" comprised of separate Sub-Funds. Under Luxembourg law, each Sub-Fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Fund arising in respect of the creation, operation or liquidation of a Sub-Fund will be limited to the assets allocated to that Sub-

Fund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-Funds. Moreover, under Luxembourg law, there is no legal segregation of assets and liabilities between Share Classes of the same Sub-Fund. In the event that, for any reason, assets allocated to a Share Class become insufficient to pay for the liabilities allocated to that Share Class, the assets allocated to other Share Classes of the Sub-Fund will be used to pay for those liabilities. As a result, the Net Asset Value of the other Share Classes may also be reduced.

5.5 Certain financial instruments and investment techniques

5.5.1 OTC financial derivative instruments

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not *bona fide*) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly reported to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Fund,

which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-Funds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

5.5.2 Securities lending, repurchase agreements and buy-sell back transactions

Securities lending transactions, repurchase agreements and buy-sell back transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending transactions, repurchase agreements and buy-sell back transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

Securities lending transactions, repurchase agreements and buy-sell back transactions also entail liquidity risks due, *inter alia*, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Sub-Fund may also incur operational risks such as, *inter alia*, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

The Sub-Funds may enter into securities lending transactions, repurchase agreements and buy-sell back transactions with other companies in the same group of companies as the Investment Manager or the Sub-Investment Manager(s). Affiliated counterparties, if any, will perform their obligations under any securities lending transactions, repurchase agreements and buy-sell back transactions concluded with a Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager or the Sub-Investment Manager(s) will select counterparties and enter into transactions in accordance with best execution principles. However, investors should be aware that the Investment Manager or the Sub-Investment Manager(s) may face conflicts between their role and their own interests or that of affiliated

counterparties.

5.5.3 Swap Agreements

The Fund may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund's exposure to long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Fund is not limited to any particular form of swap agreement if consistent with the terms of the Prospectus and the investment objective and policy of a Sub-Fund.

Swap agreements tend to shift the Fund's investment exposure from one type of investment to another. For example, if the Fund agrees to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease the Fund's exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund's portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Fund. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Fund.

5.5.4 Total Return Swap Agreements

Total Return Swap contracts represent a derivative combining market risk and credit risk which are affected by interest rate fluctuations, as well as events and credit prospects. A total return swap ("**TRS**"), which involves the receipt of a total return by the Fund, is similar to a swap agreement in terms of risk profile because it genuinely holds the underlying benchmark security.

The TRS shall not confer to the Investment Manager or the Sub-Investment Manager(s) a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency of the counterparty may make it impossible for the payments envisioned to be received.

Furthermore, TRS can be less liquid than interest rate swaps, as there is no standardisation of the underlying benchmark index. This situation can have a negative impact on the ability to settle the TRS position, or on the price at which the settlement is performed.

The swap contract is an agreement between two parties, each of whom must bear the credit risk of the other. Hedging is used to minimise this risk. The information risk for TRS is reduced through adherence to the standard ISDA documentation.

When the investment policy of a Sub-Fund provides that the latter may invest in TRS, these investments will be made in compliance with the investment policy of such Sub-Fund.

Unless the investment policy of a Sub-Fund provides otherwise, such TRS may have underlyings such as currencies, interest rates, transferable securities, a basket of transferable securities, indexes, or undertakings for collective investment.

5.5.5 Collateral management

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

5.5.6 Convertible Bonds Transactions

Convertible bond transactions are designed to be relatively market neutral i.e., they hedge out the directional risks generally associated with un-hedged investments in the underlying instruments. However, should the credit status of an issuer weaken, losses may result from decreases in the market conversion premium or a loss of liquidity with respect to the security. These losses will be limited by the short hedge on the underlying security, but may be substantial in relation to the Net Asset Value of the Fund. The Fund may also suffer losses if an issuer is acquired for cash or debt securities at a price that does not generate profits on the un-hedged portion of a position sufficient to recover the premium paid to acquire the convertible security and any unpaid accrued interest that would be lost should conversion become necessary. Losses may result when securities are called for redemption at prices below the current market prices. Frequently, these losses will include interest accrued but not paid upon conversion of the called securities. In addition, losses may occur if the terms of the convertible bond do not allow for an adjustment in the conversion terms, or the Fund is forced to convert a security earlier than anticipated.

5.5.7 Sustainability Risk

Sustainability Risk is principally linked to climate-related events resulting from climate change (so-called physical risks) or to the society's response to climate change (so-called transition risks), which may result in unanticipated losses that could affect a Sub-Fund's investments and financial condition. Social events (e.g., inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g., recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

5.5.8 Initial Public Offerings Risk

A Sub-Fund may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history, and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

6. MANAGEMENT AND ADMINISTRATION

6.1 The Board of Directors

The members of the Board of Directors will be elected by the general meeting of shareholders subject to the approval of the CSSF. The Board of Directors is vested with the broadest powers to act on behalf of the Fund and to take any actions necessary or useful to fulfil the Fund's corporate purpose, subject to the powers expressly assigned by law or the Articles of Association to the general meeting of shareholders.

The Board of Directors is responsible for conducting the overall management and business affairs of the Fund in accordance with the Articles of Association. In particular, the Board of Directors is responsible for defining the investment objective and policy of the Sub-Funds and their risk profile, subject to the principle of risk diversification, and for the overall supervision of the management and administration of the Fund, including the selection and supervision of the Management Company and the general monitoring of the performance and operations of the Fund.

For the current composition of the Board of Directors, please refer to the Directory.

6.2 The Management Company

The Fund has appointed Lemanik Asset Management S.A as its management company (the "Management Company") in accordance with the provisions of the 2010 Law pursuant to the Management Company Services Agreement.

The Management Company is a public limited company ("*société anonyme*") incorporated under the laws of Luxembourg on 1 September 1993. The Management Company is authorised and regulated by the CSSF in Luxembourg under chapter 15 of the 2010 Law. The main business activity of the Management Company is to provide collective portfolio management services to investment funds and perform the functions of a UCITS management company in accordance with the 2010 Law.

The relationship between the Fund and the Management Company is subject to the terms of the Management Company Services Agreement. Under the terms of the Management Company Services Agreement, the Management Company is responsible for the investment management and administration of the Fund as well as the marketing of the Shares, subject to the overall supervision of the Board of Directors. The Management Company is in charge of the day-to-day business activities of the Fund. The Management Company has authority to act on behalf of the Fund within its function. Pursuant to the terms of the Management Company Services Agreement, the Management Company also acts as the domiciliation agent of the Fund.

For the purpose of a more efficient conduct of its business, the Management Company may delegate to third parties the power to carry out some of its functions on its behalf, in accordance with applicable laws and regulations of Luxembourg and with the prior consent of the Fund. The delegated functions shall remain under the supervision and responsibility of the Management Company and the delegation shall not prevent the Management Company from acting, or the Fund from being managed, in the best interests of the investors. The delegation to third parties is subject to the prior approval of the CSSF.

In conducting its activities, the Management Company shall act honestly and fairly, with due skill, care and diligence, in the best interests of the Fund, its investors, and the integrity of the market. In accordance with applicable laws and regulations, the Management Company has adopted and maintains sound internal governance, administrative and accounting procedures. It maintains effective, permanent and independent compliance and internal audit functions. The Management Company is organised in such a way as to minimise the risk of the Fund's interests being prejudiced by conflicts of

interest between the Management Company and/or its clients.

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

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

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website lemanikgroup.com ([Remuneration-policy.pdf](#)). A paper copy of the summarised Remuneration Policy is available free of charge to the shareholders upon request.

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

In particular, the Remuneration Policy will ensure that:

- (a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- (b) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- (c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;

In context of delegation, the Remuneration Policy will ensure that any delegate of the Management Company comply with the following:

- (a) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- (b) if at any point of time, the management of the Fund were to account for 50 % or more of the total portfolio managed by any delegate of the Management Company, at least 50 % of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash

instruments with equally effective incentives as any of the instruments referred to in this item (e); and

- (c) a substantial portion, and in any event at least 40 % of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the shareholders and is correctly aligned with the nature of the risks of the Fund.

The Management Company Services Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months prior written notice. The Management Company Services Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Management Company Services Agreement contains provisions exempting the Management Company from liability and indemnifying the Management Company in certain circumstances. However, the liability of the Management Company towards the Fund will not be affected by any delegation of functions by the Management Company.

6.3 Investment Manager

With the consent of the Fund, the Management Company has appointed Banque Bonhote & Cie S.A. as investment manager for the Sub-Funds of the Fund (the "**Investment Manager**") pursuant to an Investment Management Agreement.

Banque Bonhote & Cie S.A. is a public limited company incorporated under the laws of Switzerland on 23 December 1987. The Investment Manager is authorised for the purpose of asset management and regulated by the Swiss Financial Market Supervisory Authority (FINMA) in Switzerland. Its main business activity is wealth management.

The Investment Manager aims at sourcing new projects and creating partnerships with external investment managers. In the context of these partnerships the portfolio management of the relevant Sub-Funds will be delegated to those external investment managers on the basis of their respective expertise. In such a case the Investment Manager will provide for the oversight and supervision of the investment management function rendered by the external managers so appointed.

The Management Company has the power to administer and manage the Fund in accordance with the instructions of the Board of Directors regarding the objectives and the investment policy to be pursued by each Sub-Fund. Such power may however be delegated by the Management Company, which is authorised to appoint an Investment Manager who may, on its own costs and subject to the approval of the Board of Directors, sub-delegate their powers. In such case, the current Prospectus will be updated accordingly.

The relationship between the Fund, the Management Company and the Investment Manager is subject to the terms of an Investment Management Agreement. Under the terms of the Investment Management Agreement, the Investment Manager has full discretion, subject to the overall review and control of the Management Company and, ultimately, the Board of Directors, to manage the assets of each Sub-Fund on a discretionary basis, in accordance with the investment objective and policy of the Sub-Fund and any additional investment restrictions or guidelines imposed by the Board of Directors. Within this function, the Investment Manager has authority to act on behalf of the Fund.

The Investment Management Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months prior written notice. The Investment Management Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Investment Management Agreement

may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the best interests of the investors.

The Investment Management Agreement contains provisions exempting the Investment Manager from liability and indemnifying the Investment Manager in certain circumstances. In particular, the Investment Manager will not be responsible for any loss of assets and investments of the Fund, except to the extent that such loss is due to the Investment Manager's wilful misconduct, misfeasance, negligence, wilful default or fraud. The liability of the Investment Manager towards the Management Company and the Fund will not be affected by any delegation of functions by the Investment Manager.

6.4 Sub-Investment Manager(s)

In the context of partnerships with the external managers the Investment Manager may sub-delegate the management of the assets of each Sub-Fund to one or several external investment manager(s) (the "**Sub-Investment Manager(s)**") pursuant to a sub-investment management agreement with the Sub-

Investment Manager(s) in order to rely on expertise of teams dedicated entirely to the specific strategies of the concerned Sub-Funds.

The relevant Sub-Investment Manager(s) will be disclosed in each supplement relating to each Sub-Fund.

For its services, the Sub-Investment Manager will be entitled to receive fees, payable out of the Investment Manager Fee or the Performance Fee, where applicable, as determined with the Investment Manager in the Sub-Investment Management Agreement.

The Investment Manager has appointed the following Sub-Investment Managers:

Convergence Lux – ZO China Value Fund

The Investment Manager has appointed Zhong Ou Asset Management International Limited as Sub-Investment Manager of Convergence Lux – ZO China Value Fund pursuant to a Sub-Investment Management Agreement. Zhong Ou Asset Management International Limited is a company incorporated under the laws of Hong Kong Special Administrative Region with number 2011875 and is authorised for the purpose of advising on securities and asset management and regulated by the Securities and Futures Commission (SFC) in Hong Kong under the laws of Hong Kong. Its main business activity is investment consultancy services.

6.5 The Depositary and Paying Agent

CACEIS Bank, Luxembourg Branch acts as the depositary bank of the Fund (the "**Depositary**") under a Depositary Agreement dated 17 April 2019 as amended from time to time (the "Depositary Agreement") and pursuant to the relevant provisions of the 2010 Law and the UCITS Directive.

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

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Sub-Fund's assets and it shall fulfil the obligations and duties provided for in Part I of the 2010 Law. In particular, the Depositary shall ensure an effective and proper monitoring of the Fund's cash flows.

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

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

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

In compliance with the provisions of the UCITS Directive, the Depositary may, under certain conditions entrust part or all of the assets which are placed under its custody and/or recordkeeping to Correspondents or Third Party Custodians as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the 2010 Law.

A list of these correspondents / third party custodians is available on the website of the Depositary (www.caceis.com, section "*veille réglementaire*"). Such list may be updated from time to time. A complete list of all correspondents / third party custodians may be obtained free of charge and upon request from the Depositary. Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Fund, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Fund's and its Shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

- identifying and analysing potential situations of conflicts of interest;
- recording, managing and monitoring the conflict of interest situations either in:
- relying on the permanent measures in place to address conflicts of interest such as maintaining

separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or

- implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Fund, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

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

The Fund and the Depositary may terminate the Depositary Agreement at any time by giving a three (3) month notice in writing. The Fund may, however, dismiss the Depositary only if a new depositary bank is appointed within two months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Sub-Funds have been transferred to the new depositary bank.

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

The Fund has also appointed the Depositary as Paying Agent.

6.6 The Administrator

The Management Company has delegated the performance of the tasks relating to the central administration of the Fund to CACEIS Bank, Luxembourg Branch under an Administration Agreement entered into between the Management Company, the Administrator and the Fund on 17 April 2019 for an indefinite period.

Under this Agreement, the Administrator performs the duties of administrative agent, transfer agent and registrar of the Fund. The duties of the Administrator include keeping the accounts of the Fund and regularly calculating the net asset value per Share of each Sub-Fund and/or each Share Class, as appropriate. The duties of the transfer agent and registrar include executing subscription, redemption and conversion orders and keeping the shareholders' register.

Subject to three months' notice in writing, the Fund may terminate the duties of the Administrator and the latter may terminate its own duties under the same conditions.

6.7 The Auditor

The Fund has appointed PricewaterhouseCoopers as its independent auditor (*réviseur d'entreprises agréé*) within the meaning of the 2010 Law. The Auditor is elected by the general meeting of shareholders. The Auditor will inspect the accounting information contained in the Annual Report and fulfil other duties prescribed by the 2010 Law.

6.8 Conflicts of interest

The Board of Directors, the Management Company, the Investment Manager, the Sub-Investment Manager(s), the Depositary, the Administrator and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various

conflicts of interest in their relationships with the Fund.

As further described in the Articles of Association, any director of the Fund who has, directly or indirectly, an interest in a transaction submitted to the approval of the Board of Directors which conflicts with the Fund's interest, must inform the Board of Directors. The director may not take part in the discussions on and may not vote on the transaction. Where, by reason of a conflicting interest, the number of directors required in order to validly deliberate is not met, the board of directors may submit the decision on this specific item to the general meeting of shareholders.

The Management Company has adopted and implemented a conflicts of interest policy and has made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund is treated fairly.

7. SHARES

7.1 Shares, Sub-Funds and Share Classes

7.1.1 Shares

The share capital of the Fund is represented by fully paid up Shares of no par value. The share capital of the Fund is at all times equal to the Net Asset Value of the Fund, which is the total Net Asset Value of all Sub-Funds expressed in the Reference Currency of the Fund. The share capital of the Fund must at all times be at least equal to the minimum required by the 2010 Law, which is currently 1,250,000 EUR.

The Shares will be issued in registered form only. Written confirmation of registration will be issued upon request and at the expense of the requesting shareholder. The registration of a shareholder in the register of shareholders of the Fund evidences the shareholder's ownership right towards the Fund.

Shares may also be eligible for clearing and settlement by Clearstream and/or Euroclear or other recognised securities clearing and settlement systems. In such case, Shares may be held and transferred through securities accounts maintained within such system in accordance with applicable laws and regulations, and the operating rules of the system.

The Fund will recognise only one single shareholder per Share. In case a Share is owned by several persons, they must appoint a single representative who will represent them towards the Fund. The Fund has the right to suspend the exercise of all rights attached to that Share until such representative has been appointed.

