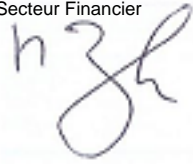


VISA 2023/174283-5123-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2023-10-02

Commission de Surveillance du Secteur Financier



# ASB Axion SICAV

Société d'Investissement à Capital Variable

Undertaking for Collective Investment in Transferable  
Securities (UCITS) organised under Luxembourg Law

## Introduction

This Prospectus relates to the Shares of ASB AXION SICAV (the “Company”). Shares are issued with respect to one or several Sub-Funds of the Company. Shares of each Sub-Fund are offered on terms and conditions as further discussed in this Prospectus.

Currently, there exist five Sub-Funds, which are denominated as follows:

- ASB AXION SICAV – Kermata Fund (hereinafter named “Kermata Fund”);
- ASB AXION SICAV – BancaStato Azionario Globale Fund (hereinafter named “BancaStato Azionario Globale Fund”);
- ASB AXION SICAV – Unconstrained Bond Fund (hereinafter named “Unconstrained Bond Fund”);
- ASB AXION SICAV – BancaStato Reddito Fund (hereinafter named “BancaStato Reddito Fund”);
- ASB AXION SICAV – BancaStato Bilanciato Fund (hereinafter named “BancaStato Bilanciato Fund”).

This Prospectus sets forth information concerning the Company and the Sub-Funds that a prospective investor should know before investing. Investors should read this Prospectus carefully and retain it for future reference.

The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or the person making the putative offer or solicitation is not qualified to do so or a person receiving the putative offer or solicitation may not lawfully do so. It is the responsibility of

any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of relevant jurisdictions.

The Company is not offering Shares either (i) in the United States or (ii) to, or for the account or benefit of, any person that is (A) a “U.S. person” as defined in Regulation S under the United States Securities Act of 1933, as amended, (B) not a “Non-United States Person” as defined in Rule 4.7 under the U.S. Commodity Exchange Act, as amended, (C) a “United States person” as defined in Section 7701(a)(30) of the United States Internal Revenue Code, as amended or (D) a “U.S. Person” as defined in the Further Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, as promulgated by the United States Commodity Futures Trading Commission, 78 Fed. Reg. 45292 (26 July 2013), as may be amended, (any person referred to in any of (A), (B), (C) or (D), a “U.S. Person”). Neither the Securities and Exchange Commission (“SEC”) nor any other federal or state regulatory authority has passed on or endorsed the merits of this offering or the accuracy of adequacy of this Prospectus. This document may not be delivered to any prospective investor in the United States or to any U.S. Person. This Prospectus is being given to the recipient solely for the purpose of evaluating the investment in the Shares described herein. All subscribers for Shares will be required to represent that they are not, and are not subscribing for Shares for the account or benefit of, a U.S. Person. If the Company or the Management Company determines that any Shares are held by, or for the account or benefit of, a U.S. Person, the Company or the Management Company will direct the Registrar and Transfer Agent of the Company to redeem those Shares on a compulsory basis.

Subscriptions are accepted only on the basis of the current Prospectus and the relevant key information document. Shares will be available to investors through a financial intermediary such as a financial advisor, banker or broker who has an agreement with the Company.

It should be remembered that the price of Shares in the Sub-Funds and any income earned on the Shares may go down as well as up, and investors may not get back the amount they have invested in the Company. Future earnings and investment performance can be affected by many factors not necessarily within the control of the Company or of the board of directors of the Company (the “Board of Directors”). For example, changes in exchange rates between currencies, changes in effective interest rates, or changes in market conditions due to a wide range of political or economic factors, as well as the performance of individual companies, may cause the value of an investment to fluctuate. No guarantees as to future performance of, or future return from, the Company can be given by the Company itself, or by the Board of Directors, by the Distributor, or any of its affiliates, or by any of their directors or officers, or by any authorized Dealers. Before investing in a Sub-Fund, a prospective investor should consider the risks involved in such investment. Please see “Risk Considerations” below.

Persons interested in purchasing, exchanging and redeeming Shares should inform themselves as to: (a) the legal requirements within their own countries for the purchase, exchange and redemption of Shares; (b) any foreign exchange restrictions which may be applicable; and (c) the income and other tax consequences of purchase, exchange and redemption of Shares. In addition, certain distributors, selected dealers and financial intermediaries may not offer all of the Sub-Funds described in this Prospectus. For more information, consult the Distributor, Dealer or your financial intermediary.

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

The Articles give powers to the Board of Directors to require the redemption of Shares held by any person in certain specified circumstances, including those which result in the Company or its shareholders suffering any taxation, pecuniary or other disadvantage or would cause undue risk of adverse regulatory consequences.

The purchase of Shares is deemed to be made on the basis of the information contained in this Prospectus and in the latest annual and semi-annual reports, which are available from the Registered Office, its Distributor and Dealers and its agents.

Capitalized terms shall have the meaning as defined in the Glossary of Terms below.

Counterparts of this Prospectus may be made available in languages other than English. In the event of any conflict between a translated Prospectus and the English language version of such Prospectus, the English language version shall be regarded as definitive and controlling.

Key information documents providing appropriate information about the essential characteristics of an UCITS are required to be provided to investors in good time before their proposed subscription for shares or units in the UCITS.

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## Glossary of Terms

Ancillary liquid assets	Bank deposits at sight that are accessible at any time
Articles	The articles of incorporation of the Company dated 6 November 2007 and as may be supplemented or amended from time to time
Auditor	PwC Luxembourg 2, rue Gerhard Mercator L-2182 Luxembourg
Board of Directors	Directors of the Company from time to time
Business Day	Any day upon which the banks in Luxembourg are fully open for business (excluding any Saturday, Sunday, public holiday, or days when banks are fully or partly closed in Luxembourg).
CIS	Collective investment schemes
Central Administration Agent	Société Générale Luxembourg Operational centre: 28-32, Place de la gare L- 1616 Luxembourg Grand-Duchy of Luxembourg
Company	ASB AXION SICAV, which term shall include any Sub-Fund from time to time thereof
Data Protection Law	The data protection law applicable to the Grand Duchy of Luxembourg and the GDPR
Dealers	Any Dealer which has entered into a sub-distribution agreement with the Distributor
Depositary	Société Générale Luxembourg 11, Avenue Emile Reuter L-2420 Luxembourg Grand-Duchy of Luxembourg
Directors	The members of the Board of Directors of the Company
Disclosure Regulation or SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time
Distributors	Axion Swiss Bank SA Viale Stefano Franscini 22 CH-6901 Lugano Switzerland  Banca dello Stato del Cantone Ticino Viale H. Guisan 5 CH-6500 Bellinzona Switzerland
Emerging Market Countries	Countries with emerging economies or stock markets which may be undergoing significant evolution and rapid development. Such countries may lack the social, political and economic stability characteristics of more developed countries including a significant risk of currency value fluctuation