The Shares carry no preferential or pre-emptive rights: the Fund is authorised without limitation to issue an unlimited number of fully paid up Shares on any Valuation Day without reserving to existing investors a preferential or pre-emptive right to subscribe for the Shares to be issued.

Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund and at all meetings of the Sub-Fund or Share Class concerned.

Fractions of Shares will be issued up to three (3) decimal places. Such fractional Shares will be entitled to participate on a *pro rata* basis in the net assets attributable to the Sub-Fund or Share Class to which they belong in accordance with their terms, as set out in this Prospectus. Fractions of Shares do not confer any voting rights on their holders. However, if the sum of the fractional Shares held by the same shareholder in the same Share Class represents one or more entire Shares, such shareholder will benefit from the corresponding voting right attached to the number of entire Shares.

Shares are each entitled to participate in the net assets allocated to the relevant Sub-Fund or Share Class in accordance with their terms, as set out in the Supplements. Shares will be issued on each Subscription Day immediately after the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class as of that point, as described in more detail in section 7.4 (Subscription for Shares) below. Shares will be redeemed on each Redemption Day at the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class until and including that point, as described in more detail in section 7.5 (Redemption of Shares) below.

Shares redeemed will generally be cancelled unless the Fund decides otherwise.

7.1.2 Sub-Funds

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Each Share issued by the Fund is a share in a specific Sub-Fund. Each Sub-Fund has a specific investment objective and policy as further described in its Supplement. A separate portfolio of assets is maintained for each Sub-Fund and invested for its exclusive benefit in accordance with its investment objective and policy.

With regard to third parties, in particular towards the Fund's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it. As a consequence, the assets of each Sub-Fund may only be used to meet the debts, liabilities and obligations attributable to that Sub-Fund. In the event that, for any reason, the liabilities arising in respect of the creation, operation and liquidation of a Sub-Fund exceed the assets allocated to it, creditors will have no recourse against the assets of any other Sub-Fund to satisfy such deficit. Assets and liabilities are allocated to each Sub-Fund in accordance with the provisions of the Articles of Association, as set out in section 8.2 (Valuation procedure) below.

Each Sub-Fund may be established for an unlimited or limited duration as specified in its Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Sub-Fund once or several times. Investors will be notified at each extension. At the expiry of the duration of a Sub-Fund, the Fund will redeem all the Shares in that Sub-Fund. The Supplement will indicate the duration of each Sub-Fund and its extension, where applicable.

Additional Sub-Funds may be established by the Board of Directors from time to time without the consent of investors in other Sub-Funds. A new Supplement will be added to this Prospectus for each new Sub-Fund established.

7.1.3 Share Classes

The Sub-Funds may offer several Share Classes, as set out in the Supplements. Each Share Class within a Sub-Fund may have different features such as the fee structure, minimum subscription or holding amounts, currency, different hedging techniques or distribution policy or other distinctive features, or be offered or reserved to different types of investors. Investors will be able to choose the Share Class with the features most suitable to their individual circumstances.

In particular, the Sub-Funds may offer Currency Hedged Share Classes. The Fund may use various techniques and instruments, such as forward contracts and currency swaps, in accordance with the provisions of the Prospectus, intended to limit the impact of exchange rate movements between the Reference Currency of the Sub-Fund and that of a Currency Hedged Share Class on the performance of such Share Class. The costs and any benefit of currency hedging transactions will be allocated solely to the Currency Hedged Share Class to which the hedging relates.

Currency Hedged Share Classes involve certain risks, as described in section 5 (General risk factors) above.

Each Share Class may be created for an unlimited or limited duration, as specified in the Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Share Class once or several times. Investors will be notified at each extension. At the expiry of the duration of a Share Class, the Fund will redeem all the Shares in that Share Class. The Supplement will indicate the duration of each Share Class and its extension, where applicable.

Additional Share Classes may be established in any Sub-Fund from time to time without the approval of investors. New Share Classes will be added to the relevant Supplement. Such new Share Classes may be issued on terms and conditions that differ from the existing Share Classes. The list and details of the Share Classes established within each Sub-Fund, if any, are set out in the Supplements.

7.1.4 Changes to Sub-Funds and Share Classes

The rights and restrictions attached to Shares may be modified from time to time, subject to the provisions of the Articles of Association. Any changes to the Articles of Association will require a resolution of the general meeting of shareholders, as further described in section 10.2 (Meetings of shareholders) below.

Subject to the above, the Board of Directors may change the characteristics of any existing Sub-Fund, including its objective and policy, or any existing Share Class, without the consent of investors. In accordance with applicable laws and regulations, investors in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree. This Prospectus will be updated as appropriate.

7.2 Dividend distribution policy

Each Sub-Fund may offer distributing Shares and non-distributing Shares. The Supplement shall indicate whether Shares confer the right to dividend distributions (Distribution Shares) or do not confer this right (Capitalisation Shares). Distribution Shares and Capitalisation Shares issued within the same Sub-Fund will be represented by different Share Classes.

Capitalisation Shares capitalise their entire earnings whereas Distribution Shares pay dividends. Whenever dividends are distributed to holders of Distribution Shares, their Net Asset Value per Share will be reduced by an amount equal to the amount of the dividend per Share distributed, whereas the Net Asset Value per Share of Capitalisation Shares will remain unaffected by the distribution made to holders of Distribution Shares.

The Fund shall determine how the earnings of Distribution Shares shall be distributed and may declare distributions from time to time, at such time and in relation to such periods as the Fund shall determine, in the form of cash or Shares, in accordance with the dividend distribution policy adopted for such Distribution Shares as described in the Supplement. The dividend distribution policy may vary between Distribution Shares within the same or different Sub-Funds. Dividend distributions are not guaranteed with respect to any Share Class. In any event, no distribution may be made if, as a result, the total Net Asset Value of the Fund would fall below the minimum share capital required by the 2010 Law which is currently EUR 1,250,000.

Any dividend declared which has not been claimed by its beneficiary within five years from its allocation may no longer be claimed and will revert to the Sub-Fund or to the Share Class concerned. No interest

shall be paid on dividend distributions declared by the Fund which have not been claimed. Dividends not claimed within five years of their declaration date will lapse and revert to the relevant Share Class.

7.3 Eligible Investors

Shares may only be acquired or held by investors who satisfy all eligibility requirements for a specific Sub-Fund or Share Class, if any, as specified for the Sub-Fund or Share Class in the Supplement (an Eligible Investor). Certain Sub-Funds or Shares Classes may indeed be reserved to specified categories of investors such as Institutional Investors, investors investing through a specified distribution channel or investors who are residents of or domiciled in specific jurisdictions.

The Board of Directors has decided that any investor not qualifying as an Eligible Investor will be considered as a Prohibited Person, in addition to those persons described in section 7.10 (Prohibited Persons) below. The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons in accordance with the procedure set out in this Prospectus (see section 7.10 (Prohibited Persons) below).

7.4 Subscription for Shares

Applications for subscriptions can be submitted for each Subscription Day provided that a complete application is submitted by the Cut-Off Time for that Subscription Day. Applications will be processed, if accepted, at the Subscription Price applicable to that Subscription Day. The Subscription Price (plus any Subscription Fee) must be settled by the end of the Subscription Settlement Period. The subscription procedure is further described below. Shares will be issued on the Subscription Day and entitled to participate in the Net Asset Value of the Share Class from their issue. The Subscription Day, Cut-Off Time, and Subscription Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

7.4.1 Subscription application

Shares in any new Sub-Fund or Share Class may be available for subscription during an Initial Offer and will be issued on the first Subscription Day following the Initial Offer at the Initial Offer Price. Information on the Initial Offer and the Initial Offer Price of any new Sub-Fund or Share Class will be set out in the Supplement and available at the registered office upon request. The Fund may reschedule the Initial Offer and/or amend the Initial Offer Price.

Shares will be available for subscription on each Subscription Day at a Subscription Price equal to the Net Asset Value per Share for that Subscription Day. The Net Asset Value per Share for the Subscription Day at which an application will be processed is unknown to the investors when they place their subscription applications.

The Fund may charge a Subscription Fee on subscriptions for Shares, as set out in section 9.1 (Subscription Fee, Conversion Fee and Redemption Fee) below, which will be added to the Subscription Price. The Subscription Fee is equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Investors wishing to subscribe for Shares of a Sub-Fund or Share Class will be requested to complete a Subscription Form in which they commit to subscribe and pay for the Shares. The liability of each investor in respect of the Shares subscribed will be limited to the Subscription Price (plus any Subscription Fee). The Subscription Form must be submitted following the instructions on such form. The Subscription Form may be obtained at the registered office of the Fund on request.

The Fund will only process subscription applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications. No interest will be paid to investors on subscription proceeds received by the Fund prior to receiving clear and complete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Subscription Day. However, the Fund may accept subscription applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to accept or refuse any application in whole or in part at its discretion. Without limitation, the Fund may refuse an application for subscription where the Fund determines that the Shares would or might be held by, on behalf or for the account or benefit of, Prohibited Persons. In such event, subscription proceeds received by the Fund will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest.

The issue of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 8.4 (Temporary suspension of the Net Asset Value calculation) below. The issue of Shares of a Share Class may also be suspended at the discretion of the Board of Directors, in the best interest of the Fund, notably under other exceptional circumstances.

7.4.2 Settlement of subscription

The Subscription Price (plus any Subscription Fee) must be paid in the Reference Currency of the Share Class or, at the request of the investor, in any other currency accepted by the Fund. In the latter case, the Fund will have the subscription proceeds in the other currency converted into the Reference Currency of the Sub-Fund or Share Class, at the risks and costs of the investor, taking into account prevailing currency exchange rates. The Fund may charge a fee for this conversion service. The Fund will process the subscription application by reference to the net proceeds of the conversion into the Reference Currency of the Sub-Fund or Share Class.

Cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) must be received by the Fund by the end of the Subscription Settlement Period specified in the Supplement. Settlement details are available in the Subscription Form.

If the payment of the Subscription Price (plus any Subscription Fee) has not been received by the end of the Subscription Settlement Period, any pending application for Shares may be rejected or, if the application had previously been accepted by the Fund, any allocation of Shares made on the basis of the application may be cancelled by a compulsory redemption of the Shares at the applicable Redemption Price (less any Redemption Fee). The Administrator will inform the applicant that the application has been rejected or the subscription cancelled, as applicable, and the money received after the end of the Subscription Settlement Period, if any, will be returned to the applicant at its risks and costs, without interest.

The Fund reserves the right to require indemnification from the applicant against any losses, costs or expenses arising as a result of any failure to settle the Subscription Price (plus any Subscription Fee) by the end of the Subscription Settlement Period. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

7.4.3 Subscription in kind

The Fund may agree to issue Shares as consideration for a "contribution in kind" of assets with an aggregate value equal to the Subscription Price (plus any Subscription Fee), provided that such assets comply with the investment objective and policy of the Sub-Fund and any restrictions and conditions imposed by applicable laws and regulations. In accepting or rejecting such a contribution at any given time, the Fund shall take into account the interest of other investors of the Sub-Fund and the principle of fair treatment. Any contribution in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the Fund, to the extent requested by and in compliance with, article 420-10 of the 1915 Law. The Fund and the contributing investor will agree on specific settlement procedures. Any costs incurred in connection with a contribution in kind, including the costs of issuing a valuation report, shall be borne by the contributing investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all investors of the Sub-Fund.

7.5 Redemption of Shares

Applications for redemptions can be submitted by investors for each Redemption Day provided that a complete application is submitted by the Cut-Off Time for that Redemption Day. Applications will be processed, if accepted, at the Redemption Price applicable to that Redemption Day. The Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period. The redemption procedure is further described below. Shares will be redeemed on the Redemption Day and entitled to participate in the net assets of the Sub-Fund or Share Class until their redemption. The Redemption Day, Cut-Off Time, and Redemption Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

7.5.1 Redemption application

Investors may apply for redemption of all or any of their Shares on each Redemption Day at a Redemption Price equal to the Net Asset Value per Share for that Redemption Day. The Net Asset Value per Share for the Redemption Day at which an application will be processed is unknown to the investors when they place their redemption applications.

The Fund may charge a Redemption Fee on redemptions of Shares, as set out in section 9.1 (Subscription Fee, Conversion Fee and Redemption Fee) below, which will be deducted from the payment of the Redemption Price. The Redemption Fee is equal to a maximum percentage of the Redemption Price or such other amount as specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Investors wishing to redeem their Shares in part or in whole must submit a Redemption Form. The Redemption Form must be submitted to the Administrator following the instructions on such form.

The Fund will only process redemption applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear

or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Redemption Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Redemption Price applicable to that Redemption Day.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Redemption Day. However, the Fund may accept redemption applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The redemption of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 8.4 (Temporary suspension of the Net Asset Value calculation) below. The redemption of Shares of a Sub-Fund or Share Class may also be suspended in other exceptional cases where the circumstances and the best interest of the investors so require.

7.5.2 Settlement of redemption

Redemption proceeds equal to the full amount of the Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period specified in the Supplement. Different settlement procedures may apply in certain jurisdictions in which Shares are distributed due to constraints under local laws and regulations. Investors should refer to the local sales documents for their jurisdiction or contact their local paying agent for further information. The Fund will not accept responsibility for any delays or charges incurred at any receiving bank or clearing system.

Payment of redemption proceeds will be made by wire transfer on the bank account of the redeeming investor and at its risks and costs. Redemption proceeds will be paid in the Reference Currency of the Sub-Fund or the Share Class or, at the request of the investor, in any other currency accepted by the Fund. In the latter case, the Fund will have the net redemption proceeds converted into the other currency at the risks and costs of the investor, taking into account prevailing currency exchange rates. The Fund may charge a fee for this conversion service. The Fund will pay to the investor the net proceeds of the conversion into the other currency.

The Fund reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period when there is insufficient liquidity or in other exceptional circumstances. If redemption proceeds cannot be paid by the end of the Redemption Settlement Period, the payment will be made as soon as reasonably practicable thereafter. The Fund may also delay the settlement of redemptions until reception of all information and supporting documentation deemed necessary to process the application, as described above. In any event, no redemption proceeds will be paid unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) due but not yet paid for the Shares to be redeemed has been received by the Fund. No interest will be paid to investors on redemption proceeds paid after the end of the Redemption Settlement Period.

7.5.3 Redemption in kind

The Fund may, in order to facilitate the settlement of substantial redemption applications or in other exceptional circumstances, propose to an investor a "redemption in kind" whereby the investor receives a portfolio of assets of the Sub-Fund of equivalent value to the Redemption Price (less any Redemption Fee). In such circumstances the investor must specifically consent to the redemption in kind and may always request a cash redemption payment instead. In proposing or accepting a request for redemption in kind at any given time, the Fund shall take into account the interest of other investors of the Sub-Fund and the principle of fair treatment. Where the investor accepts a redemption in kind, he will receive a selection of assets of the Sub-Fund. Redemption in kind will be valued independently in a special report

issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the Fund, if deemed appropriate to maintain fair treatment between shareholders or if requested by applicable law. The Fund and the redeeming investor will agree on specific settlement procedures. Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all investors of the Sub-Fund.

7.6 Conversion of Shares

Applications for conversions of Shares of any Share Class (called the Original Shares) into Shares of another Share Class of the same or another Sub-Fund (called the New Shares) can be submitted for each Conversion Day provided that a complete application is submitted by the Cut-Off Time for that Conversion Day. The number of New Shares issued upon a conversion will be based on the respective Net Asset Values per Share of the Original Shares and the New Shares for the Conversion Day (which, for the avoidance of doubt, may be a different day for the Original Shares and the New Shares). The Original Shares will be redeemed and the New Shares will be issued on the Conversion Day. The conversion procedure is further described below.

7.6.1 Conversion application

Unless set out otherwise in the Supplement, investors may apply for conversion of Original Shares into New Shares on each Conversion Day. However, the right to convert the Original Shares is subject to compliance with any investor eligibility requirements applicable to the New Shares. In addition, conversion applications are subject to the provisions on the minimum initial or additional subscription amounts applicable to the New Shares and the minimum holding amount applicable to the Original Shares.

The number of New Shares issued upon a conversion will be based upon the respective Net Asset Values of the Original Shares and the New Shares for the Conversion Day. These Net Asset Values are unknown to the investors when they place their conversion application.

The Fund may charge a Conversion Fee on conversions of Shares, as set out in section 9.1 (Subscription Fee, Conversion Fee and Redemption Fee) below and specified in the Supplement. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Investors wishing to convert their Shares must submit a Conversion Form. The Conversion Form must be submitted to the Administrator following the instructions on such form.

The Fund will only process conversion applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Conversion Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at a conversion rate based on the respective Net Asset Values of the Original Shares and the New Shares on the Conversion Day.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Conversion Day. However, the Fund may accept conversion applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to reject any application for conversion of Shares into New Shares, in whole or in part, including, without limitation, where the Fund decides to close the Sub-Fund or Share Class to new subscriptions or new investors. In any event, no conversion application will be processed unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) for the Original Shares has been received by the Fund.

The conversion of Shares shall be suspended whenever the determination of the Net Asset Value per Share of the Original Shares or the New Shares is suspended by the Fund in accordance with section 8.4 (Temporary suspension of the Net Asset Value calculation) below, or when the redemption of Original Shares or the subscription for New Shares is suspended in accordance with the Articles of Association and this Prospectus.

7.6.2 Conversion rate

The rate at which the Original Shares are converted into New Shares is determined on the basis of the following formula:

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

where:

- A is the number of New Shares to be allocated;
- B is the number of Original Shares to be converted into New Shares;
- C is the Net Asset Value per Share of the Original Shares for the Conversion Day;
- D is the applicable currency exchange rate, between the Reference Currency of the Original Shares and that of the New Shares. Where the Reference Currencies are the same, D equals one (1); and
- E is the Net Asset Value per Share of the New Shares for the Conversion Day.

A Conversion Fee may be applied, if and to the extent set out in the Supplement. The Conversion Fee is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.

7.7 Transfer of Shares

7.7.1 Conditions and limitations on transfer of Shares

Shares are freely transferable subject to the restrictions set out in the Articles of Association and this Prospectus. In particular, the Fund may deny giving effect to any transfer of Shares if it determines that such transfer would result in the Shares being held by, on behalf or for the account or benefit of, Prohibited Persons.

Subject to the above, the transfer of Shares will normally be given effect by the Fund by way of declaration of transfer entered in the register of shareholders of the Fund following the delivery to the Administrator of an instrument of transfer duly completed and executed by the transferor and the transferee, in a form accepted by the Fund.

The Fund will only give effect to Share transfers that it considers clear and complete. The Administrator may require from the transferor and/or the transferee all of the information and supporting documentation it deems necessary to give effect to the transfer. Investors are advised to contact the Administrator prior to requesting a transfer to ensure that they have all the correct documentation for the transaction. The Fund may delay the acceptance of unclear or incomplete transfer orders until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete transfer orders may lead to delays in their execution. The Fund will not accept liability for any loss suffered by transferors and/or transferees as a result of unclear or incomplete transfer orders.

Shares which are eligible for clearing and settlement by Clearstream and/or Euroclear and/or other recognised securities clearing and settlement systems may also be transferred through securities accounts maintained within such system in accordance with applicable laws and regulations, and the operating rules of the system.

7.8 Special considerations

7.8.1 Minimum subscription and holding amounts

The subscription for Shares may be subject to a minimum initial subscription amount and/or additional subscription amount, as specified for each Share Class in the Supplement. The Fund may reject any application for subscription for or conversion into Shares of a Share Class which does not meet the applicable minimum initial subscription amount or additional subscription amount for that Share Class, if any.

In addition, the holding of Shares may be subject to a minimum holding amount, as specified for each Share Class in the Supplement. The Fund may treat any application for redemption or conversion of part of a holding of Shares in a Share Class as a deemed application for redemption or conversion of the entire holding of the redeeming investor in that Share Class if, as a result of such application, the Net Asset Value of the Shares retained by the investor in that Share Class would fall below the applicable minimum holding amount. Alternatively, the Fund may grant a grace period to the investor so as to allow him to increase his holding to at least the minimum holding amount.

The Fund may further deny giving effect to any transfer of Shares if, as a result of such transfer, the Net Asset Value of the Shares retained by the transferor in a Share Class would fall below the minimum holding amount for that Share Class, or if the Net Asset Value of the Shares acquired by the transferee in a Share Class would be less than the minimum initial or additional subscription amounts, as applicable. In such cases, the Fund will notify the transferor that it will not give effect to the transfer of the Shares.

Alternatively, the Fund has the discretion, from time to time, to waive any applicable minimum initial subscription amount, minimum additional subscription amount and/or minimum holding amount provided that investors are treated fairly. In particular, the Fund may waive all or part of such requirements for investments made by certain nominees and other professional intermediaries.

7.8.2 Minimum or maximum level of assets under management

The Fund may decide to cancel the launch of a Sub-Fund or Share Class before the end of the Initial Offer where that Sub-Fund or Share Class has not reached the minimum or expected level of assets under management for such Sub-Fund or Share Class to be operated in an economically efficient manner. In such event, applications for subscription will be refused and subscription proceeds previously received by the Fund will be returned to the applicant.

Where applications for redemptions or conversions out of a Sub-Fund or Share Class on a particular Redemption Day or Conversion Day represent the total number of Shares in issue in that Sub-Fund or Share Class, or the remaining number of Shares in issue after such redemptions or conversions would represent a total Net Asset Value below the minimum level of assets under management required for such Sub-Fund or Share Class to be operated in an efficient manner, the Fund may decide to terminate and liquidate the Sub-Fund or Share Class in accordance with the procedure set out in section 10.11 (Liquidation) below. In such a case, all remaining Shares of the Sub-Fund or Share Class will be redeemed.

The Fund may also decide to close a Sub-Fund or Share Class to new subscriptions or new investors where that Sub-Fund or Share Class has reached or is about to reach its maximum or expected level of assets under management, where accepting new subscriptions or investors would be detrimental to the performance of the Sub-Fund or Share Class, or in other circumstances determined by the Board of Directors. In such events, applications for subscription will be refused, in whole or in part, and subscription proceeds previously received by the Fund will be returned to the applicant.

7.8.3 Suspension of issue, redemption or conversion of Shares

The issue, redemption or conversion of Shares in a Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Share Class is suspended by the Fund in accordance with section 8.4 (Temporary suspension of the Net Asset Value calculation) below and in other circumstances specified in the Articles of Association and this Prospectus.

Suspended subscriptions, redemptions and conversions will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Fund before the end of the suspension period.

7.8.4 Deferral of redemption or conversion of Shares

If on any given Redemption Day or Conversion Day, applications for redemption or conversion of Shares out of a Sub-Fund or Share Class represent in aggregate more than ten percent (10%) of the Net Asset Value of the Sub-Fund or Share Class, the Fund may decide that part (on a *pro rata* basis) or all of such requests for redemption or conversion will be deferred to the next or subsequent Redemption Days or Conversion Days for a period generally not exceeding ten (10) Business Days until the application is processed in full. On a next or subsequent Redemption Day or Conversion Day, deferred redemption or conversion requests will be met in priority to requests submitted in respect of such Redemption Day or Conversion Day.

The Fund also reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period in accordance with the provisions set out in section 7.5 (Redemption of Shares) above.

As an alternative to deferring applications for redemptions, the Fund may propose to an investor, who accepts, to settle a redemption application, in whole or in part, by a distribution in kind of certain assets of the Sub-Fund or Share Class in lieu of cash, subject to the conditions set out in section 7.5 (Redemption of Shares) above.

7.9 Late trading, market timing and other prohibited practices

The Fund does not permit late trading practices as such practices may adversely affect the interests of investors. In general, late trading is to be understood as the acceptance of a subscription, redemption or conversion order for Shares after the Cut-Off Time for a Subscription Day, Redemption Day or Conversion Day and the execution of such order at a price based on the Net Asset Value applicable to such same day. However, as mentioned above, the Fund may accept subscription, conversion or redemption applications received after the Cut-Off Time, in circumstances where the subscription, redemption or conversion applications are dealt with on an unknown Net Asset Value basis, provided that it is in the interest of the Sub-Fund and that investors are fairly treated.

Subscriptions and conversions of Shares should be made for investment purposes only. The Fund does not permit market timing or other excessive trading practices. Market timing is to be understood as an arbitrage method by which an investor systematically subscribes and redeems or converts Shares of the same Sub-Fund or Share Class within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value. Excessive, short-term (market timing) trading practices may disrupt portfolio management strategies and harm fund performance. To minimise harm to the Fund and other investors, the Fund has the right to reject any subscription or conversion order, or levy in addition to any Subscription Fee, Redemption Fee or Conversion Fee which may be charged according to the Supplement, a fee of up to two percent (2%) of the value of the order for the benefit of the Sub-Fund or Share Class, from any investor who is engaging or is suspected of engaging in excessive trading, or has a history of excessive trading, or if an investor's trading, in the opinion of the Board of Directors, has been or may be disruptive to the Fund. In making this judgment, the Board of Directors may consider trading done in multiple accounts under common ownership or control.

The Fund also has the power to compulsorily redeem all Shares held by, on behalf or for the account or benefit of, an investor who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, in accordance with the procedure set out in this Prospectus. The Board of Directors considers such persons as Prohibited Persons.

The Fund will not be held liable for any loss resulting from rejected orders or compulsory redemptions.

7.10 Prohibited Persons

The Articles of Association give powers to the Board of Directors to restrict or prevent the legal or beneficial ownership of Shares or prohibit certain practices such as late trading and market timing by any person (individual, corporation, partnership or other entity), if in the opinion of the Board of Directors such ownership or practices may (i) result in a breach of any provisions of the Articles of Association, the Prospectus or the laws or regulations of any jurisdiction, or (ii) require the Fund, the Management Company or the Investment Manager or the Sub-Investment Manager(s) to be registered under any laws or regulations whether as an investment fund or otherwise, or cause the Fund to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or in any other jurisdiction, or (iii) may cause the Fund, the Management Company or the Investment Manager or the Sub-Investment Manager(s) or the investors any legal, regulatory, taxation, administrative or financial disadvantages which they would not have otherwise incurred (a Prohibited Person).

The Board of Directors has decided that US Persons will subject to certain exceptions be considered as Prohibited Persons. By signing a Subscription Form, an applicant will certify, represent, warrant and agree that he is not a US Person or that the Shares applied for are not being acquired directly or indirectly by, on behalf or for the account or benefit of, a US Person. An applicant will further certify, represent,

warrant and agree that the applicant will notify the Fund in the event that either the applicant becomes a US Person or holds the Shares on behalf of, or for the account or benefit of, a US Person. If an applicant's status changes and it becomes a US Person, it must notify the relevant party as mentioned above within thirty (30) days.

The Board of Directors has also decided that any person not qualifying as an Eligible Investor will be considered as a Prohibited Person.

Furthermore, the Board of Directors has decided that any person who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, directly or indirectly, as described in section 7.9 (Late trading, market timing and other prohibited practices) above, will be considered as a Prohibited Person.

The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may require at any time any investor or prospective investor to provide the Fund with any representations, warranties, or information, together with supporting documentation, which the Fund may consider necessary for the purpose of determining whether the issue or transfer would result in Shares being held by, on behalf or for the account or benefit of, a Prohibited Person.

The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. In such cases, the Fund will notify the investor of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Redemption Day on which the compulsory redemption will occur. The Redemption Price shall be determined in accordance with section 7.5 (Redemption of Shares) above.

The Fund may also grant a grace period to the investor for remedying the situation causing the compulsory redemption, for instance by transferring the Shares to one or more investors who are not Prohibited Persons and do not act on behalf or for the account or benefit of, Prohibited Persons, and/or propose to convert the Shares held by any investor who fails to satisfy the investor eligibility requirements for a Shares Class into Shares of another Share Class available for such investor.

The Fund reserves the right to require the investor to indemnify the Fund against any losses, costs or expenses arising as a result of any Shares being held by, on behalf or for the account or benefit of, a Prohibited Person or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

7.11 Prevention of money laundering

The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing, including in particular with the 2004 Law, and implementing regulations and CSSF circulars adopted from time to time. In particular, anti-money laundering measures in force in Luxembourg require the Fund, on a risk sensitive basis, to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the business relationship on an ongoing basis.

Subscribers for Shares will be required to provide to the Fund the information set out in the Subscription Form, depending on their legal form (individual, corporate or other category of subscriber).

The Fund is required to establish anti-money laundering controls and may require from subscribers for Shares all documentation deemed necessary to establish and verify this information. The Fund has the right to request additional information until the it is reasonably satisfied that it understands the identity and economic purpose of the subscriber. Furthermore, any investor is required to notify the Fund prior to the occurrence of any change in the identity of any beneficial owner of Shares. The Fund may require from existing investor, at any time, additional information together with all supporting documentation deemed necessary for the Fund to comply with anti-money laundering measures in force in Luxembourg.

Depending on the circumstances of each application, a simplified customer due diligence might be applicable, where a subscriber is a credit institution or financial institution governed by the 2004 Law or a credit or financial institution, within the meaning of Directive 2005/60/EC, of another Member State or situated in a third country which imposes requirements equivalent to those laid down in the 2004 Law or in Directive 2005/60/EC and is supervised for compliance with those requirements. These procedures may only apply if the credit or financial institution referred to above is located within a country recognised by the Fund as having equivalent anti-money laundering regulations to the 2004 Law.

Failure to provide information or documentation deemed necessary for the Fund to comply with anti-money laundering measures in force in Luxembourg may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

8. VALUATION AND NET ASSET VALUE CALCULATION

The Net Asset Value of each Sub-Fund and Share Class is determined by performing a valuation of the assets and liabilities of the Fund and allocating them to the Sub-Funds and Share Classes, in order to calculate the Net Asset Value per Share of each Share Class of each Sub-Fund. The method for the valuation of the assets and liabilities, the allocation to the Sub-Funds and Share Classes, and the calculation of the Net Asset Value is set out in the Articles of Association and is also described in this section of the Prospectus.

8.1 Calculation of the Net Asset Value

The Net Asset Value per Share shall be determined by the Administrator as of each Valuation Day as specified for each Sub-Fund in the Supplement and at least twice a month. It shall be calculated by dividing the Net Asset Value of the Share Class of a Sub-Fund by the total number of Shares of such Share Class in issue as of that Valuation Day. The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded up or down to three (3) decimal places.

The Net Asset Value of a Share Class is equal to the value of the assets allocated to such Share Class within a Sub-Fund less the value of the liabilities allocated to such Share Class, both being calculated as of each Valuation Day according to the valuation procedure described below.

The Net Asset Value of a Sub-Fund is equal to the value of the assets allocated to such Sub-Fund less the value of the liabilities allocated to such Sub-Fund, both calculated as of each Valuation Day in the Reference Currency of the Sub-Fund according to the valuation procedure described below.

The Net Asset Value of the Fund will at all times be equal to the sum of the Net Asset Values of all Sub-Funds expressed in the Reference Currency of the Fund. The Net Asset Value of the Fund must at all times be at least equal to the minimum share capital required by the 2010 Law which is currently EUR 1,250,000, except during the first six (6) months after the approval of the Fund by the CSSF.

8.2 Valuation procedure

8.2.1 General

The assets and liabilities of the Fund will be valued in accordance with the Articles of Association and the provisions outlined below.

The Board of Directors may apply other valuation principles or alternative methods of valuation that it considers appropriate in order to determine the probable realisation value of any asset if applying the rules described below appears inappropriate or impracticable.

The Board of Directors may adjust the value of any asset if the Board of Directors determines that such adjustment is required to reflect its fair value taking into account its denomination, maturity, liquidity, applicable or anticipated interest rates or dividend distributions or any other relevant considerations.

If, after the time of determination of the Net Asset Value but before publication of the Net Asset Value for a Valuation Day, there has been a material change affecting the exchanges or markets on which a substantial portion of the investments of a Sub-Fund are quoted, listed or traded, the Board of Directors may cancel the first valuation and carry out a second valuation in order to safeguard the interest of investors. In such a case, the Net Asset Value used for processing subscription, redemption and conversion applications for that Valuation Day will be based on the second calculation.

For the purpose of calculating the Net Asset Value in accordance with the valuation principles set out below, the Board of Directors has authorised the Administrator to rely in whole or in part upon valuations provided by available pricing sources for the relevant asset, including data vendors and pricing agencies (such as Bloomberg or Reuters), fund administrators, brokers, dealers and valuation specialists, provided that such pricing sources are considered reliable and appropriate and provided that there is no manifest error or negligence in such valuations. In the event that valuations are not available or valuations may not correctly be assessed using such pricing sources, the Administrator will rely upon valuation methods and determinations provided by the Board of Directors.