Environmentally Sustainable Economic Activities	Means an investment in one or several economic activities that qualify as environmentally sustainable under the Taxonomy Regulation. For the purpose of establishing the degree to which an investment is environmentally sustainable, an economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the environmental objectives set out in the TR, does not significantly harm and of the environmental objectives set out in the TR, is carried out in compliance with the minimum safeguards laid down in the TR and complies with the technical screening criteria that have been established by the European Commission in accordance with the TR.
Equity-Linked Instrument	A security or instrument that replicates or is based on an equity, including a share warrant, a subscription right, an acquisition or purchase right, an embedded derivative based on equities or equity indexes and whose economic effect leads to be exclusively exposed to equities, a depository receipt such as, but not limited to an ADR and GDR, an equity-linked note, or a P-Note. Sub-funds that intend to use P-Notes will specifically indicate so in their investment policy.
ESG	Environmental, social and governance matters
EU	The European Union
EUR or Euro	All references to Euro in the Prospectus are to the legal currency of the European Monetary Union
EU Level 2 Regulation	Commission Delegated Regulation (EU) No 2016/438 of 17 December 2015 supplementing the Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data
Group of Companies	Companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with 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 and according to recognized international accounting rules
Investment Manager	Axion Swiss Bank SA Viale Stefano Franscini 22 CH-6901 Lugano Switzerland
Management Company	Amundi Luxembourg S.A. 5, Allée Scheffer L-2520 Luxembourg Grand-Duchy of Luxembourg
Member State	A member state of 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 this agreement and related acts, are considered as equivalent to member states of the European Union
<i>Mémorial</i>	The <i>Mémorial C, Recueil des Sociétés et Associations</i>

Money Market Instruments	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as money market instruments, as defined by guidelines issued by the Regulatory Authority from time to time
NAV	Net Asset Value, as defined in Appendix III
Non-Member State	Any state of Europe, America, Africa, Asia, Australia and Oceania which is not a Member State
OECD	Organisation for Economic Co-operation and Development
Offer Price	The offer price per Share within the relevant Sub-Fund
Paying Agent	Société Générale Luxembourg 11, Avenue Emile Reuter L-2420 Luxembourg Grand-Duchy of Luxembourg
Prospectus	The present prospectus, as may be supplemented or amended from time to time
Reference Currency	Currency of denomination of the relevant Sub-Fund
Registered Office	5, Allée Scheffer L-2520 Luxembourg Grand-Duchy of Luxembourg
Registrar and Transfer Agent	Société Générale Luxembourg 28-32, Place de la gare L-1616 Luxembourg Grand-Duchy of Luxembourg
Regulated Market	A regulated market as defined in paragraph 21 of Article 4 of the European Parliament and Council Directive 2014/65/EU of 15 May 2014 on markets in financial instruments as amended ("Directive 2014/65/EC"). A list of regulated markets is available from the European Commission or at the following internet address: <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:348:0009:0015:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:348:0009:0015:EN:PDF</a>
Regulatory Authority	The Luxembourg authority or its successor in charge of the supervision of the undertakings for collective investment in the Grand-Duchy of Luxembourg
RESA	The <i>Recueil Électronique des Sociétés et Associations</i>
RTS	are a consolidated set of technical standards defined by European Parliament and the Council, which provide additional detail on the content, methodology and presentation of certain existing disclosure requirements under the Disclosure Regulation and the Taxonomy Regulation.
Safe-keeping Delegate	Any entity appointed by the Depositary, to whom Safe-keeping Services (as defined in the Depositary Agreement) have been delegated in accordance with article 34bis of the UCI Law and articles 13 to 17 of the EU Level 2 Regulation
SFT	Securities Financing Transactions or SFT means (i) a repurchase transaction; (ii) securities lending and securities borrowing or (iii) a buy-sell back transaction or sell-buy back transaction as defined under the SFTR

SFTR	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012
Share	Each share within any Sub-Fund of the Company issued and outstanding from time to time
Structured Products	Certain Sub-Funds may invest in structured products which are pre-packaged investments that normally include assets with interest payments plus derivative(s). They are generally tied to an underlying asset (such as equity, equity index, ETF or FX rates), and are designed to facilitate highly customized risk-return objectives. This is accomplished by taking a traditional security such as a conventional investment-grade bond and replacing the usual payment features - periodic coupons and final principal - with non-traditional payoffs derived from the performance of the underlying asset(s) rather than the issuer's own cash flow. Common risks associated with structured products are liquidity risk, that comes with the highly customized nature of the investment, the issuer's credit quality and risks related to the underlying asset (such as equity risk, currency risk and interest rate risk).
Sub-Fund	Specific portfolio of assets, which is invested in accordance with a particular investment objective
Sustainability Factors	for the purposes of art. 2.(24) of the SFDR mean means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery
Sustainability Risks	for the purposes of art. 2.(22) of the SFDR means, 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 an investment.
Sustainable Investment	for the purposes of art. 2.(17) of the SFDR means (1) an investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) on the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or (2) an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or (3) an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. Information on Amundi's methodology to assess if an investment qualify as a Sustainable Investment can be found in the Amundi ESG Regulatory Statement available at <a href="http://www.amundi.lu">www.amundi.lu</a> .
Taxonomy Regulation or TR	Means regulation 2020/852 of the European Parliament and of the Council of 27th November 2019 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 'Disclosure Regulation' or 'SFDR'
Transferable Securities	<ul style="list-style-type: none"> <li>• shares and other securities equivalent to shares ("shares");</li> <li>• bonds and other debt instruments ("debt securities"); and</li> <li>• any other negotiable securities that carry the right to acquire any such transferable securities by subscription or exchange</li> </ul>
UCI(s)	Undertaking(s) for collective investment
UCI Law	The Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time
UCITS	Undertaking(s) for collective investment in transferable securities subject to Part I of the UCI Law and compliant with the requirements of the UCITS Directive
UCITS Directive	EC Council Directive no. 2009/65/EC of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities,



as amended from time to time

U.S.

United States of America

Valuation Day

Business Day on which the Net Asset Value per Share of each Sub-Fund is calculated and as specified under the Section “Overview” of each Sub-Fund

## Important Information

ASB AXION SICAV is offering Shares of one or several Sub-Funds on the basis of the information contained in this Prospectus and in the documents referred to herein. No person is authorised to give any information or to make any representations concerning the Company other than as contained in the Prospectus and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in the Prospectus shall be solely at the risk of the purchaser.

The most recent annual and semi-annual reports of the Company are deemed to be an integral part of the Prospectus and are available free of charge upon request at the Registered Office and from the Distributor, Dealers and other agents of the Company.

In accordance with the Articles, the Board of Directors may issue Shares in each Sub-Fund. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objectives applicable to the relevant Sub-Fund. As a result, the Company is an “umbrella fund” enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which Sub-Fund(s) may be most appropriate for their specific risk and return expectations as well as their diversification needs.

Shares within each Sub-Fund may be issued, redeemed and converted at prices computed on the basis of the NAV per Share of the relevant Sub-Fund, as more fully described below.

The Board of Directors may, at any time, create additional Sub-Funds, whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds, the Prospectus will be updated or supplemented accordingly and a key information document will be issued.

The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

**Luxembourg** - The Company is a UCITS registered pursuant to Part I of the UCI Law. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Sub-Funds. Any representation to the contrary is unauthorised and unlawful.