The Board of Directors and the Administrator may consult with and seek the advice of the Investment Manager and the Sub-Investment Manager(s) in valuing the Fund's assets.

In the absence of fraud, bad faith, gross negligence or manifest error, any decision taken in accordance with the Articles of Association and the Prospectus by the Board of Directors or any agent appointed by the Board of Directors in connection with the valuation of the Fund's assets and the calculation of the Net Asset Value of the Fund, a Sub-Fund or a Share Class, the Net Asset Value per Share will be final and binding on the Fund and on all investors, and neither the Board of Directors nor any agent appointed by the Board of Directors shall accept any individual liability or responsibility for any determination made or other action taken or omitted by them in this connection.

8.2.2 Assets of the Fund

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the assets of the Fund shall include the following:

- (a) all cash on hand or on deposit, including any outstanding accrued interest;
- (b) all bills and any types of notes or accounts receivable, including outstanding proceeds of any disposal of financial instruments;
- (c) all securities and financial instruments, including shares, bonds, notes, certificates

of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the Fund;

- (d) all dividends and distributions payable to the Fund either in cash or in the form of stocks and shares (which will normally be recorded in the Fund's books as of the ex-dividend date, provided that the Fund may adjust the value of the security accordingly);
- (e) all outstanding accrued interest on any interest-bearing instruments belonging to the Fund, unless this interest is included in the principal amount of such instruments;
- (f) the formation expenses of the Fund or a Sub-Fund, to the extent that such expenses have not already been written off; and
- (g) all other assets of any kind and nature including expenses paid in advance.

8.2.3 Liabilities of the Fund

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the liabilities of the Fund shall include the following:

- (a) all loans, bills or accounts payable, accrued interest on loans (including accrued fees for commitment for such loans);
- (b) all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Fund but not yet paid;
- (c) a provision for any tax accrued to the Valuation Day and any other provisions authorised or approved by the Fund; and
- (d) all other liabilities of the Fund of any kind recorded in accordance with applicable accounting rules, except liabilities represented by Shares. In determining the amount of such liabilities, the Fund will take into account all expenses, fees, costs and charges payable by the Fund as set out in section 9 (Fees and expenses) below.

Adequate provisions shall be made for unpaid administrative and other expenses of a regular or recurring nature based on an estimated amount accrued for the applicable period. Any off-balance sheet liabilities shall duly be taken into account in accordance with fair and prudent criteria.

The fees and expenses incurred in connection with the formation of the Fund will be borne by the Fund and may be amortised over a period of up to five (5) years. The formation expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five (5) years. New Sub-Funds created after the incorporation and launch of the Fund will participate in the non-amortised costs of establishment of the Fund.

8.2.4 Valuation principles

In accordance with the Articles of Association, the valuation of the assets of the Fund will be conducted as follows:

- (a) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.
- (b) Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs c) and f) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- (c) Notwithstanding paragraph b) above, where permitted under applicable laws and regulations, Money Market Instruments may be valued using an amortisation method whereby instruments are valued at their acquisition cost as adjusted for amortisation of premium or accrual of discount on a constant basis until maturity, regardless of the impact of fluctuating interest rates on the market value of the instruments. The amortisation method will only be used if it is not expected to result in a material discrepancy between the market value of the instruments and their value calculated according to the amortisation method.
- (d) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- (e) Financial derivative instruments which are traded "over-the-counter" (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from

the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the Board of Directors which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.

- (f) Notwithstanding paragraph b) above, shares or units in target investment funds (including UCITS and UCI) will be valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the Board of Directors is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph b) above.
- (g) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

8.2.5 Allocation of assets and liabilities to Sub-Funds and Share Classes

Assets and liabilities of the Fund will be allocated to each Sub-Fund and Share Class in accordance with the provisions of the Articles of Association, as set out below, and the Supplement of the Sub-Fund.

- (a) The proceeds from the issue of Shares of a Sub-Fund or Share Class, all assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets attributable to or deriving from such investments, as well as all increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. The assets allocated to each Share Class of the same Sub-Fund will be invested together in accordance with the investment objective, policy, and strategy of that Sub-Fund, subject to the specific features and terms of issue of each Share Class of that Sub-Fund, as specified in its Supplement (see section 7.1 (Shares, Sub-Funds and Share Classes) above).
- (b) All liabilities of the Fund attributable to the assets allocated to a Sub-Fund or Share Class or incurred in connection with the creation, operation or liquidation of a Sub-Fund or Share Class will be charged to that Sub-Fund or Share Class and, together with any increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. In particular and without limitation, the costs and any benefit of any Share Class specific feature will be allocated solely to the Share Class to which the specific feature relates.
- (c) Any assets or liabilities not attributable to a particular Sub-Fund or Share Class may be allocated by the Board of Directors in good faith and in a manner which is fair to investors generally and will normally be allocated to all Sub-Funds or Share Classes *pro rata* to their Net Asset Value.

Subject to the above, the Board of Directors may at any time vary the allocation of assets and liabilities previously allocated to a Sub-Fund or Share Class.

8.2.6 Additional rules for assets and liabilities of the Fund

In calculating the Net Asset Value of each Sub-Fund or Share Class the following principles will apply.

- (a) Each Share agreed to be issued by the Fund on each Subscription Day will be deemed to be in issue and existing immediately after the time of valuation on the Subscription Day. From such time and until the Subscription Price is received by the Fund, the assets of the Sub-Fund or Share Class concerned will be deemed to include a claim of that Sub-Fund or Share Class for the amount of any cash or other property to be received in respect of the issue of such Shares. The Net Asset Value of the Sub-Fund or Share Class will be increased by such amount immediately after the time of valuation on the Subscription Day.
- (b) Each Share agreed to be redeemed by the Fund on each Redemption Day will be deemed to be in issue and existing until and including the time of valuation on the Redemption Day. Immediately after the time of valuation and until the Redemption Price is paid by the Fund, the liabilities of the Sub-Fund or Share Class concerned will be deemed to include a debt of that Sub-Fund or Share Class for the amount of any cash or other property to be paid in respect of the redemption of such Shares.

The Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount immediately after the time of valuation on the Redemption Day.

- (c) Following a declaration of dividends for Distribution Shares on a Valuation Day determined by the Fund to be the distribution accounting date, the Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount as of the time of valuation on that Valuation Day.
- (d) Where assets have been agreed to be purchased or sold but such purchase or sale has not been completed at the time of valuation on a given Valuation Day, such assets will be included in or excluded from the assets of the Fund, and the gross purchase price payable or net sale price receivable will be excluded from or included in the assets of the Fund, as if such purchase or sale had been duly completed at the time of valuation on that Valuation Day, unless the Fund has reason to believe that such purchase or sale will not be completed in accordance with its terms. If the exact value or nature of such assets or price is not known at the time of valuation on the Valuation Day, its value will be estimated by the Fund in accordance with the valuation principles described above.
- (e) The value of any asset or liability denominated or expressed in a currency other than the Reference Currency of the Fund, Sub-Fund or Share Class will be converted, as applicable, into the Reference Currency of the Fund, Sub-Fund or Share Class at the prevailing foreign exchange rate at the time of valuation on the Valuation Day concerned which the Board of Directors considers appropriate.

8.2.7 Adjustments

In certain circumstances, subscriptions, redemptions, and conversions in a Sub-Fund may have a negative impact on the Net Asset Value per Share. Where subscriptions, redemptions, and conversions in a Sub-Fund cause the Sub-Fund to buy and/or sell underlying investments, the value of these

investments may be affected by bid/offer spreads, trading costs and related expenses including transaction charges, brokerage fees, and taxes. This investment activity may have a negative impact on the Net Asset Value per Share called "dilution". In order to protect existing or remaining investors from the potential effect of dilution, the Fund may apply an anti-dilution levy and a "swing pricing" methodology as further explained below. The swing pricing methodology and the anti-dilution levy are not expected to apply at the same time to subscription and/or redemption orders in respect of the same Valuation Day, except in extraordinary market circumstances as determined by the Board of Directors.

The Fund may apply a so-called "swing pricing" methodology which adjusts the Net Asset Value per Share to account for the aggregate costs of buying and/or selling underlying investments. The Net Asset Value per Share will be adjusted by a certain percentage set by the Board of Directors from time to time for each Sub-Fund called the "swing factor" which represents the estimated bid-offer spread of the assets in which the Sub-Fund invests and estimated tax, trading costs, and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments (called the Swing Factor). As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the Swing Factor may be different for net subscriptions and net redemptions in a Sub-Fund. Generally, the Swing Factor will not exceed two percent (2%) of the Net Asset Value per Share unless otherwise set out for each Sub-Fund in the Supplement. A periodical review will be undertaken in order to verify the appropriateness of the Swing Factor in view of market conditions.

The Board of Directors will determine if a partial swing or full swing is adopted. If a partial swing is adopted, the Net Asset Value per Share will be adjusted upwards or downwards if net subscriptions or redemptions in a Sub-Fund exceed a certain threshold set by the Board of Directors from time to time for each Sub-Fund (called the Swing Threshold). If a full swing is adopted, no Swing Threshold will apply. The Swing Factor will have the following effect on subscriptions or redemptions:

- (a) on a Sub-Fund experiencing levels of net subscriptions on a Valuation Day (i.e., subscriptions are greater in value than redemptions) (in excess of the Swing Threshold, where applicable) the Net Asset Value per Share will be adjusted upwards by the Swing Factor; and
- (b) on a Sub-Fund experiencing levels of net redemptions on a Valuation Day (i.e., redemptions are greater in value than subscriptions) (in excess of the Swing Threshold, where applicable) the Net Asset Value per Share will be adjusted downwards by the Swing Factor.

The volatility of the Net Asset Value of the Sub-Fund might not reflect the true portfolio performance (and therefore might deviate from the Sub-Fund's benchmark, where applicable) as a consequence of the application of swing pricing. The Performance Fee, where applicable, will be charged on the basis of the unswung Net Asset Value of the Sub-Fund.

An extra charge may also be levied by the Fund on investors subscribing or redeeming Shares to account for the aggregate costs of buying and/or selling underlying investments related to such subscriptions or redemptions (called the Anti-Dilution Levy). The rate of the Anti-Dilution Levy will be set by the Board of Directors from time to time for each Sub-Fund so as to represent the estimated bid-offer spread of the assets in which the Sub-Fund invests and estimated tax, trading costs, and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments. Generally, the Anti-Dilution Levy will not exceed two percent (2%) of the Net Asset Value per Share unless otherwise set out for each Sub-Fund in the Supplement. A periodical review will be undertaken in order to verify the appropriateness of the Anti-Dilution Levy in view of market conditions.

The Board of Directors will determine if the Anti-Dilution Levy will apply to all investors subscribing or redeeming Shares on a Valuation Day or if the Anti-Dilution Levy will apply only on a Valuation Day where net subscriptions or redemptions in a Sub-Fund exceed a certain threshold set by the Board of Directors from time to time for each Sub-Fund (called the Anti-Dilution Threshold). The Anti-Dilution Levy

will have the following effect on subscriptions or redemptions:

- (a) on a Sub-Fund experiencing levels of net subscriptions on a Valuation Day (i.e., subscriptions are greater in value than redemptions) (in excess of the Anti-Dilution Threshold, if applicable) the Anti-Dilution Levy will be added as a premium to the Subscription Price; and
- (b) on a Sub-Fund experiencing levels of net redemptions on a Valuation Day (i.e., redemptions are greater in value than subscriptions) (in excess of the Anti-Dilution Threshold, if applicable) the Anti-Dilution Levy will be deducted as a discount to the Redemption Price.

The Anti-Dilution Levy will be allocated to the assets of the Sub-Fund and will, therefore, benefit the existing or remaining investors.

8.3 Publication of the Net Asset Value

The Net Asset Value will be published on each Valuation Day unless otherwise provided for in the Supplement. The Net Asset Value per Share of each Share Class within each Sub-Fund will be available from the Management Company during normal business hours and is published in the newspapers of the countries where the Shares of the Fund are offered or sold

8.4 Temporary suspension of the Net Asset Value calculation

The Board of Directors may temporarily suspend the calculation and publication of the Net Asset Value per Share of any Share Class in any Sub-Fund and/or where applicable, the issue, redemption and conversion of Shares of any Share Class in any Sub-Fund in the following cases:

- (a) when any exchange or regulated market that supplies the price of the assets of a Sub-Fund is closed, otherwise than on ordinary holidays, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;
- (b) when the information or calculation sources normally used to determine the value of the assets of a Sub-Fund are unavailable;
- (c) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of a Sub-Fund, or which is required to calculate the Net Asset Value per Share;
- (d) when exchange, capital transfer or other restrictions prevent the execution of transactions of a Sub-Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;
- (e) when exchange, capital transfer or other restrictions prevent the repatriation of assets of a Sub-Fund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;
- (f) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevent the Fund from being able to manage the assets of a Sub-

Fund in a normal manner and/or prevent the determination of their value in a reasonable manner;

- (g) when there is a suspension of the net asset value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which a Sub-Fund is invested;
- (h) following the suspension of the net asset value calculation and/or the issue, redemption and conversion at the level of a Master Fund in which a Sub-Fund invests as a Feeder Fund;
- (i) when, for any other reason, the prices or values of the assets of a Sub-Fund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose

of the assets of the Sub-Fund in the usual way and/or without materially prejudicing the interests of investors;

- (j) in the event of a notice to shareholders of the Fund convening an extraordinary general meeting of shareholders for the purpose of dissolving and liquidating the Fund or informing them about the termination and liquidation of a Sub-Fund or Share Class, and more generally, during the process of liquidation of the Fund, a Sub-Fund or Share Class;
- (k) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- (l) during any period when the dealing of the Shares of a Sub-Fund or Share Class on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and
- (m) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Fund, a Sub-Fund or Share Class, in compliance with the principle of fair treatment of investors in their best interests.

In the event of exceptional circumstances which could adversely affect the interest of investors or where significant requests for subscription, redemption or conversion of Shares are received for a Sub-Fund or Share Class, the Board of Directors reserves the right to determine the Net Asset Value per Share for that Sub-Fund or Share Class only after the Fund has completed the necessary investments or divestments in securities or other assets for the Sub-Fund or Share Class concerned.

The issue, redemption and conversion of Shares in the any Share Class will also be suspended during any such period when the Net Asset Value of such Share Class is not calculated and published.

Any decision to suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares of a Share Class, will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed.

The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any Sub-Fund or Share Class will have no effect on the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any other Sub-Fund or Share Class.

Suspended subscription, redemption, and conversion applications will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Administrator before the end of the suspension period.

9. FEES AND EXPENSES

9.1 Subscription Fee, Conversion Fee and Redemption Fee

Subscriptions for Shares may be subject to a Subscription Fee and redemptions of Shares may be subject to a Redemption Fee both calculated as specified in the Supplement, where applicable. Conversions of Shares may be subject to a Conversion Fee calculated as specified in the Supplement, where applicable. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Where applicable, an identical Subscription Fee, Redemption Fee, or Conversion Fee will apply, respectively, to all subscriptions, redemptions and conversions of Shares in each Share Class processed on the same Subscription Day, Redemption Day or Conversion Day.

The Subscription Fee, Redemption Fee and Conversion Fee will be paid to the Fund who may pay all or part of such fees to the Distributors as commissions or other fee arrangements or may arrange for the Distributors to receive and retain such fees directly. The Fund may in its discretion waive all or part of the Subscription Fee, Redemption Fee or Conversion Fee.

Should a Sub-Fund qualify as a Master Fund, no Subscription Fee, Redemption Fee or Conversion Fee will be charged in respect of subscription, redemption or conversion requests of any Feeder Fund of that Master Fund.

Banks and other financial intermediaries appointed by or acting on behalf of the investors, where applicable, may charge administration and/or other fees or commissions to the investors pursuant to arrangements between those banks or other financial intermediaries and the investors. The Fund has no control over such arrangements.

An extra charge referred to as the Anti-Dilution Levy may be levied by the Fund on investors subscribing for or redeeming Shares to account for the aggregate costs of buying and/or selling underlying investments related to such subscriptions or redemptions, as described in section 8.2 (Valuation procedure) above.

9.2 Management Fee

The Management Company will be entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class and paid out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 8.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above). The Management Fee will accrue on each Valuation Day and will be payable monthly in arrears at the maximum rate specified in the Supplement for each Sub-Fund or Share Class. The Management Company will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Management Company fee will not exceed 30 bps with a minimum fee of EUR 2,500 per Sub-Fund per month. An additional fee of EUR 1,000 per Sub-Fund per month will be charged in case of Value at risk calculation.

The actual amounts of these fees are disclosed in the financial reports.

The Management Fee covers the services performed by the Management Company. It does not cover portfolio management and administration services performed by the Investment Manager, the Sub-Investment Manager(s) and the Administrator. The Fund pays separate fees to the Investment Manager and the Administrator, as described below.

9.3 Investment Manager Fee

The Investment Manager will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each Sub-Fund or Share Class consistent with market practice, subject to a minimum flat fee per Sub-Fund or Share Class and a maximum annual rate as set out in the Supplement for each Sub-Fund or Share Class. The Investment Manager fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 8.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. The Investment Manager will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Investment Manager may from time to time, at its sole discretion, decide to waive or return to the Fund all or part of its annual fee. Subject to applicable laws and regulations, the Investment Manager may also from time to time, at its sole discretion, enter into private arrangements with certain investors or financial intermediaries, affiliates and/or third parties, whereby the Investment Manager will agree to pay an amount representing all or part of its annual fee.

9.4 Performance Fee

The Investment Manager may be entitled to receive a Performance Fee with respect to certain Sub-Funds or Share Classes.

The Performance Fee is calculated on the basis of the Net Asset Value per Share net of all costs except of any Performance Fee is accrued and/or any applicable Swing Factor is applied, and which is further adjusted to take into account all subscriptions and redemptions (the "**Adjusted Net Asset Value per Share**").

For each Crystallisation Period, the Performance Fee payable will be equal to a specified percentage, as referred to in the Supplement of the relevant Sub-Fund, of the outperformance of Adjusted Net Asset Value over the Benchmark (as referred to in the Supplement of the relevant Sub-Fund) with regards the same Crystallisation Period.

A Performance Fee will be payable provided that the Adjusted Net Asset Value per Share also outperforms the High-Water Mark.

There will be no cap on the Performance Fee.

This High Water Mark is defined as the larger of the following two figures:

- The last highest Adjusted Net Asset Value per Share ; and
- the first Adjusted Net Asset Value per Share.

For the avoidance of doubt, the performance fee mechanism is not subject to any reset mechanism, so that it will apply for the whole life of the relevant Sub-Fund(s) (the "**Reference Period**").

The Performance Fee is calculated and payable as follows:

- (a) **Absolute positive performance:** In case of a positive performance of the Adjusted Net Asset Value per Share against the Benchmark over that same Calculation Period (the "**Outperformance**"), a Performance Fee shall be due and calculated on the basis of such Outperformance provided that the High Water Mark is reached.
- (b) **Negative performance and full loss recovery principle:** In case of a negative or nil performance of the Adjusted Net Asset Value per Share against the Benchmark over that same Calculation Period, no Performance Fee shall be due in respect of such Calculation Period and 100% of any such negative performance shall be carried forward to the following Calculation Period (the "**Negative Bonus**"). Hence, no Performance Fee will be payable in any given year as long as the Negative Bonus has not been fully recovered by subsequent Outperformance(s), subject always to the High Water Mark being reached. For clarity purposes, such negative performance loss recovery principle will not be subject to any time limitation or reset mechanism as it will apply over the whole Reference Period, being the relevant Sub-Fund's lifetime.
- (c) **Early crystallisation:** If (i) a Sub-Fund or Share Class is closed or subject to a merger in the course of a Calculation Period or (ii) where Shares are redeemed or converted into other Shares of any Class of any Sub-Fund or any Class of another existing Sub-Fund on a date other than that on which a Performance Fee is paid, while accruals have been made for the Performance Fee, such Performance Fee will be crystallized respectively at the date of the merger, closure, redemption or conversion. Such Performance Fee will be considered as payable to the Investment Manager at the end of the Calculation Period (even if an accrual for the Performance Fee is no longer planned on this date) or in case of closure and/or merger at the effective date of such event.

Provisions will be made for this Performance Fee on each Valuation Day. Profits that were not generated may be taken into account when calculating and paying the Performance Fee.

In the event of subscription, the calculation of the Performance Fee is adjusted to prevent this subscription impacting on the amount of the Performance Fee. In order to make this adjustment, the performance of the latest Adjusted Net Asset Value per Share Class against the High Water Mark or Benchmark up to the subscription date is not taken into account when calculating the Performance Fee. This adjustment is equal to the proceeds from the number of shares subscribed by the positive difference between the subscription price and the High Water Mark or Benchmark where applicable on the subscription date. This accumulated adjustment amount is used when calculating the Performance Fee until the end of the period concerned and is adjusted if subsequent repurchases are made during the period.

The calculation period for the calculation and payment of the Performance Fee shall be a full calendar year starting on 1st January and ending on 31st December (the "**Crystallisation Period**"), except (i) for the year during which a share Class is launched, where the Calculation Period shall be understood as being the period starting as of the launch date of the Share Class and ending the immediately following 31st of December, and (ii) if a Sub-Fund or Share Class is closed or subject to a merger in the course of a Calculation Period or where Share Classes are redeemed or converted into other Shares of any Class of any Sub-Fund or any Share Class of another existing Sub-Fund on a date other than that on which a Performance Fee is paid while accruals have been made for the Performance Fee. Such Performance Fee will be crystallized respectively at the date of the merger, closure, redemption or conversion and such Performance Fee will be considered as payable to the Management Company at the end of the Calculation Period (even if an accrual for the Performance Fee is no longer planned on

this date) or in case of closure and/or merger at the effective date of such event.

The Performance Fee is payable within 20 Business Days from the end of the relevant year.

Example of performance fee calculation:

Scenario	The Adjusted Net Asset Value per Share	HWM	Fund Performance	Benchmark performance	Outperformance (or "Negative Bonus" to recover by share	Performance Fee	Performance Fee amount by share	Negative Bonus Period	Cumulative negative bonus	Performance fee to be paid
Year 1	115,00	100,00	15,00%	8,00%	7,00%	Yes	1,2075	0,0000	0,0000	1,2075
Year 2	118,00	115,00	2,61%	6,00%	-3,39%	No	-0,6003	-0,6003	-0,6003	0,0000
Year 3	115,00	118,00	-2,54%	6,00%	-8,54%	No	-1,4736	-1,4736	-2,0738	0,0000
Year 4	123,00	118,00	4,24%	4,00%	0,24%	Yes	0,0438	0,0000	-2,0300	0,0000
Year 5	140,00	123,00	13,82%	1,00%	12,82%	Yes	2,6924	0,0000	0,0000	0,6624
Year 6	118,00	140,00	-15,71%	-0,50%	-15,21%	No	-2,6929	-2,6929	-2,6929	0,0000

9.5 Fees of the Depositary and the Administrator

The Depositary will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg, subject to a maximum rate of 0.04 percent (0.04%) per annum. The Depositary fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 8.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by each Sub-Fund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Administrator will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg, subject to a minimum annual flat fee of €15,000 per Sub-Fund and a maximum annual rate of 0.06 percent (0.06%) per annum. The Administrator fee will accrue on each Valuation Day and a twelfth of which is payable at the end of each month out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 8.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. The Administrator will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Further fees may be payable to the Depositary and the Administrator in consideration of ancillary services rendered to the Fund and relating to the core services of the Depositary and the Administrator.

9.6 Directors' fees and expenses

The members of the Board of Directors are entitled to receive a fee in consideration for their function. The Fund will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of

the Board of Directors, and any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question.

9.7 Operating and Administrative Expenses

The Fund bears all ordinary costs and expenses incurred in the operation and administration of the Fund or any Sub-Fund or Share Class ("**Operating and Administrative Expenses**") including but not limited to costs and expenses incurred in connection with:

- (i) preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Fund, a Sub-Fund or Share Class that are required by applicable laws and regulations (such as the Articles of Association, this Prospectus, key investor information documents, financial reports and notices to investors) or any other documents and materials made available to investors (such as explanatory memoranda, statements, reports, factsheets and similar documents);
 - (ii) organising and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders;
 - (iii) professional advisory services (such legal, tax, accounting, compliance, auditing and other advisory services) taken by the Fund or the Management Company on behalf of the Fund;
- (a) investment services taken and/or data obtained by the Fund or the Management Company on behalf of the Fund (including fees and expenses incurred in obtaining investment research, systems and other services or data utilised for portfolio and risk management purposes);
 - (b) the authorisation of the Fund, the Sub-Funds and Share Classes, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Fund and/or the members of the Board of Directors;
 - (c) initial and ongoing obligations relating to the registration and/or listing of the Fund, a Sub-Fund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);
 - (d) memberships or services provided by international organisations or industry bodies such as the Association of the Luxembourg Fund Industry (ALFI);
 - (e) taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (*taxe d'abonnement*) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Fund; and
 - (f) the reorganisation or liquidation of the Fund, a Sub-Fund or Share Class.

9.8 **Transaction costs**

Each Sub-Fund bears the costs and expenses arising from buying and selling portfolio assets and entering into other transactions in securities or other financial instruments, such as brokerage fees and commissions and all other fees, expenses, commissions, charges, premiums and interest paid to banks, brokers, execution agents or securities lending agents and/or incurred in participating in any securities lending, repurchase and buy-sell back programs, collateral management fees and associated costs and charges, exchange fees, taxes, levies and stamp duties chargeable in connection with transactions in securities or other financial, and any other transaction-related expenses.

9.9 **Extraordinary costs and expenses**

In order to safeguard the interests of the Fund and its investors, the Fund or any Sub-Fund may bear any extraordinary costs and expenses including, without limitation, costs and expenses related to litigation and regulatory investigations (including penalties, fines, damages and indemnifications) and the full amount of any tax, levy, duty or similar charge imposed on the Fund or Sub-Fund that would not be considered as ordinary Operating and Administrative Expenses.

9.10 **Formation costs and expenses**

The costs and expenses incurred in connection with the formation of the Fund will be borne by the Fund and may be amortised over a period of up to five (5) years from the date of incorporation of the Fund. The formation costs and expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five (5) years. New Sub-Funds created after the incorporation and launch of the Fund will participate in the non-amortised formation costs and expenses of the Fund.

10. **GENERAL INFORMATION**

10.1 **Reports and financial statements**

The financial statements of the Fund will be prepared in accordance with Luxembourg GAAP.

The financial year of the Fund will begin on 1 January of each year and end on 31 December of the same year. Each year, the Fund will issue an Annual Report as of the end of the previous financial year comprising, *inter alia*, the audited financial statements of the Fund and each Sub-Fund and a report of the Board of Directors on the activities of the Fund. The first financial year will end on 31 December 2019 and the first Annual Report will be issued as of 30 April 2020.

The Annual Report shall be made available to investors within four (4) months following the end of the reporting period and the Semi-Annual Report will be made available to investors within two (2) months following the end of the reporting period. Investors may obtain, upon request, a copy of the latest financial reports from the Fund free of charge.

The Reference Currency of the Fund is the Euro. The Annual Report will comprise consolidated accounts of the Fund expressed in Euro as well as individual information on each Sub-Fund expressed in the Reference Currency of such Sub-Fund.

10.2 **Meetings of shareholders**

The annual general meeting of shareholders will be held within four (4) months of the end of each financial year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice of such

meeting.

Other general meetings of shareholders may be held at such place and time as indicated in the convening notice in order to decide on any other matters relating to the Fund. General meetings of shareholders of any Sub-Fund or any Share Class within a Sub-Fund may be held at such time and place as indicated in the convening notice in order to decide on any matters which relate exclusively to such Sub-Fund or Share Class.

10.3 Investors' rights

Upon the issue of the Shares, the person whose name appears on the register of Shares will become a shareholder of the Fund in relation to the relevant Sub-Fund and Share Class. The Fund draws the investors' attention to the fact that, where an investor invests in the Fund through an intermediary acting in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights, such as the right to participate in general meetings of shareholders, directly against the Fund. Investors are advised to seek advice in relation to their rights.

The Articles of Association are governed by, and construed in accordance with, the laws currently into force in Luxembourg. The Subscription Form is expressed to be governed by, and construed in accordance with, the laws currently into force in Luxembourg, and contains a choice of international competence of the courts of Luxembourg.

There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by a Luxembourg court. If a foreign, i.e. non-Luxembourg court, on the basis of mandatory domestic provisions, renders a judgment against the Fund, the rules of the Brussels I (Recast) (regarding judgments from EU Member States) or the rules of the Lugano Convention or of the private international law of Luxembourg (regarding judgments from non-EU Member States) concerning the recognition and enforcement of foreign judgments apply. Investors are advised to seek advice, on a case-by-case basis, on the available rules concerning the recognition and enforcement of judgments.

Absent a direct contractual relationship between the investors and the service providers mentioned in section 6 (Management and Administration) above, the investors will generally have no direct rights against service providers and there are only limited circumstances in which an investor can potentially bring a claim against a service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by a service provider is, *prima facie*, the Fund itself.

10.4 Changes to this Prospectus

The Board of Directors, in close cooperation with the Management Company, may from time to time amend this Prospectus to reflect various changes it deems necessary and in the best interest of the Fund, such as implementing changes to laws and regulations, changes to a Sub-Fund's objective and policy or changes to fees and costs charged to a Sub-Fund or Share Class. Any amendment of this Prospectus will require approval by the CSSF. In accordance with applicable laws and regulations, investors in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree.

10.5 Documents available

In addition to the Prospectus, the KID, the latest published annual and interim Fund reports, copies of the following documents may be obtained free of charge during the office hours on each Business Day at the registered office of the Fund:

- (i) the Articles of Association;
- (ii) the Depositary Agreement between the Fund and the Depositary;
- (iii) the Administration Agreement between the Management Company, the Administrator and the Fund;

Copies of the Prospectus, the KID, the Articles of Association and the latest annual and interim reports may also be consulted on the following website: www.fundsquare.net.

10.6 Complaints

Any investor having a complaint to make about the operations of the Fund may file a complaint by writing to the Management Company. Details on the complaints handling procedure may be obtained from the Management Company upon request.

10.7 Benchmarks Regulation

The Fund has adopted a written plan setting out actions, which it will take with respect to the Fund in the event that any of the benchmarks listed in the table below materially changes or ceases to be provided (the "Contingency Plan"), as required by article 28(2) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time (the "Benchmarks Regulation"). Shareholders may access the Contingency Plan free of charge upon request at the registered office of the Fund.

The benchmarks listed in the table below are being provided by the entity specified next to the name of the relevant benchmark in the table below, in its capacity as administrator, as defined in the Benchmarks Regulation of the relevant benchmark (each a "Benchmark Administrator" and collectively the "Benchmark Administrators"). The status of each Benchmark Administrator in relation to the register referred to in article 36 of the Benchmarks Regulation as of the date of this visa-stamped Prospectus is set out next to the name of the relevant Benchmark Administrator in the table below.

Sub-Fund	Benchmark(s)	Benchmark Administrator	Status of the Benchmark Administrator
Convergence Lux – ZO China Value Fund	MSCI China A Net Return USD	MSCI Limited	Listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator authorised pursuant to article 34 of the Benchmarks Regulation.

10.8 Data protection

In accordance with the applicable Luxembourg data protection law and, as of 25 May 2018, the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("Data Protection Law"), the Fund, acting as data controller, collects stores and processes, by electronic or other means, the data supplied by the investor at the time of his/her/its subscription for the purpose of fulfilling the services required by the investor and complying with its legal obligations.

Categories of Personal Data and Data Subjects

The Fund acting as data controller (the "**Controller**") collects, stores and processes by electronic or other means personal data (i.e. any information relating to an identified or identifiable natural person, hereafter, the "**Personal Data**") supplied by the Investors at the time of their subscription and their representative(s) (including, without limitation, legal representatives and authorized signatories), employees, directors, officers and/or unitholders for, nominees and/or ultimate beneficial owner(s) (as applicable) (the "**Data Subjects**") for the purposes of fulfilling the services required by the Investors. Personal Data may include, without limitation,

- identifying data and identifying electronic data (such as name, address, e-mail address);
- banking and financial data (such as identification of the bank account);
- data concerning personal characteristics (such as age, sex, date of birth);
- data concerning profession and employment (such as current employment data);
- data concerning source of wealth (such as assets of the data subject).
- and any other Personal Data that is necessary to Controller and Processors for the purposes described below.