**European Union** - The Company is a UCITS for the purposes of the UCITS Directive and the Board of Directors proposes to market the Shares in accordance with the UCITS Directive in certain Member States and in countries which are Non-Member States.

## DATA PROTECTION

In accordance with the Data Protection Law, the Company, acting as data controller, hereby informs the shareholders (or if the shareholder is a legal person, informs the shareholder’s contact person and/or beneficial owner) that certain personal data (“Personal Data”) provided to the Company or its delegates may be collected, recorded, stored, adapted, transferred or otherwise processed for the purposes set out below.

Personal Data includes (i) the name, address (postal and/or e-mail), bank details, invested amount and holdings of a shareholder; (ii) for corporate shareholders: the name and address (postal and/ or e-mail) of the shareholders’ contact persons, signatories, and the beneficial owners; and (iii) any other personal data the processing of which is required in order to comply with regulatory requirements, including tax law and foreign laws.

Personal Data supplied by shareholders is processed in order to enter into and execute transactions in Shares of the Company and for the legitimate interests of the Company. In particular, legitimate interests include (a) complying with the Company’s accountability, regulatory and legal obligations; as well as in respect of the provision of evidence of a transaction or any commercial communication; (b) exercising the business of the Company in accordance with reasonable market standards; and (c) the processing of Personal Data for the purpose of: (i) maintaining the register of shareholders; (ii) processing transactions in Shares and the payment of dividends; (iii) maintaining controls in respect of late trading and market timing practices; (iv) complying with applicable anti-money laundering rules; (v) marketing and client-related services; (vi) fee administration; and (vii) tax identification under the EU Savings Directive, OECD Common Reporting Standard (the “CRS”) and FATCA.

The Company may, subject to applicable law and regulation, delegate the processing of Personal Data, to other data recipients such as, inter alia, the Management Company, the Investment Managers, the Sub-Investment Managers, the Administrator, the Registrar and Transfer Agent, the Depositary and Paying Agent, the auditor and the legal advisors of the Company and their service providers and delegates (the “Recipients”).

The Recipients may, under their own responsibility, disclose Personal Data to their agents and/or delegates, for the sole purposes of assisting the Recipients to provide services to the Company and/ or to fulfil their own legal obligations. Recipients or their agents or delegates may, process Personal Data as data processors (when processing upon instruction of the Company), or as data controllers (when processing for their own purposes or to fulfil their own legal obligations). Personal Data may also be transferred to third parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable law and regulation. In particular, Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose the same to foreign tax authorities.

Data processors may include any entity belonging to the Société Générale group of companies (including outside the EU) for the purposes of performing operational support tasks in relation to transactions in the Shares, fulfilling anti-money laundering and counter-terrorist financing obligations, avoiding investment fraud and for compliance with the obligations of CRS.

In accordance with the conditions laid down by the Data Protection Law, shareholders have the right to:

- request access to their Personal Data;
- request the correction of their Personal Data where it is inaccurate or incomplete;
- object to the processing of their Personal Data;
- request erasure of their Personal Data;
- request for restriction of the use of their Personal Data; and
- request for Personal Data portability.

Shareholders may exercise the above rights by writing to the Management Company at the following address: 5, Allée Scheffer, L-2520 Luxembourg, Grand-Duchy of Luxembourg.

Shareholders also have the right to lodge a complaint with the National Commission for Data Protection (the “CNPD”) at the following address: 15, Boulevard du Jazz, L-4370 Belvaux, Grand Duchy of Luxembourg, or with any competent data protection supervisory authority.

A shareholder may, at its discretion, refuse to communicate its Personal Data to the Company. In this event however, the Company may reject the request for subscription for Shares and block an account for further transactions. Personal Data shall not be retained for periods longer than those required for the purpose of its processing subject to any limitation periods imposed by applicable law.

## Management and Administration

### BOARD OF DIRECTORS OF THE COMPANY

#### Members

**Walter Lisetto**

Chief Investment Officer of Axion Swiss Bank SA,  
Lugano (Switzerland)

**Giampiero Marangio**

Executive Director of Axion Swiss Bank SA,  
Lugano (Switzerland)

**Alberto Moscato**

Private banker at Axion Swiss Bank SA,  
Lugano (Switzerland)

**Enrico Turchi**

Deputy Chief Executive Officer and Managing Director of Amundi  
Luxembourg S.A.,  
Luxembourg (Grand Duchy of Luxembourg)

#### Registered Office

5, Allée Scheffer  
L-2520 Luxembourg

#### Management Company

Amundi Luxembourg S.A.  
5, Allée Scheffer  
L-2520 Luxembourg

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

#### Chairman

**David Joseph Harte**

Deputy Head of Operations, Services & Technology Division  
Amundi Ireland Limited,  
Ireland

#### Members

**Pascal Biville**

Independent Director  
France

**Pierre Jond**

Chief Executive Officer and Managing Director  
Amundi Luxembourg S.A.  
Luxembourg

**Jeanne Duvoux**

Head of Business Support and Operations  
Amundi Asset Management SAS  
France

**Claude Kremer**

Partner Arendt & Medernach S.A.  
Luxembourg

**François Marion**

Independent Director  
France

**Enrico Turchi**

Deputy Chief Executive Officer and Managing Director  
Amundi Luxembourg S.A.  
Luxembourg

Conducting Persons of the Management Company

Pierre Jond  
Enrico Turchi  
Charles Giraldez  
Pierre Bosio  
Benjamin Launay  
Loredana Carletti

Central Administration Agent

Société Générale Luxembourg  
Operational centre:  
28-32, Place de la gare  
L-1616 Luxembourg

Depositary and Paying Agent

Société Générale Luxembourg  
11, Avenue Emile Reuter  
L-2420 Luxembourg

Registrar and Transfer Agent

Société Générale Luxembourg  
Operational centre:  
28-32, Place de la gare  
L-1616 Luxembourg

Investment Manager

Axion Swiss Bank S.A.  
Viale Stefano Franscini 22  
CH-6901 Lugano

Distributors

Axion Swiss Bank S.A.  
Viale Stefano Franscini 22  
CH-6901 Lugano

Banca dello Stato del Cantone Ticino  
Viale H. Guisan 5  
CH-6500 Bellinzona  
Switzerland

Auditor

PwC Luxembourg  
2, rue Gerhard Mercator  
L-2182 Luxembourg

## Principal Features

### STRUCTURE

The Company is an open-ended investment company incorporated under the laws of the Grand Duchy of Luxembourg as a *Société d'Investissement à Capital Variable* ("SICAV"). The Company is an undertaking for collective investments in transferable securities ("UCITS") subject to Part I of the UCI Law and compliant with the requirements of the UCITS Directive.

The Company is an umbrella fund and as such provides investors with the choice of investment in one or several Sub-Funds, each of which relates to a separate portfolio of transferable securities and/or other liquid financial assets permitted by law and managed within specific investment objectives.

Upon the launching of additional Sub-Funds, investors will have the flexibility to convert between Sub-Funds, as more fully described under the section "Conversion of Shares".

### INVESTMENT CHOICE

The Company provides investors with a choice of one or several Sub-Funds offering a diverse array of investment objectives sought through investment in a wide range of transferable securities and other liquid assets. The investment objective of the Company is to manage its assets for the benefit of the shareholders in accordance with the investment objectives of the Sub-Funds. No assurance can however be given that any of the Sub-Funds will achieve its objectives as described here after.

For the time being, the Company offers Shares in five Sub-Funds, i.e. *Kermata Fund*, *BancaStato Azionario Globale Fund*, *Unconstrained Bond Fund*, *BancaStato Reddito Fund* and *BancaStato Bilanciato Fund*.

### MINIMUM INVESTMENT AND HOLDING

The (i) minimum initial investment requirement, (ii) minimum subsequent investment requirement and (iii) minimum holding requirement of each Sub-Fund are disclosed within their respective sections "Overview". A redemption or conversion request that would reduce the value at such time of any holding to below such amount may be treated as a request to redeem or convert the whole of such shareholding.

The above investment limit is subject to the discretion of the Board of Directors (or its delegates) to accept lesser amounts.

### OFFER PRICE

The Offer Price of the relevant Sub-Fund will be equal to the sum of (i) the NAV per Share of such Sub-Fund plus (ii) any applicable sales charge. The Offer Price is available for inspection at the Registered Office.

### SALES CHARGE

The Management Company, on behalf of each Sub-Fund, may, to the extent permissible by the UCI Law, enter into arrangements with the Distributor and/or any Dealer providing for payment of placement agent fees or "sales charges", based on a percentage of up to 5% of the NAV or initial Offer Price. See also "Issue and Sale of Shares" below.

### DEALING

Shares may normally be purchased, redeemed or converted on a daily basis at prices based on the NAV per Share of the relevant Sub-Fund calculated on each Valuation Day, unless otherwise provided in the sections "Overview" of each Sub-Fund.

### DISTRIBUTION

The Company does normally not contemplate the distribution of dividends to shareholders. All income received and capital gains realised will be accumulated, unless otherwise provided in the sections "Overview" of each Sub-Fund. See "Distribution Policy" below.

## ASB AXION SICAV – Opportunity Fund [to be in liquidation as from 22/09/2023]

### A. INVESTMENT OBJECTIVES AND POLICIES

The main objective of Opportunity Fund is to generate reasonable capital preservation and growth over the recommended holding period by means of investing in a mix of equity and debt securities.

In order to achieve this objective, the Opportunity Fund may invest in equity and debt securities of corporate, governmental and semi-governmental issuers worldwide, including issuers from Emerging Markets Countries and issuers with a rating below investment grade.

The relevant equity and debt securities may be acquired either directly or through the investment in other investment funds, including UCITS, other UCIs and exchange traded funds. The Opportunity Fund may also acquire warrants on such equity and debt securities as well as convertible securities.

Up to 20% of the Opportunity Fund's net assets may be invested in:

- Structured Products; and
- Structured Finance Securities (such as asset-backed securities ("ABS") or mortgage-backed securities ("MBS")) up to 10% of its net assets.

The Opportunity Fund may also get exposure to commodity markets on an ancillary basis by investing in eligible commodities-related instruments, such as exchange-traded notes and certificates.

Depending on the market environment, up to 100% of the Opportunity Fund's net assets may be held in liquid assets, such as cash deposits and money market instruments, only in exceptional circumstances and on a temporary basis.

Financial derivative instruments, including futures, options and swaps on eligible underlyings, may be used for efficient portfolio management and hedging purposes.

Equity and debt securities of issuers from Emerging Market Countries shall not exceed 50% of the total net assets of the Opportunity Fund.

American depositary receipts (ADR) and Global depositary receipts (GDR) shall not exceed 35% of the total net assets of the Opportunity Fund.

Debt securities from issuers with a rating below investment grade shall not exceed 25% of the total net assets of the Opportunity Fund.

Units of other UCITS or UCIs (including ETFs) shall not exceed 50% of the total net assets of the Opportunity Fund.

Lastly, the Opportunity Fund may invest up to 10% of its net assets in contingent convertible bonds ("Cocos").

#### Management Process

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in section "Sustainable Investing" of the Prospectus. Given the Opportunity Fund's investment focus, the Investment Manager does not integrate a consideration of Environmentally Sustainable Economic Activities (as prescribed in the Taxonomy Regulation) into the investment process for the Opportunity Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Opportunity Fund do not take into account the EU criteria for Environmentally Sustainable Economic Activities.

#### Benchmark

The Sub-Fund is actively managed and is not managed in reference to a benchmark.

### B. MAIN RISKS

- Collateral management
- Counterparty risk
- Currency risk
- Custody risk
- Depository risks in emerging market countries
- Emerging market countries risk
- Equity securities risk
- Fixed income securities risk
- Hedging risk
- High yield bond risk
- Market risk
- Derivatives risk
- Risk of investing in underlying funds
- Risks related to investments in a specific sector
- Sustainable Investment Risk

See "Risk Considerations" for more information.

### C. INVESTOR PROFILE

Recommended for retail investors

- With a basic knowledge of investing in funds and no or limited experience of investing in the Sub-Fund or similar funds.
- Who understand the risk of losing some or all of the capital invested.
- Seeking to increase the value of their investment over the recommended holding period.

Recommended holding period 4 years.

### D. OVERVIEW

Cut-off time for subscriptions, redemptions and conversions requests	12.00 p.m. (noon) on the relevant Valuation Day
Initial offer day	16 November 2007
Initial Offer Price	EUR 100.-
Payment of subscription and redemption price	2 bank business days following the relevant Valuation Day
Currency of the Sub-Fund	EUR
Sales charge (in % from NAV to the benefit of the Distributor(s))	Up to 5%
Minimum initial investment	EUR 10,000.-
Minimum subsequent investment	EUR 2,500.-
Minimum holding	EUR 10,000.-
Redemption fee	None
Fee payable to the Management Company (in % of the net assets of the Sub-Fund)	0.08 % p.a.; Minimum EUR 16,000.- p.a.
Maximum indirect management fees, paid by the UCITS or UCIs in which the Sub-Fund can invest (in % of their net assets)	2.5% p.a.
Fee payable to the Central Administration Agent (in % of the net assets of the Sub-Fund)	0.01% p.a.
Fee payable to the Investment Manager (in % of the net assets of the Sub-Fund)	1.50% p.a.
Depositary fee (in % of the net assets of the Sub-Fund)	From 0.003% to 0.5% p.a.
Valuation Day	Each day that is a Business Day.
Form of shares	Registered
Distribution policy	Accumulation
Listing	None
Risk management method	Absolute VaR
Expected gross leverage	300%
Exposure resulting from the use of SFTs	Expected level: 0% Maximum level: 0%
Exposure resulting from the use of total return swaps & contracts for difference	Expected level: 0% Maximum level: 0%



## ASB Axion SICAV - Kermata Fund

### A. INVESTMENT OBJECTIVES AND POLICIES

The main objective of the Kermata Fund is to generate reasonable income over the recommended holding period by means of investing predominantly in European centered bonds and money market instruments.