Personal Data is collected directly from Data Subjects or may be collected through publicly accessible sources, social media, subscription services, or other third party data sources.

Purpose of the processing of the Personal Data and the legal basis for the processing of the Personal Data

Personal Data may be processed for the purposes of (i) offering investment in Shares and performing the related services as contemplated under this Prospectus, the subscription agreement, the Depositary Bank Agreement, the Management Company Agreement, the Investment Management Agreement, the Sub-Investment Management Agreement and the Administration Agreement, including, but not limited to, processing subscriptions and redemptions and providing financial and other information to Investors (ii) direct or indirect marketing activities and, (iii) other related services resulting from any agreement entered into between Controller and a service provider that is communicated or made available to the Investors (hereafter the "**Investment Services**"). Personal Data may also be processed to comply with legal or regulatory obligations including, but not limited to, legal obligations under applicable fund and company law (such as maintenance of the register of Investors and recording orders), prevention of terrorism financing law, anti-money laundering law (such as carrying out customer due diligence), prevention and detection of crime, and tax law (such as reporting under the FATCA and CRS Laws (as applicable)).

Personal Data will be used by the Fund as Controller, and by the Management Company, the Paying Agent, the Depositary, the Registrar and Transfer Agent for maintaining the Register, processing transactions for Shareholders or payment of dividends, and complying with legal and regulatory obligations and other service providers of the Fund (including its information technology providers) and, any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns, acting as data processor on behalf of the Fund (i.e. the "**Processors**"). The Processors may act as data processor on behalf of the Controller or, in certain circumstances, as data controller, in particular for compliance with their legal obligations in accordance with applicable laws and regulations (such as anti-money laundering identification) and/or order of competent jurisdiction.

The Controller and Processors may collect, use, store, retain, transfer and/or otherwise process Personal Data: (i) on the basis of Investors' consent and/or; (ii) for the Processors to perform their services rendered in connection with the Investment Services, (iii) as a result of the subscription of Investors to the subscription agreement where necessary to perform the Investment Services or to take steps at the request of Investors prior to such subscription, including the holding of Shares in general and/or; (iv) to comply with a legal or regulatory obligation of the Controller or the Processors and/or; (v) in the event the subscription agreement is not entered into directly by the concerned Data Subject, Personal Data may be processed for the purposes of the legitimate interests pursued by Controller or by Processors, which mainly consist in the performance of the Investment Services, or direct or indirect marketing activities, or compliance with foreign laws and regulations and/or any order of a foreign court, government, supervisory, regulatory or tax authority, including when providing such Investment Services to any beneficial owner and any person holding shares directly or indirectly in the Fund.

The recipients and categories of recipients of the Personal Data including transfer of Personal Data to third countries (including safeguards)

Personal Data may be disclosed to and/or transferred to and otherwise accessed or processed by Processors, auditors or accountants, as well as any (foreign) court, governmental or regulatory bodies including tax authorities (i.e. the "**Authorised Recipients**"). The Authorised Recipients may act as data processor on behalf of Controller or, in certain circumstances, as data controller for pursuing their own purposes, in particular for performing their services or for compliance with their legal obligations in accordance with applicable laws and regulations and/or order of court, government or regulatory body, including tax authority. Investors acknowledge that the Authorised Recipients, including the Processors, may be located outside of the EEA in countries which do not ensure an adequate level of protection according to the European Commission and where data protection laws might not exist or be of a lower standard than in the EEA. In case personal data are transferred outside the EEA, necessary steps are undertaken to ensure that appropriate safeguards required by GDPR and other applicable laws and regulations, are put in place to protect the privacy and integrity of such personal data, such as the implementation of EU model contract clauses.

The Controller undertakes not to transfer Personal Data to any third parties other than the Authorised Recipients, except as disclosed to Investors from time to time or if required or permitted by applicable laws and regulations, including Data Protection Law, or by any order from a court, governmental, supervisory or regulatory body, including tax authorities.

By purchasing Shares in the Fund, Investors acknowledge and accept that Personal Data may be processed for the purposes described above and in particular, that the transfer and disclosure of Personal Data may take place to countries which do not have equivalent data protection laws to those of the EEA, including the Data Protection Law, or that are not subject to an adequacy decision of the European Commission. The Controller may only transfer Personal Data for the purposes of performing the Investment Services, marketing purposes or for compliance with applicable laws and regulations as contemplated under this Prospectus.

The Controller or the Processors on behalf of the Controller shall transfer Personal Data to the Authorised Recipients located outside European Economic Area ("**EEA**") in countries which do not ensure an adequate level of protection according to the European Commission on the basis of appropriate safeguards according to Data Protection Law, such as standard contractual clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism.

Right of Data Subjects to withdraw consent

In the event the processing of Personal Data or transfer of Personal Data outside of the EEA take place on the basis of the consent of Investors, Data Subjects are entitled to withdraw their consent at any time without prejudice to the lawfulness of the processing and/or data transfers carried out before the

withdrawal of such consent. In case of withdrawal of consent, Controller will accordingly cease such processing or transfers. However, Investors acknowledge that, notwithstanding any withdrawal of their consent, Controller may still continue to process and/or transfer Personal Data outside the EEA if permitted by Data Protection Law or if required by applicable laws and regulations. Any change to, or withdrawal of, Data Subjects' consent can be communicated in writing to the Fund.

Source of the Personal Data

Insofar as Personal Data provided by Investors include Personal Data concerning Data Subjects. Investors represent that they have authority to provide Personal Data of Data Subjects to Controller. If Investors are not natural persons, they confirm that they have undertaken to (i) inform any Data Subject about the processing of their Personal Data and their rights as described under this Prospectus, in accordance with the information requirements under the Data Protection Law and (ii) where necessary and appropriate, obtained in advance any consent that may be required for the processing of Personal Data as described under this Prospectus in accordance with the requirement of Data Protection Law with regard to the validity of consent, in particular, for the transfer of Personal Data to the Authorised Recipients located outside of the EEA. The Controller may assume, where applicable, that Data Subjects have, where necessary, given such consent and have been informed of the processing and transfer of their Personal Data and of their rights as contemplated under this Prospectus.

Consequence of refusal to provide Personal Data processed under statutory obligation

Answering questions and requests with respect to (i) Data Subjects' identification, (ii) Shares held in the Fund and (iii) FATCA is mandatory. Investors acknowledge and accept that failure to provide relevant personal data requested by the Fund, the Management Company, the Investment Manager, the Sub-Investment Manager(s) and/or the Administrator in the course of their relationship with the Fund may prevent them from maintaining their Shares in the Fund and may be reported by the Fund, the Management Company, the Investment Manager, the Sub-Investment Manager(s) and/or the Administrator to the relevant Luxembourg authorities.

Investors acknowledge and accept that the Fund, the Management Company, the Investment Manager, the Sub-Investment Manager(s) and/or the Administrator will report any relevant information in relation to their investments in the Fund to the Luxembourg tax authorities (Administration des contributions directes) which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the FATCA Law, at OECD and EU levels or equivalent Luxembourg legislation.

Rights of Data Subjects

Each Data Subject may request (i) access to, rectification, or deletion of, any incorrect Personal Data concerning him, (ii) a restriction of processing of Personal Data concerning him and, (iii) to receive Personal Data concerning him in a structured, commonly used and machine readable format or to transmit those Personal Data to another controller in accordance with Data Protection Law and (iv) to obtain a copy of or access to the appropriate or suitable safeguards which have been implemented for transferring the Personal Data outside of the EEA, in the manner and subject to the limitations prescribed in accordance with Data Protection Law. In particular, Data Subjects may at any time object, on request and free of charge, to the processing of Personal Data concerning them for marketing purposes or for any other processing carried out on the basis of the legitimate interests of Controller or Processors. Each Data Subject should address such requests to the Fund. For any additional information related to the processing of their Personal Data, Data Subjects can contact the Controller via post mail.

The investor may exercise the above rights by writing to the Fund at the following address: 106, route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg

Right to lodge a complaint with the supervisory authority

Investors are entitled to address any claim relating to the processing of their Personal Data carried out by Controller and the Processors in relation with the Investment Services to the relevant data protection supervisory authority (i.e. in Luxembourg, the *Commission Nationale pour la Protection des Données*).

The Controller and Processors processing Personal Data on behalf of Controller will accept no liability with respect to any unauthorised third party receiving knowledge and/or having access to Personal Data, except in the event of proved negligence or willful misconduct of Controller or such Processors.

Storage limitation of the Personal Data

Personal Data of Data Subjects will not be retained for longer than necessary with regard to the Purposes and compliance obligations, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods.

10.9 Sustainable Finance

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Fund is required to disclose the manner in which Sustainability Risks are

integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Funds.

Unless specified in the relevant investment policy, the Sub-Funds are considered as falling within the scope of Article 6 of the SFDR as they do not promote Sustainability Factors and do not maximize portfolio alignment with Sustainability Factors. The Sub-Funds however remain exposed to Sustainability Risks. Such Sustainability Risks are integrated into the investment decision making and risk monitoring since they may represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. The Sustainability Risks generally revolve around the following themes:

- corporate governance malpractices (e.g. board structure, executive remuneration);
- shareholder rights (e.g. election of directors, capital amendments);
- changes to regulation (e.g. greenhouse gas emissions restrictions, governance codes);
- physical threats (e.g. extreme weather, climate change, water shortages);
- brand and reputational issues (e.g. poor health & safety records, cyber security breaches);
- supply chain management (e.g. increase in fatalities, lost time injury rates, labour relations); and
- work practices (e.g. observation of health, safety and human rights provisions).

In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value. As such, for a company in which a Sub-Fund invests, this may be because of

damage to its reputation resulting in a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A company may also suffer the impact of fines and other regulatory sanctions. The time and resources of the company's management team may be diverted from furthering its business into dealing with the Sustainability Risk event, including changes to business practices and dealing with investigations and litigation. Sustainability Risks events may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by companies to which the relevant Sub-Fund is exposed may also be adversely impacted by a Sustainability Risk event.

A Sustainability Risk event may arise and impact a specific investment or may have a broader impact on an economic sector, geographical or political region or country. For instance, sector and geographic Sustainability Risk events may have an impact on the investment value of the sovereign fixed income exposure of a Sub-Fund.

10.10 Merger and reorganisation

10.10.1 Merger of the Fund or a Sub-Fund with other UCITS

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the Fund, where the Fund is the receiving entity, with one or several other Luxembourg or foreign UCITS or sub-funds thereof. The Board of Directors may also decide to proceed with a merger (within the meaning of the 2010 Law) of one or several Sub-Funds, which may be the receiving or the merging Sub-Funds, with one or several other Sub-Funds within the Fund or with one or several other Luxembourg or foreign UCITS or sub-funds thereof. Such mergers do not require the prior consent of the shareholders.

The Fund may be merged (within the meaning of the 2010 Law) into one or several other Luxembourg or foreign UCITS, or sub-fund thereof, where the Fund is the merging entity, which thus ceases to exist as a result of the merger. In such case, the general meeting of shareholders of the Fund must decide on the merger and its effective date. The general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

In all cases described in the preceding paragraphs, a merger of the Fund or one or several Sub-Fund(s) will be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the common draft terms of the merger to be established by the Board of Directors and the information to be provided to investors.

10.10.2 Absorption of another UCI by the Fund or a Sub-Fund

The Fund may absorb another Luxembourg or foreign UCI (other than a UCITS) incorporated under a corporate form in compliance with the 1915 Law and any other applicable laws and regulations.

The Board of Directors may also decide to proceed, in accordance with applicable laws and regulations, with the absorption by the Fund or one or several Sub-Funds, including by way of merger or by acceptance of a contribution in kind, of a Luxembourg or foreign UCI (other than a UCITS) constituted under a non-corporate form, or one or several sub-funds of another Luxembourg or a foreign UCI (other than a UCITS) irrespective of its legal form.

10.10.3 Reorganisation of Share Classes

The Board of Directors may decide to reorganise Share Classes, as further described below, in the event that, for any reason, the Board of Directors determines that:

- (i) the Net Asset Value of a Share Class has decreased to, or has not reached, the minimum level for that Share Class to be operated in an efficient manner;
- (ii) changes in the legal, economic or political environment would justify such reorganisation;
or
- (iii) a product rationalisation would justify such reorganisation.

In such a case, the Board of Directors may decide to re-allocate the assets and liabilities of any Share Class to those of one or several other Share Classes, and to re-designate the Shares of the Share Class concerned as Shares of such other Share Class or Share Classes of the Fund (following a split or consolidation of Shares, if necessary, and the payment to investors of the amount corresponding to any fractional entitlement).

Investors will be informed of the reorganisation by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed and may be published on www.fundsquare.net. The notice will explain the reasons for and the process of the reorganisation.

10.10.4 Division of Sub-Funds or Share Classes

In the event that the Board of Directors believes it would be in the interests of the shareholders of the relevant Sub-Fund or Share Class or that a change in the economic or for any reason determined by the Board of Directors, the Board of Directors may decide to reorganise any Sub-Fund or Share Class thereof by dividing it into two or more Sub-Funds or Share Classes.

10.11 Liquidation

10.11.1 Termination and liquidation of Sub-Funds or Share Classes

The Board of Directors may decide to compulsorily redeem all the Shares of any Sub-Fund or Share Class and thereby terminate and liquidate any Sub-Fund or Share Class in the event that, for any reason, the Board of Directors determines that:

- (i) the Net Asset Value of a Sub-Fund or Share Class has decreased to, or has not reached, the minimum level for that Sub-Fund or Share Class to be operated in an efficient manner;
- (ii) changes in the legal, economic or political environment would justify such liquidation; or
- (iii) a product rationalisation would justify such liquidation.

Investors will be informed of the decision to terminate a Sub-Fund or Share Class by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed and may be published on www.fundsquare.net. The notice will explain the reasons for and the process of the termination and liquidation.

Sub-Funds or Share Classes with a defined term will be automatically terminated and liquidated upon

the occurrence of their term, as set out in the Supplement where applicable, unless terminated earlier in accordance with the provisions of this section.

Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the Net Asset Value applicable to the compulsory redemption. Investors in the Sub-Fund or Share Class concerned will generally be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the Board of Directors determines that it would not be in the best interest of investors in that Sub-Fund or Share Class or could jeopardise the fair treatment of investors.

All Shares redeemed will generally be cancelled. Redemption proceeds which have not been claimed by investors upon the compulsory redemption will be deposited in escrow at the *Caisse de Consignation* in Luxembourg in accordance with applicable laws and regulations. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

The termination and liquidation of a Sub-Fund or Share Class will have no influence on the existence of any other Sub-Fund or Share Class. The decision to terminate and liquidate the last Sub-Fund existing in the Fund will result in the dissolution and liquidation of the Fund as described in section 10.11.2 (Dissolution and liquidation of the Fund) below.

10.11.2 **Dissolution and liquidation of the Fund**

The Fund is incorporated for an unlimited period. It may be dissolved at any time with or without cause by a resolution of the general meeting of shareholders adopted in compliance with applicable laws.

The compulsory dissolution of the Fund may be ordered by Luxembourg competent courts in circumstances provided by the 2010 Law and the 1915 Law.

As soon as a decision to dissolve the Fund is taken, the issue, redemption or conversion of Shares in all Sub-Funds will be prohibited. The liquidation will be carried out in accordance with the provisions of the 2010 Law and 1915 Law. Liquidation proceeds which have not been claimed by investors at the time of the closure of the liquidation will be deposited in escrow at the *Caisse de Consignation* in Luxembourg. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

11. **TAXATION**

The following is a summary of certain material Luxembourg tax consequences of purchasing, owning and disposing of Shares. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell Shares. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. This summary does not allow any conclusion to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based on the Luxembourg law and regulations in effect and as interpreted by the Luxembourg tax authorities on the date of the Prospectus. These laws and interpretations are subject to change that may occur after such date, even with retroactive or retrospective effect.