In order to achieve this objective, the Kermata Fund may invest in fixed and floating rate debt securities of corporate, governmental and semi-governmental issuers worldwide, including issuers from Emerging Markets Countries and issuers with a rating below investment grade.

The relevant debt securities can be acquired either directly or through the investment in other investment funds, including UCITS, other UCIs and exchange traded funds. The Kermata Fund may also acquire warrants on such debt securities.

Up to 10% of the Kermata Fund's net assets may be invested in:

- Structured Products; and
- Structured Finance Securities (such as asset-backed securities ("ABS") or mortgage-backed securities ("MBS")).

Depending on the market environment, up to 100% of the Kermata Fund's net assets may be held in liquid assets, such as cash deposits and money market instruments, only in exceptional circumstances and on a temporary basis.

Financial derivative instruments, including futures, options and swaps on eligible underlyings, may be used for efficient portfolio management and hedging purposes.

In relation to the foregoing and subject to the limits set out in Appendix I to the Prospectus, the Kermata Fund's investments are subject to the following constraints:

- Debt securities of issuers from Emerging Market Countries shall not exceed 49% of the total net assets of the Kermata Fund.
- Debt securities from issuers with a rating below investment grade shall not exceed 25% of the total net assets of Kermata Fund.
- Units of other UCITS or UCIs (including ETFs) shall not exceed 50% of the total net assets of the Kermata Fund.

#### Management Process

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in section "Sustainable Investing" of the Prospectus. Given the Kermata Fund's investment focus, the Investment Manager does not integrate a consideration of Environmentally Sustainable Economic Activities (as prescribed in the Taxonomy Regulation) into the investment process for the Kermata Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Kermata Fund do not take into account the EU criteria for Environmentally Sustainable Economic Activities.

#### Benchmark

The Sub-Fund is actively managed and is not managed in reference to a benchmark.

### B. MAIN RISKS

- Collateral management
- Counterparty risk
- Currency risk
- Custody risk
- Depository risks in emerging market countries
- Emerging market countries risk
- Fixed income securities risk
- High yield bond risk
- Market risk
- Derivatives risk
- Risk of investing in underlying funds
- Risks related to investments in a specific sector
- Sustainable Investment Risk

See "Risk Considerations" for more information.

### C. INVESTOR PROFILE

Recommended for professional investors and the following retail investors:

- With a basic knowledge of investing in funds and no or limited experience of investing in the Sub-Fund or similar funds.
- Who understand the risk of losing some or all of the capital invested.
- Seeking to provide income over the recommended holding period.

Recommended holding period 1 year.

#### D. OVERVIEW

Cut-off time for subscriptions, redemptions and conversions requests	1200 p.m. (noon) on the relevant Valuation Day
Initial offer day	17 November 2008
Initial Offer Price	EUR 100.-
Payment of subscription and redemption price	2 bank business days following the relevant Valuation Day
Currency of the Sub-Fund	EUR
Sales charge (in % from NAV to the benefit of the Distributor(s))	Up to 5%
Minimum investment	EUR 10,000.-
Minimum subsequent investment	EUR 100.-
Minimum holding	EUR 10,000.-
Redemption fee	None
Fee payable to the Management Company (in % of the net assets of the Sub-Fund)	0.08% p.a.; Minimum EUR 16,000.- p.a.
Maximum indirect management fees, paid by the UCITS or UCIs in which the Sub-Fund can invest (in % of their net assets)	2.5% p.a.
Fee payable to the Central Administration Agent (in % of the net assets of the Sub-Fund)	0.01% p.a.
Fee payable to the Investment Manager (in % of the net assets of the Sub-Fund)	0.60% p.a.
Depository fee (in % of the net assets of the Sub-Fund)	From 0.003% to 0.5% p.a.
Valuation Day	Each day that is a Business Day
Form of shares	Registered
Distribution policy	Accumulation
Risk management method	Absolute VaR, replaced by Commitment as from 16/10/2023
Expected gross leverage [until 15/10/2023, then N/A]	150%
Exposure resulting from the use of SFTs	Expected level: 0% Maximum level: 0%
Exposure resulting from the use of total return swaps & contracts for difference	Expected level: 0% Maximum level: 0%

#### E. SHARE CLASSES

Share Class	Currency	Distribution Status	Distribution Frequency	Hedged/ Non-Hedge
A	EUR	ND	n/a	NH
AH	CHF	ND	n/a	Hedged

## ASB Axion SICAV – BancaStato Azionario Globale Fund

### A. INVESTMENT OBJECTIVES AND POLICIES

The main objective of the Sub-Fund is to generate capital growth over the recommended holding period by means of investing in a diversified portfolio of global equity securities and to outperform the MSCI World Index (hedged to EUR).

In order to achieve this objective, the Sub-Fund invests mainly in equities, convertible bonds and Equity-Linked Instruments (including ADR and GDR up to 35% of the Net Asset Value of the Sub-Fund) worldwide including Emerging Markets Countries, without any kind of regional or sectorial restriction.

On an ancillary basis, the Sub-Fund may invest in investment grade debt securities, including issuers from Emerging Markets Countries.

The Sub-Fund may from time to time invest and have direct access to China A Shares via Stock Connect and to Chinese bonds via Bond Connect with an exposure of up to 10% of its net assets.

The relevant securities may be acquired either directly or through the investment in other investment funds, including UCITS, other UCIs and UCITS eligible exchange traded funds. The Sub-Fund may also acquire warrants on such securities as well as convertible securities. Up to 10% of the Sub-Fund's net assets may be invested in Structured Finance Securities (such as asset-backed securities ("ABS") and mortgage-backed securities ("MBS")).

Financial derivative instruments, including futures, options and swaps on eligible underlyings, may be used for efficient portfolio management, hedging and investment purposes.

Equity and debt securities of issuers from Emerging Market Countries (including Chinese investments) shall not exceed 50% of the total net assets of the Sub-Fund and small capitalization equity issuers shall not exceed 20% of the total net assets of the Sub-Fund.

Units of other UCITS or UCIs (including ETFs) shall not exceed 50% of the total net assets of the Sub-Fund.

Depending on the market environment, up to 100% of the Sub-Fund's net assets may be held in liquid assets, such as cash deposits and money market instruments, only in exceptional circumstances and on a temporary basis.

Investors should be aware of the increased risk of investing in Emerging Markets Countries and small capitalization equity issuers, as outlined in the "Risk Considerations" below.

#### Management Process

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in section "Sustainable Investing" of the Prospectus. Given the Sub-Fund's investment focus, the Investment Manager does not integrate a consideration of Environmentally Sustainable Economic Activities (as prescribed in the Taxonomy Regulation) into the investment process for the Sub-Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for Environmentally Sustainable Economic Activities.

#### Benchmark

The Sub-Fund is actively managed by reference to and seeks to outperform the MSCI World Index (hedged to EUR) (the "Benchmark"). The Sub-Fund is mainly exposed to the issuers of this benchmark, however, the management of the Sub-Fund is discretionary, and is exposed to issuers not included in this

benchmark. The Sub-Fund monitors risk exposure in relation to this benchmark however the extent of deviation from this benchmark is expected to be significant.