Prospective purchasers of the Shares should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing of the Shares, including the application and effect of any federal, state or local taxes under the tax laws of the Grand Duchy of Luxembourg and each country of which they are residents or citizens.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty,

levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), as well as a solidarity surcharge (*contribution au fonds pour l'emploi*), personal income tax (*impôt sur le revenu des personnes physiques*). Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*), as well as other duties, levies and taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and solidarity surcharge. Under certain circumstances, where individual taxpayers act in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

11.1 The Fund

Under current law and practice, the Fund is not liable for any Luxembourg income or net wealth tax nor are distributions, redemptions or payments made by the Fund to its shareholders under the Shares and distribution of liquidation proceeds subject to any Luxembourg withholding tax.

At the date of this Prospectus, the Fund is liable to a registration duty of EUR 75 upon incorporation, or if the Articles of Incorporation are amended and a subscription tax (*taxe d'abonnement*) of 0.05% per annum, such tax being payable quarterly and calculated on the aggregate net assets of the Fund valued at the end of the relevant calendar quarter, unless a reduced tax rate of 0.01% per annum is applicable. Furthermore, some exemptions from subscription tax are available.

The Fund may be subject to withholding tax on dividends and interest as well as to tax on capital gains in the country of origin of its investments. As the Fund itself is exempt from income tax, withholding tax levied at source, if any, may not be creditable/refundable in Luxembourg. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Fund is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly be applicable to Fund.

In Luxembourg, regulated investment funds such as SICAVs, have the status of taxable persons for value added tax ("VAT") purposes. Accordingly, the Fund is considered in Luxembourg as a taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Shareholders, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

11.2 Shareholders

Shareholders may not be subject to any capital gains, income or withholding tax in Luxembourg, unless the shareholders are Luxembourg residents, or non-resident shareholders who or which have a permanent establishment or a permanent representative in Luxembourg.

11.3 Exchange of information – Common Reporting Standard

Capitalized terms used in this section should have the meaning as set forth in the CRS Law, unless provided otherwise herein.

The Fund may be subject to the CRS as set out in the CRS Law.

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund is required to annually report to the Luxembourg tax authority personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain shareholders qualifying as Reportable Persons and (ii) Controlling Persons of certain non-financial entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "Information"), will include personal data related to the Reportable Persons.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each shareholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the shareholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law. The shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Law.

The shareholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction.

In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, shareholders undertake to inform the Fund within thirty (30) days of receipt of these statements, should any included personal data be not accurate. The shareholders further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as a result of the CRS Law, the value of the Shares held by the shareholders may suffer material losses.

Any shareholder that fails to comply with the Fund's Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such shareholder's failure to provide the Information or subject to disclosure of the Information by the Fund to the Luxembourg tax authorities, and the Fund may, in its sole discretion redeem the Shares of such shareholders.

11.4 Exchange of information - FATCA

Capitalized terms used in this section should have the meaning as set forth in the FATCA Law, unless provided otherwise herein.

The Fund may be subject to the so-called FATCA legislation which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities.

As part of the process of implementing FATCA, the US government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model 1 Intergovernmental Agreement implemented by the FATCA Law which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified US Persons, if any, to the Luxembourg tax authorities (*administration des contributions directes*).

Under the terms of the FATCA Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

This status imposes on the Fund the obligation to regularly obtain and verify information on all of its shareholders. On the request of the Fund, each shareholder shall agree to provide certain information, including, in the case of a passive Non-Financial Foreign Entity ("**NFFE**"), information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each shareholder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

FATCA may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of its shareholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purpose set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the US Internal Revenue Service.

Shareholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Shares held by the shareholders may suffer material losses. The failure for the Fund to obtain such information from each shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of US source income and on proceeds from the sale of property or other assets that could give rise to US source interest and dividends as well as penalties.

Any shareholder that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund as a result of such shareholder's failure to provide the information and the Fund may, in its sole discretion, redeem the Shares of such shareholder.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this US withholding tax and reporting regime.

Shareholders should consult a US tax advisor or otherwise seek professional advice regarding the above requirements.

SUPPLEMENT 1– CONVERGENCE LUX – BONHÔTE IMPACT FUND

The information contained in this part of this Prospectus in relation to Convergence Lux –Bonhôte Impact Fund (the "**Sub-Fund**") should be read in conjunction with the full text of this Prospectus.

1. INVESTMENT OBJECTIVE

The objective of the Sub-Fund is to achieve long-term capital growth – by investing under the diversification principle in the asset classes described below and focusing on providing investors with a significant and measurable social impact.

The Sub-fund promotes environmental and social characteristics according to article 8 of the SFDR but does not have sustainable investment as its objective.

2. INVESTMENT STRATEGY

The Sub-Fund mainly invests in UCITS and/or other UCI, including open-ended ETFs ("**Target Funds**") investing in (i) fixed-income securities, such as but not limited to bonds, (ii) equities and equity type securities, (iii) derivatives and (iv) money-market instruments, and which may, in particular, implement the following strategies:

- ESG Equities;
- Corporate Bonds;
- Green Bonds;
- ESG Bonds; and
- Microfinance.

The Sub-Fund has adopted an extra-financial methodology in order to guarantee an effective selection of Target Funds which maintain on an ongoing basis environmental and social characteristics.

The investment manager supports the objectives of the SFDR regulation which aims to improve transparency to clients but, after evaluating the PAI regime requirements and considering the nature and the size of its activities as well the nature of the Sub-Fund, it concluded it would be challenging in that time to consider principal adverse impacts of investment decisions on sustainability factors (PAI) for various reasons. Accordingly, the Sub-Fund will not consider PAI. The principal reason is that the Sub-Fund has a fund-of-funds structure that involves underlying funds and investments managers who are not all ready to implement the PAI regime and from whose it is currently impossible to obtain all necessary information on the PAI.

The investment manager will at least on an annual basis review this point and reserves to change its decision in the future in order to consider adverse impacts of investment decisions on sustainability factors.

Further details on the investment strategy can be found in the corresponding SFDR pre-contractual disclosure in this prospectus.

Investments will mainly be made in shares or units of UCITS and/or other UCIs, provided they conform to the conditions set forth in Section 4 (Investment strategy and restrictions).

The Sub-Fund may invest up to 100% of its total net assets in units or shares of other UCITS and/or other UCI, including and open-ended ETFs which are eligible for investments by UCITS funds.

Investments in UCITS and/or other UCI will be made under the following limits:

- investments made in one UCITS and/or another UCI may not exceed 20% of the net assets of the Sub-Fund;
- investments in other UCI may not exceed 30% of the net assets of the Sub-Fund; and
- the Sub-Fund will not acquire more than 25% of the total assets of another UCITS or other UCI.

On an ancillary basis, the Sub-Fund may directly invest in bonds, including non-investment grade bonds up to 40% of its total net assets value. The Sub-Fund will not directly invest in distressed and/or default securities.

The Sub-Fund may further invest on an ancillary basis in equities.

The Sub-Fund may be entirely invested in currencies other than the Reference Currency of the Sub-Fund. Exposures to currencies may be hedged into the Reference Currency of the Sub-Fund.

The Sub-Fund will not apply particular restrictions in terms of geographical areas and will invest its assets worldwide (including emerging countries). The Sub-Fund may invest up to 10% of its total net assets in aggregate in Brazil, Russia, India and China.

The maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest will not exceed 3.5%. The maximum proportion of management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests will be disclosed in the annual report of the Fund.

The Sub-Fund may use, for investment purposes and/or efficient portfolio management purposes, as well as for hedging purposes, financial derivative instruments including, but not limited to, futures, forward, options, CFD and swap. The Sub-Fund may use financial derivative instruments either dealt in on a regulated or an OTC market.

The Sub-Fund may hold ancillary liquid assets in accordance with section 4.1.3 (Authorised investments).

3. INVESTOR PROFILE

The Sub-Fund is intended for all categories of investors seeking to benefit from market opportunities through discretionary management over a horizon of more than 3 years and having a portfolio focused on delivering a positive societal impact. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund.

4. REFERENCE CURRENCY

The Reference Currency for this Sub-Fund is the CHF.

5. SPECIFIC RISKS

Investors should carefully read section 5 (General risk factors) of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund:

- **Share risk.** Share risk corresponds to a decline in stock markets. As the Sub-Funds is exposed to shares, its net asset value may fall significantly. The Sub-Fund may invest in small-cap shares. The volume of these listed securities is reduced and market movements are therefore more significant, upwards and downwards, and faster than on large-caps. The net asset value of the Sub-Fund may therefore have the same behavior.
- **Discretionary management risk.** The performance of the Sub-Fund will depend on the securities chosen by the Investment Manager. There is a risk that the Investment Manager may not select the best-performing securities.
- **Investments in other UCITS and/or UCIs (the "Target Funds").** Investors should note that investments in Target Funds may incur the same costs both at the Sub-Fund level and at the level of the Target Funds. Furthermore, the value of the units or shares in the Target Funds may be affected by currency fluctuations, currency exchange transactions, tax regulations (including the levying of withholding tax) and any other economic or political factors or changes in the countries in which the Target Fund is invested, along with the risks associated with exposure to the emerging markets. The investment of the Sub-Funds' assets in units or shares of Target Funds entails a risk that the redemption of the units or shares may be subject to restrictions, with the consequence that such investments may be less liquid than other types of investment.

6. GLOBAL EXPOSURE AND LEVEL OF LEVERAGE

In accordance with the 2010 Law and the applicable regulations, in particular Circular CSSF 11/512, the Sub-Fund uses a risk-management process, as provided by the Management Company, which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to other risks, including operational risks, which are material for the Sub-Fund.

As part of the risk management process, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the global exposure related to positions on financial derivative instruments and other efficient portfolio management techniques under consideration of netting and hedging effects making sure that it does not result in exceeding the total net value of the portfolio of Sub-Fund.

Under the standard commitment approach, each financial derivative instrument position is converted into the market value of an equivalent position in the underlying asset of that financial derivative instrument; this position is then added or subtracted (in case of, respectively, long or short positions) to

the portfolio positions in the same category (bonds, equities, currencies, etc.) and the netted amount is checked against the Sub-Fund's investment limits.

7. TAXONOMY REGULATION

While this Sub-Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any "sustainable investment" within the meaning of the SFDR or the Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment ("Taxonomy Regulation"). Accordingly, it should be noted that this Sub-Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and its portfolio alignment with such Taxonomy Regulation is not calculated. Therefore, the "do not significant harm" principle does not apply to any of the investments of this Sub-Fund.

8. FREQUENCY OF THE NET ASSET VALUE CALCULATION AND VALUATION DAY

The Net Asset Value per Share will be determined once a week, on each Friday (a "**Valuation Day**") and calculated the following Business Day at 5:30pm Luxembourg time. If the Friday is not a Business Day, the Net Asset Value will be determined on the following Business Day. The Cut-Off Time for subscriptions and redemptions applications is 11:00 am Luxembourg time on the Valuation Day.

9. SUBSCRIPTION SETTLEMENT PERIOD AND REDEMPTION SETTLEMENT PERIOD

Subscription or Redemption applications will normally be settled by the end of the Subscription Settlement Period or Redemption Settlement Period as applicable, which is 2 Business Days following the Subscription Day or the Redemption Day respectively.

10. SHARE CLASSES

The table at the end of this Supplement lists the Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company upon request.

11. ELIGIBLE INVESTORS

Share Classes A-CHF and A-EUR are reserved for Retail Investors.

Share Classes I-CHF and I-EUR are reserved for institutional investors.

12. INVESTMENT MANAGER

Banque Paribas & Cie S.A has been appointed Investment Manager responsible for the management of the assets of the Sub-Fund.

Table: Share Classes of Convergence Lux – Bonhôte Impact Fund

Share Class name	Share Class Reference Currency	ISIN	Distribution (D) or capitalisation (C)	Currency Hedged Share Class	Minimum subscription	Minimum additional subscription	Maximum Subscription Fee	Maximum Redemption Fee	Investment Manager Fee	Management Fee	Performance Fee	Taxe d'abonnement
Class A-CHF	CHF	LU1967581866	C	No	CHF 1,000	none	up to 2%	up to 1%	1.2% incl.tax per annum	up to 0.3% incl.tax per annum	none	0.05%
Class I-CHF	CHF	LU1967582088	C	No	CHF 500,000	none	up to 2%	up to 1%	0.6 % incl.tax per annum	up to 0.3% incl.tax per annum	none	0.01%
Class A-EUR	EUR	LU1967581940	C	No	EUR 1,000	none	up to 2%	up to 1%	1.2% incl.tax per annum	up to 0.3% incl.tax per annum	none	0.05%
Class I-EUR	EUR	LU1967582161	C	No	EUR 500,000	none	up to 2%	up to 1%	0.6 % incl.tax per annum	up to 0.3% incl.tax per annum	none	0.01%

SUPPLEMENT 2 – CONVERGENCE LUX – ZO CHINA VALUE FUND

The information contained in this part of this Prospectus in relation to Convergence Lux – ZO China Value Fund (the "**Sub-Fund**") should be read in conjunction with the full text of this Prospectus.

1. INVESTMENT OBJECTIVE

The objective of the Sub-Fund is to generate long-term return by investing primarily in equity securities issued by Chinese companies.

2. INVESTMENT STRATEGY

In order to achieve its investment objective, the Sub-Fund will invest directly up to 100% and with a minimum of 40% of its total net assets in China A Shares and China B Shares (including participating in IPO subscriptions) issued by companies established or operating in the PRC which are listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

The Sub-Fund may also invest up to 35% of its total net assets in Hong Kong listed shares, including but not limited to China H Shares.

The Sub-Fund may hold ancillary liquid assets in accordance with section 4.1.3 (Authorised investments).

The investment manager supports the objectives of the SFDR regulation which aims to improve transparency to clients but, after evaluating the PAI regime requirements and considering the nature and the size of its activities as well the nature of the Sub-Fund, it concluded it would be challenging in that time to consider principal adverse impacts of investment decisions on sustainability factors (PAI) for various reasons. Accordingly, the Sub-Fund will not consider PAI.

The investment manager will at least on an annual basis review this point and reserves to change its decision in the future in order to consider adverse impacts of investment decisions on sustainability factors.

3. INVESTOR PROFILE

The Sub-Fund is intended for all categories of investors seeking to benefit from market opportunities through discretionary management over a horizon of more than 3 years.

Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund.

4. REFERENCE CURRENCY

The Reference Currency for this Sub-Fund is the USD.

5. SPECIFIC RISKS

Investors should carefully read section 5 (General risk factors) of the Prospectus and in particular section 5.1.10 (Investment in the PRC securities markets) before investing in the Sub-Fund.

The Management Company and the Investment Manager acknowledge that the Fund may be exposed to a range of Sustainability Risks considering the investment strategy of the Fund, which could impact the returns of the Sub-Fund

In particular, the Sub-Fund is exposed to a range of Sustainability Risks linked to investments in the Chinese market. Less sustainability-related regulations are implemented and monitored in China. Governance risks can be more pronounced in China, with a lack of maturity or corporate tenure being one of the contributing factors. Governance risks in China can present a higher risk compared to developed markets; ownership structures more commonly include controlling state interests or the controlling interests of an individual or family. In addition, share structure can be more complex, with non-voting shares leaving minorities with less recourse and connected parties can introduce political risks, which have far reaching implications. Sustainability Risks finally stem from operational business strains due to social issues linked to human capital and skill gaps which can affect returns. Lag on labor and human rights practices, child labor, corruption are examples of Sustainability Risks that could damage the reputation and earnings prospects of the Fund and the underlying companies and increase the risk of regulatory scrutiny and sanctions. Such events could significantly impact the returns of the Sub-Fund.

6. GLOBAL EXPOSURE AND LEVEL OF LEVERAGE

In accordance with the 2010 Law and the applicable regulations, in particular Circular CSSF 11/512, the Sub-Fund uses a risk-management process, as provided by the Management Company, which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks, and to other risks, including operational risks, which are material for the Sub-Fund.

As part of the risk management process, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the global exposure related to positions on financial derivative instruments and other efficient portfolio management techniques under consideration of netting and hedging effects making sure that it does not result in exceeding the total net value of the portfolio of Sub-Fund.

Under the standard commitment approach, each financial derivative instrument position is converted into the market value of an equivalent position in the underlying asset of that financial derivative instrument; this position is then added or subtracted (in case of, respectively, long or short positions) to the portfolio positions in the same category (bonds, equities, currencies, etc.) and the netted amount is checked against the Sub-Fund's investment limits.

7. TAXONOMY REGULATION

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities as per the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment ("Taxonomy Regulation").

8. FREQUENCY OF THE NET ASSET VALUE CALCULATION AND VALUATION DAY

The Net Asset Value per Share will be determined once a week, on each Friday (a "**Valuation Day**") and calculated the following Business Day at 5:30 p.m. (Luxembourg time). If the Friday is not a Business Day, the Net Asset Value will be determined on the following Business Day.

Where the last Business Day of each month is not a Friday, the Net Asset Value per Share may also be calculated on such Business Day for reporting and fee purposes only. No dealings will be accepted on such a day.

For the purpose of the Sub-Fund, Business Day shall mean every full day of the week when the trading in relevant markets is available throughout the day in Luxembourg, China, Hong Kong and the United States.

An up to date list of the relevant markets and the trading periods on those relevant markets will be made available free of charge at the registered office of the Fund.

9. SUBSCRIPTIONS AND REDEMPTIONS AND CUT-OFF TIME

Each Valuation Day is a Subscription Day and a Redemption Day. The Cut-Off Time for subscription and redemptions applications is 11:00 a.m. (Luxembourg time) one Business Day prior to the relevant Subscription Day or Redemption Day.

10. SUBSCRIPTION SETTLEMENT PERIOD AND REDEMPTION SETTLEMENT PERIOD

Subscription or Redemption applications will normally be settled by the end of the Subscription Settlement Period or Redemption Settlement Period as applicable, which is 2 Business Days following the Subscription Day or the Redemption Day respectively.

11. SHARE CLASSES

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company upon request.

12. ELIGIBLE INVESTORS

Share Classes B-EUR, B-CHF, B-USD, B-GBP, B-JPY, B-HKD are clean share classes that comply with the RDR (Retail Distribution Review) rules since they do not carry any commission payable to advisers.

Share Classes A-EUR, A-CHF, A-USD, A-GBP, A-JPY, A-HKD are reserved for super-institutional investors.

Share Classes I-EUR, I-CHF, I-USD, I-GBP, I-JPY, I-HKD are reserved for institutional investors.

Share Classes R-EUR, R-CHF, R-USD, R-GBP, R-JPY, R-HKD are designed for retail investors.

13. SUB-INVESTMENT MANAGER

Zhong Ou Asset Management International Limited has been appointed Sub-Investment Manager responsible for the management of the assets of the Sub-Fund.

Table: Share Classes of Convergence Lux – ZO China Value Fund

Share Class name	Share Class Reference Currency	ISIN	Distribution (D) or capitalisation (C)	Currency Hedged Share Class	Minimum subscription	Minimum additional subscription	Minimum holding	Maximum Subscription Fee	Maximum Redemption Fee	Investment Manager Fee	Management Fee	Performance Fee	Benchmark*	Taxe d'abonnement
Class A-EUR	EUR	LU2091132360	C	No	EUR 20 millions	none	none	none	up to 1%	0.8% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%
Class A-CHF	CHF	LU2091132444	C	No	EUR 20 millions	none	none	none	up to 1%	0.8% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%
Class A-USD	USD	LU2091132527	C	No	EUR 20 millions	none	none	none	up to 1%	0.8% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%
Class A-GBP	GBP	LU2091132790	C	No	EUR 20 millions	none	none	none	up to 1%	0.8% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%
Class A-JPY	JPY	LU2091132873	C	No	EUR 20 millions	none	none	none	up to 1%	0.8% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%
Class A-HKD	HKD	LU2091132956	C	No	EUR 20 millions	none	none	none	up to 1%	0.8% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%

Class I- EUR	EUR	LU209 11330 95	C	No	EUR 100,000	none	none	none	up to 1%	1.2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%
Class I- CHF	CHF	LU209 11331 78	C	No	EUR 100,000	none	none	none	up to 1%	1.2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%
Class I- USD	USD	LU209 11332 51	C	No	EUR 100,000	none	none	none	up to 1%	1.2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%
Class I- GBP	GBP	LU209 11333 35	C	No	EUR 100,000	none	none	none	up to 1%	1.2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%
Class I- JPY	JPY	LU209 11334 18	C	No	EUR 100,000	none	none	none	up to 1%	1.2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%
Class I- HKD	HKD	LU209 11335 09	C	No	EUR 100,000	none	none	none	up to 1%	1.2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.01%
Class R-EUR	EUR	LU209 11336 81	C	No	none	none	none	none	up to 1%	2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.05%
Class R- CHF	CHF	LU209 11337 64	C	No	none	none	none	none	up to 1%	2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.05%

Class R-USD	USD	LU2091133848	C	No	none	none	none	none	up to 1%	2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.05%
Class R-GBP	GBP	LU2091133921	C	No	none	none	none	none	up to 1%	2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.05%
Class R-JPY	JPY	LU2091134069	C	No	none	none	none	none	up to 1%	2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.05%
Class R-HKD	HKD	LU2091134143	C	No	none	none	none	none	up to 1%	2% incl.tax per annum	up to 0.3% incl.tax per annum	15% with benchmark	MSCI China A Net Return USD (Bloomberg Ticker NU718708 Index)	0.05%

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Convergence Lux – Bonhôte Impact Fund (the “Sub-Fund”)

Legal entity identifier: 549300MR4SK36BWEMN08

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes environmental and/or social characteristics by investing in UCITS/UCI and open-ended ETFs that exhibit superior ESG profiles based on a third-party provider rating methodology while excluding investments into certain economic activities and / or sectors. The UCITS/UCI and open-ended ETFs, in which the Sub-Fund invests have different environmental and social characteristics. Accordingly, such UCITS/UCI and open-ended ETFs may support numerous environmental or social causes.

The Sub-Fund uses a variety of ways to assess its environmental and social characteristics but does not use a reference benchmark to which it aligns the environmental and social characteristics that it promotes.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted as per the ESG Methodology are:

- the exposure to target funds rated B- and above based on the ESG Consensus® methodology, as per the extra-financial -matters; and- the exposure to investments having exposure to or tying with sensitive sectors and / or in breach of international norms.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes,

No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund mainly invests in UCITS and/or other UCI, including open-ended ETFs which may, in particular implement the following strategies:

- ESG Equities;
- Corporate Bonds;
- Green Bonds;
- ESG Bonds; and
- Microfinance.

In order to deploy the investment strategy of the Sub-Fund, the Investment Manager uses an extra financial methodology provided by Conser – ESG verifier S.A., a Swiss-based independent consulting company using its ESG Consensus® methodology (the “ESG Methodology”) which follows a reverse engineering proprietary methodology to implicitly reconstitute investable “best in class” universe from key ESG experts.

In particular, Conser – ESG verifier SA uses publicly available data such as indices and ETFs to reconstruct the ESG investment universe of rating agencies and investment managers. Opinions of major rating agencies such as MSCI or Sustainalytics are obtained by reconstructing their ESG “best in class” universe through reverse engineering of public Index funds and ETF tracking diversified indices based on ESG data from those providers. The upper 50% of the sample is mathematically considered as “best-in-class.”

The following KPIs are used to measure the impact of the investments on the different factors that are evaluated:

- Cleantech and Water exposure
- Green and Sustainable Bonds exposure
- Fossil Fuel exposure
- Coal exposure
- High Impact funds

Therefore, the ESG Methodology is using a multi scan of several independent and recognized ESG sources in order to provide an ESG rating of the contemplated investments.

To build the ESG Consensus and collect data on impacts, controversies, and specific climate data, Conser – ESG verifier SA relies on several public and private sources such as:

5 **Investment universe of rating agencies**

Investment universe of major rating agencies are reconstructed by reverse engineering.

6 **Investment decisions of active asset managers**

The list of underlying assets of self-declared “sustainable” portfolios is extracted from Refinitiv Lipper database.

7 **Specific CO2 and Climate data**

Specific data are acquired from expert data providers (Refinitiv/Asset4, CSR Hub and S&P Global Sustainable) to detail analysis of environmental or social performance of underlying assets.

8 **Exclusion lists and public rankings**

Exclusion lists of more than 50 international major large investors or NGOs are included in the Consensus [such as ASIR (Swiss association for responsible investments), Pensionkasse Stadt Zurich and Norge bank investment Fund].

The rating system has 10 grades from D to A+ (D, C- ; C ; C+ ; B- ; B ; B+ ; A- ; A ; A+). Investments rated below B- or those not rated as they are not meeting the ESG Methodology fundamental criteria are excluded from the portfolio. The ESG Methodology allows all target funds to be measured following the same set of criteria and exclusions.

The following factors are evaluated by the ESG Methodology, in order to guarantee an effective selection of investments which maintain, on an ongoing basis, environmental and/or social characteristics that the Sub-Fund intends to promote:

- ESG rating consensus
- Sensitive sectors
- Breach to international norms
- Positive climate impact
- Fossil fuels - CO2 emission

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy are as follows:

Target funds must rank B- or higher on the ESG rating methodology while the aggregated weighted average score of the Sub-Fund shall be B+ or higher.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable.

- **What is the policy to assess good governance practices of the investee companies?**

The sub-fund invests in target funds. Good governance practice of target investments is always assessed as part of the ESG Methodology and it feeds into the ESG rating. By targeting only funds that have an ESG rating of B we ensure good governance since no fund with poor governance would achieve this scoring.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

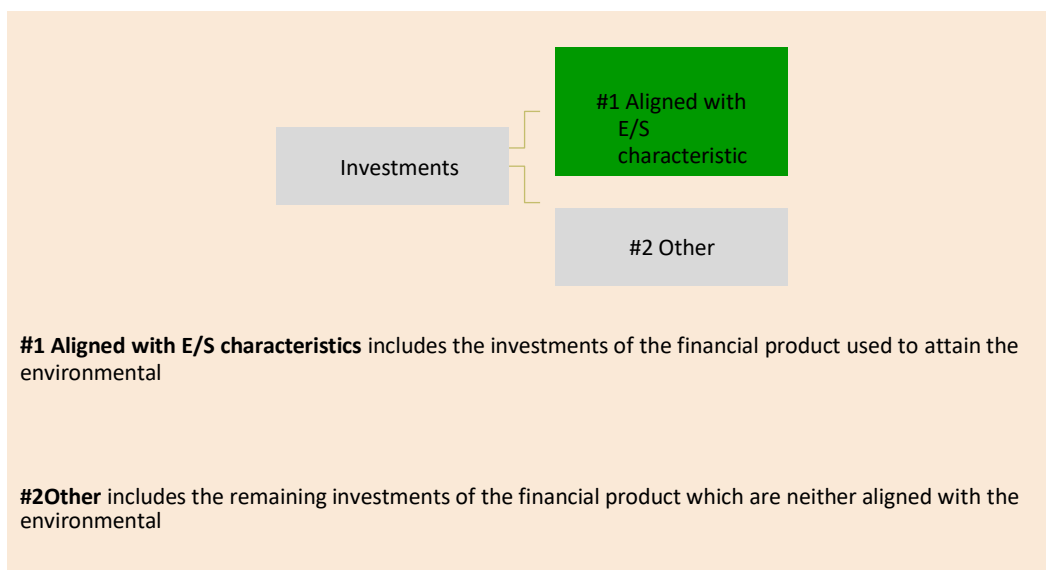
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The Fund is expected to invest at least 80% of its NAV in targeted funds that qualify as aligned with E/S characteristics (#1).

The Fund is allowed to invest up to 20% of its NAV in cash, cash equivalents, and/or hedging instruments (#2 Other). Please also refer to question below regarding “What investments are included under #2 Other, what is their purpose and are there any minimum environmental or social safeguards?”.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to investing in any sustainable investments within the meaning of the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

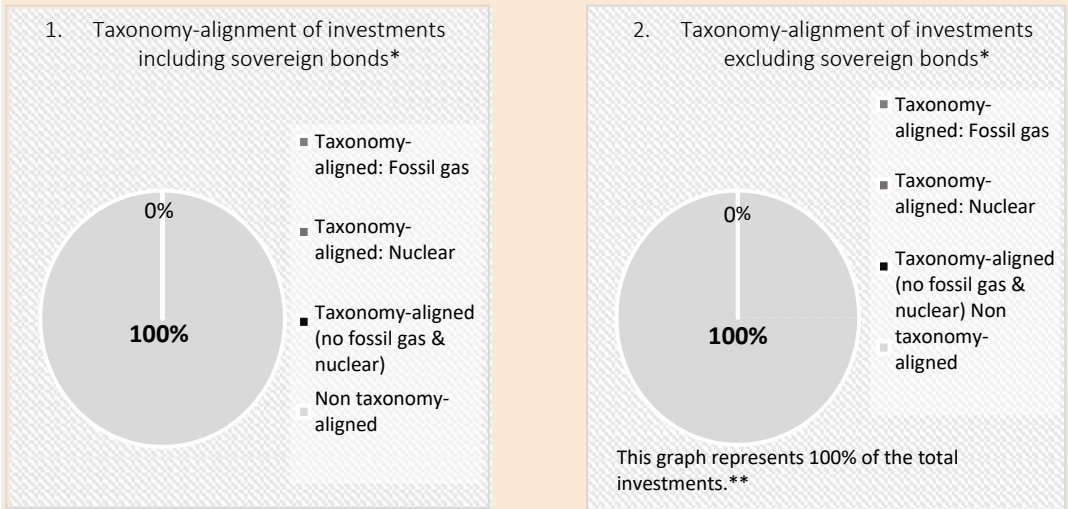
- Yes:
 - In fossil gas
 - In nuclear energy
- No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.
 ** This percentage is purely indicative and may vary.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

As the Sub-Fund does not commit to invest any sustainable investment within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

“#2 Other” includes liquid assets for which no minimum environmental or social safeguards have been set.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.bonhote.ch/bonhote-impact>

ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND

1. **Representative in Switzerland:**

Until 31st December 2023, the representative in Switzerland is **CARNEGIE FUND SERVICES S.A.**, rue du Général-Dufour 11, 1204 Geneva, Switzerland.

As of 1st January 2024, the representative in Switzerland is **REYL & CIE S.A.**, Rue du Rhône 4, 1204 Geneva, Switzerland.

2. **Paying Agent in Switzerland:**

The paying agent in Switzerland is **BANQUE CANTONALE DE GENÈVE**, 17, quai de l'Île, 1204 Geneva, Switzerland

3. **Location where the relevant documents may be obtained**

The Prospectus, the key information document, the Articles of Association as well as the annual and semi-annual reports may be obtained free of charge from the Representative.

4. **Publications**

1. Publications concerning the foreign collective investment scheme are made in Switzerland on www.swissfunddata.ch.
2. Each time shares are issued or redeemed, the issue and the redemption prices or the net asset value together with a reference stating "excluding commissions" must be published for all share classes on www.swissfunddata.ch. Prices must be published daily.

5. **Payment of retrocessions and rebates**

1. Retrocessions

The Management Company and its agents may pay retrocessions as remuneration for distribution activity in respect of fund shares in and from Switzerland. This remuneration may be deemed payment for the following services in particular:

Sales promotions and introductions with potential clients, the organization of road shows and/or fund fairs, assistance in making applications, forwarding of subscription, conversion and redemption orders, providing investors with the Fund's documents, verification of identification documents and the performance of due diligence tasks as well as keeping documentary records

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

Information on the receipt of retrocessions is governed by the relevant provisions of the Federal Act on Financial Services (FinSA). Thus, the recipients of the retrocessions must ensure transparent disclosure and expressly inform investors in advance, namely before the provision of the financial service or the conclusion of the contract, unsolicited and free of charge, about the type and scope of the compensation they may receive for distribution, so that investors can relinquish such compensation. If the amount cannot be determined in advance, the recipients of the retrocessions shall inform investors of the calculation parameters and the ranges.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

2. Rebates

In respect of distribution in Switzerland the Management Company and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charges to the fund.

6. **Place of performance and jurisdiction**

In respect of the Shares offered in Switzerland, the place of performance is at the registered office of the Swiss representative. The place of jurisdiction is the registered office of the Swiss representative or the registered office or place of residence of the investor.