### B. MAIN RISKS

- Collateral management
- Counterparty risk
- Currency risk
- Custody risk
- Depository risks in emerging market countries
- Emerging market countries risk
- Equity securities risk
- Fixed income securities risk
- Hedging risk
- Market risk
- Derivatives risk
- Risk of investing in underlying funds
- Risks related to investments in a specific sector
- Small companies risk
- Sustainable Investment Risk

See "Risk Considerations" for more information.

### C. INVESTOR PROFILE

Recommended for retail investors

- With a basic knowledge of investing in funds and no or limited experience of investing in the Sub-Fund or similar funds.
- Who understand the risk of losing some or all of the capital invested.
- Seeking to provide income over the recommended holding period.

Recommended holding period 5 years.

## D. OVERVIEW

Cut-off time for subscriptions, redemptions and conversions requests	1200 p.m. (noon) on the relevant Valuation Day
Initial offer day	6 May 2019
Initial Offer Price	EUR 100.-
Payment of subscription and redemption price	2 bank business days following the relevant Valuation Day
Currency of the Sub-Fund	EUR
Sales charge (in % from NAV to the benefit of the Distributor(s))	Up to 5%
Minimum investment	EUR 10,000.-
Minimum subsequent investment	EUR 100.-
Minimum holding	EUR 10,000.-
Redemption fee	None
Fee payable to the Management Company (in % of the net assets of the Sub-Fund)	0.08 % p.a., Minimum EUR 16,000.- p.a.
Maximum indirect management fees, paid by the UCITS or UCIs in which the Sub-Fund can invest (in % of their net assets)	2.5% p.a.
Fee payable to the Central Administration Agent (in % of the net assets of the Sub-Fund)	0.01% p.a.
Fee payable to the Investment Manager (in % of the net assets of the Sub-Fund)	1.5% p.a.
Depository fee (in % of the net assets of the Sub-Fund)	From 0.003% to 0.5% p.a.
Performance fee	As from 1 <sup>st</sup> June 2022, the ESMA compliant Performance fee mechanism applies. The Anniversary Date is December 31. Exceptionally, the very first performance observation period will start on 1 <sup>st</sup> June 2022 and may not end before 31 December 2023.  Performance fee will be 15% of the difference between the NAV of the respective Class of Shares and the Reference Asset, with the MSCI World Index (hedged to EUR) as performance fee benchmark
Valuation Day	Each day that is a Business Day
Form of shares	Registered
Distribution policy	Accumulation
Risk management method	Relative VaR, replaced by Commitment as from 16/10/2023
Risk reference portfolio [until 15/10/2023, then N/A]	MSCI World Index (hedged to EUR)
Expected gross leverage [until 15/10/2023, then N/A]	300%
Exposure resulting from the use of SFTs	Expected level: 0% Maximum level: 0%
Exposure resulting from the use of total return swaps & contracts for difference	Expected level: 0% Maximum level: 0%

Description of the performance fee:

The calculation of performance fees applies to each share class and on each Valuation Day. The calculation is based on the comparison (hereafter the “Comparison”) between:

- The NAV of each share class (before deduction of the performance fee) and;
- the reference asset (hereafter the “Reference Asset”) which represents and replicates the NAV of the relevant share class (before deduction of the performance fee) at the first day of the performance observation period, adjusted by subscriptions/redemptions at each valuation, to which the performance fee benchmark (as stated above in Section D paragraph “Performance fee”) is applied.

The capitalized version of such performance fee benchmark is used for the calculation of the performance fees.

As from 1<sup>st</sup> June 2022, the Comparison is carried out over a performance observation period of five years maximum, the anniversary date of which corresponds to the day of calculation of the last NAV of December (hereafter the “Anniversary Date”). Any new share class may have a first performance observation period that starts on a specific date as further indicated in section D above.

During the life of the share class, a new performance observation period of maximum 5 years starts:

- in the event of payment of the Performance Fees Accruals on an Anniversary Date;
- in the event of cumulative underperformance observed at the end of a 5 year period. In this case, any underperformance of more than 5 years will no longer be taken into account during the new performance observation period; conversely, any underperformance generated over the past 5 years will continue to be taken into account.

The performance fee will represent 15% of the positive difference between the net assets of the share class (before deduction of the performance fee) and the Reference Asset if the following cumulative conditions are met :

- This difference is positive;

- The relative performance of the share class compared to the Reference Asset is positive or nil, since the beginning of the performance observation period. Past underperformances over the last 5 years should be clawed back before any new accrual of performance fee.

An allocation for performance fees will be accrued (“Performance Fees Accruals”) in the NAV calculation process.

In the event of redemption during the performance observation period, the portion of Performance Fees Accruals corresponding to the number of Shares redeemed, is definitively acquired to the Management Company and will become payable at the next Anniversary Date.

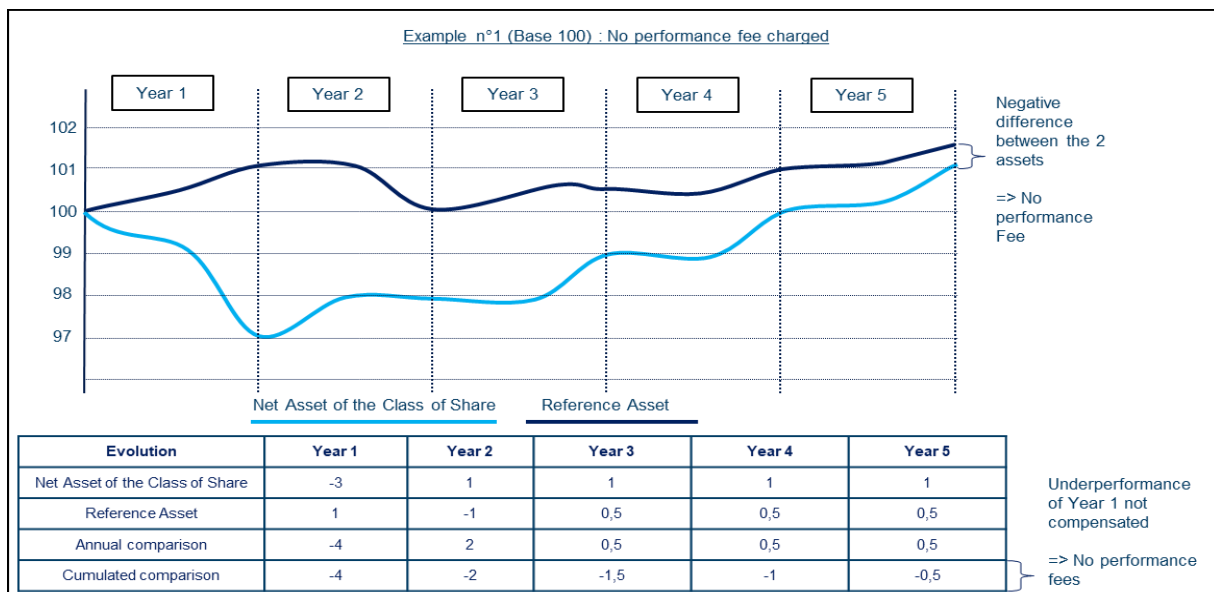
If over the performance observation period, the NAV of each relevant share class (before deduction of the performance fee) is lower than the Reference Asset, the performance fee becomes nil and all Performance Fees Accruals previously booked are reversed. Those reversals may not exceed the sum of the previous Performance Fees Accruals.

Over the performance observation period, all Performance Fees Accruals as defined above become due on the Anniversary Date and will be paid to the Management Company.

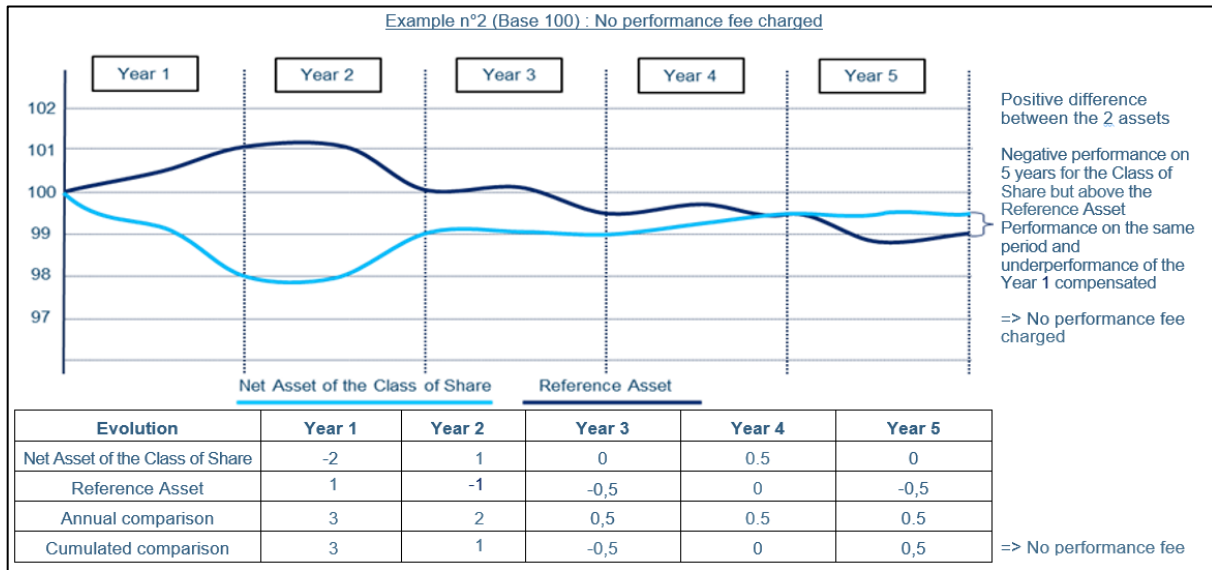
The performance fee is not paid to the Management Company if the performance of the share class over the performance observation period is negative, while remaining higher than the performance of the Reference Asset.

The three examples below illustrate the methodology described for 5 years performance observation periods:

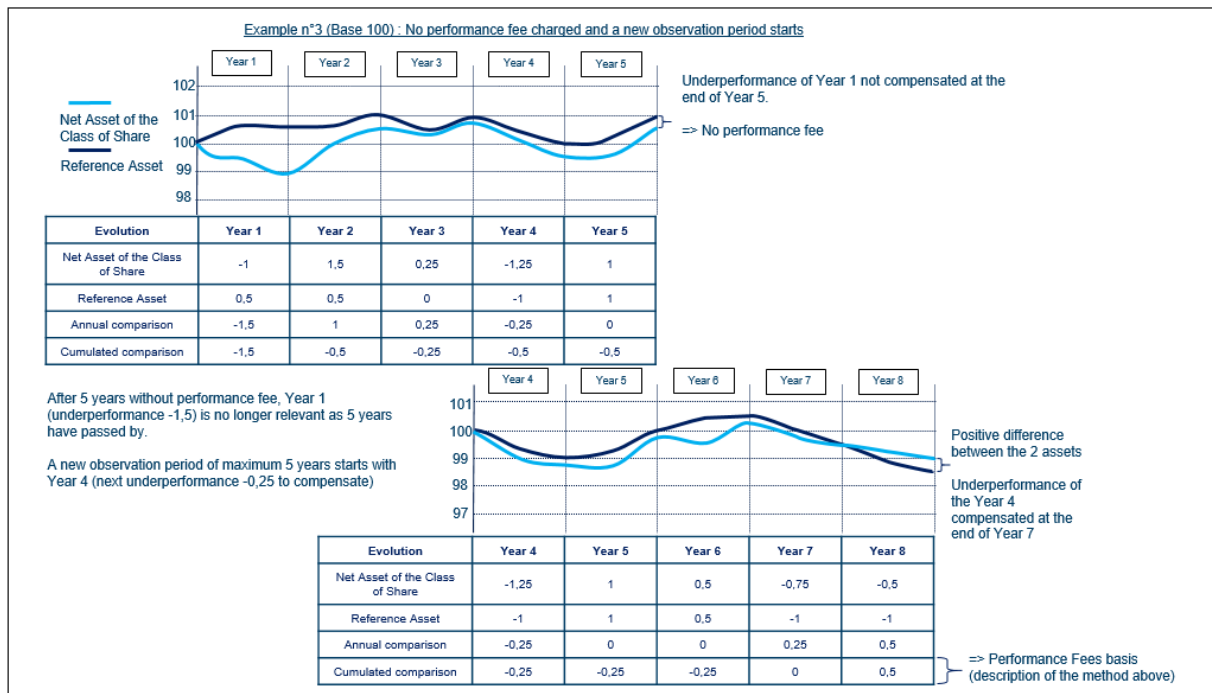
**Underperformance not compensated:**



**Underperformance compensated:**



**Underperformance not compensated and new observation period starts:**



For more details, please refer to the ESMA Guidelines n°34-39-968 on performance fees in UCITS and certain types of AIFs, as modified, and any related Q&A disclosed by ESMA.

**E. SHARE CLASSES**

Share Class	Currency	Distribution Status	Distribution Frequency	Hedged/ Non-Hedge
A	EUR	ND	n/a	NH
AH	CHF	ND	n/a	Hedged

## ASB Axion SICAV - Unconstrained Bond Fund

### A. INVESTMENT OBJECTIVES AND POLICIES

The main objective of the Unconstrained Bond Fund is to maximize total return through a combination of both income and capital growth over the recommended holding period by means of investing in a diversified portfolio of fixed income instruments.

The Unconstrained Bond Fund seeks a long-term return by unconstrained and diversified exposure to the global fixed income markets without any kind of regional or sectorial restriction.

In order to achieve this objective, the Unconstrained Bond Fund invests mainly in fixed and floating rate, convertible and subordinated debt securities of corporate, governmental and semi-governmental issuers worldwide, including issuers from Emerging Markets Countries and issuers with a rating below investment grade.

The Unconstrained Bond Fund may from time to time invest and have direct access to Chinese bonds via Bond Connect with an exposure of up to 10% of its net assets.

The relevant debt securities may be acquired either directly or through the investment in other investment funds, including UCITS, other UCIs and UCITS eligible exchange traded funds. The Unconstrained Bond Fund may also acquire warrants on such debt securities as well as convertible securities.

Up to 20% of the Unconstrained Bond Fund's net assets may be invested in:

- Structured Products; and
- Structured Finance Securities (such as asset-backed securities ("ABS") and mortgage-backed securities ("MBS")) up to 10% of its net assets.

Financial derivative instruments, including futures, options and swaps on eligible underlyings, may be used for efficient portfolio management, hedging and investment purposes. In particular, currency financial derivative instruments will be used to ensure that a maximum of 20% of the Unconstrained Bond Fund's total net assets is exposed to currencies other than the Euro.

Debt securities of issuers from Emerging Market Countries (including Chinese investments) shall not exceed 50% of the total net assets of the Unconstrained Bond Fund.

Units of other UCITS or UCIs (including ETFs) shall not exceed 50% of the total net assets of the Unconstrained Bond Fund.

Depending on the market environment, up to 100% of the Unconstrained Bond Fund's net assets may be held in liquid assets, such as cash deposits and money market instruments, only in exceptional circumstances and on a temporary basis.

Lastly, the Unconstrained Bond Fund may invest up to 20% of its net assets in contingent convertible bonds ("Cocos").

Investors should be aware of the increased risk of investing in Emerging Markets Countries, high yield bonds and Cocos, as outlined in the "Risk Considerations" below.

#### Management Process

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in section "Sustainable Investing" of the Prospectus.

Given the Unconstrained Bond Fund's investment focus, the Investment Manager does not integrate a consideration of Environmentally Sustainable Economic Activities (as prescribed in the Taxonomy Regulation) into the investment process for the Unconstrained Bond Fund. Therefore, for the purpose of the

Taxonomy Regulation, it should be noted that the investments underlying the Unconstrained Bond Fund do not take into account the EU criteria for Environmentally Sustainable Economic Activities.

#### Benchmark

The Sub-Fund is actively managed and seeks to outperform the Euro Short Term Rate Index (ESTER) + 0.5% (the "Benchmark"). The Sub-Fund uses the Benchmark a posteriori as an indicator for assessing the Sub-Fund's performance and, as regards the performance fee, as a benchmark used by relevant share classes, for calculating the performance fees. There are no constraints relative to any such Benchmark restraining portfolio construction.

### B. MAIN RISKS

- Collateral management
- Counterparty risk
- Currency risk
- Custody risk
- Depository risks in emerging market countries
- Emerging market countries risk
- Fixed income securities risk
- Hedging risk
- High yield bond risk
- Market risk
- Derivatives risk
- Risk of investing in underlying funds
- Risks related to investments in a specific sector
- Sustainable Investment Risk

See "Risk Considerations" for more information.

### C. INVESTOR PROFILE

Recommended for professional investors and the following retail investors:

- With a basic knowledge of investing in funds and no or limited experience of investing in the Sub-Fund or similar funds.
- Who understand the risk of losing some or all of the capital invested.
- Seeking to increase the value of their investment over the recommended holding period.

Recommended holding period 3 years.

## D. OVERVIEW

Cut-off time for subscriptions, redemptions and conversions requests	1200 p.m. (noon) on the relevant Valuation Day
Initial offer day	6 May 2019
Initial Offer Price	EUR 100.-
Payment of subscription and redemption price	2 bank business days following the relevant Valuation Day
Currency of the Sub-Fund	EUR
Sales charge (in % from NAV to the benefit of the Distributor(s))	Up to 5%
Minimum initial investment	EUR 10,000.-
Minimum subsequent investment	EUR 100.-
Minimum holding	EUR 10,000.-
Redemption fee	None
Fee payable to the Management Company (in % of the net assets of the Sub-Fund)	0.08% p.a.; Minimum EUR 16,000.- p.a.
Maximum indirect management fees, paid by the UCITS or UCIs in which the Sub-Fund can invest (in % of their net assets)	2.5% p.a.
Fee payable to the Central Administration Agent (in % of the net assets of the Sub-Fund)	0.01% p.a.
Fee payable to the Investment Manager (in % of the net assets of the Sub-Fund)	1% p.a.
Depositary fee (in % of the net assets of the Sub-Fund)	From 0.003% to 0.5% p.a.
Performance fee	As from 1 <sup>st</sup> June 2022, the ESMA compliant Performance fee mechanism applies. The Anniversary Date is December 31. Exceptionally, the very first performance observation period will start on 1 <sup>st</sup> June 2022 and may not end before 31 December 2023.  Performance fee will be 15% of the difference between the NAV of the respective Class of Shares and the Reference Asset, with the Euro Short Term Rate Index (ESTER) + 0.5% as performance fee benchmark
Valuation Day	Each day that is a Business Day.
Form of shares	Registered
Distribution policy	Accumulation
Listing	None
Risk Management method	Absolute VaR, replaced by Commitment as from 16/10/2023
Expected gross leverage [until 15/10/2023, then N/A]	300%
Exposure resulting from the use of SFTs	Expected level: 0% Maximum level: 0%
Exposure resulting from the use of total return swaps & contracts for difference	Expected level: 0% Maximum level: 0%



Description of the performance fee:

The calculation of performance fees applies to each share class and on each Valuation Day. The calculation is based on the comparison (hereafter the “Comparison”) between:

- The NAV of each share class (before deduction of the performance fee) and;
- the reference asset (hereafter the “Reference Asset”) which represents and replicates the NAV of the relevant share class (before deduction of the performance fee) at the first day of the performance observation period, adjusted by subscriptions/redemptions at each valuation, to which the relevant performance fees benchmark (as stated above in Section D paragraph “Performance fee”) is applied.

The capitalized versions of such performance fee benchmarks are used for the calculation of the performance fees.

As from 1<sup>st</sup> June 2022, the Comparison is carried out over a performance observation period of five years maximum, the anniversary date of which corresponds to the day of calculation of the last NAV of December (hereafter the “Anniversary Date”). Any new share class may have a first performance observation period that starts on a specific date as further indicated in section D above.

During the life of the share class, a new performance observation period of maximum 5 years starts:

- in the event of payment of the Performance Fees Accruals on an Anniversary Date;
- in the event of cumulative underperformance observed at the end of a 5 year period. In this case, any underperformance of more than 5 years will no longer be taken into account during the new performance observation period; conversely, any underperformance generated over the past 5 years will continue to be taken into account.

The Performance Fee will represent 15% of the positive difference between the net assets of the share class (before deduction of the performance fee) and the Reference Asset if the

following cumulative conditions are met :

- This difference is positive;
- The relative performance of the share class compared to the Reference Asset is positive or nil, since the beginning of the performance observation period. Past underperformances over the last 5 years should be clawed back before any new accrual of performance fee.

An allocation for performance fees will be accrued (“Performance Fees Accruals”) in the NAV calculation process.

In the event of redemption during the performance observation period, the portion of Performance Fees Accruals corresponding to the number of Shares redeemed, is definitively acquired to the Management Company and will become payable at the next Anniversary Date.

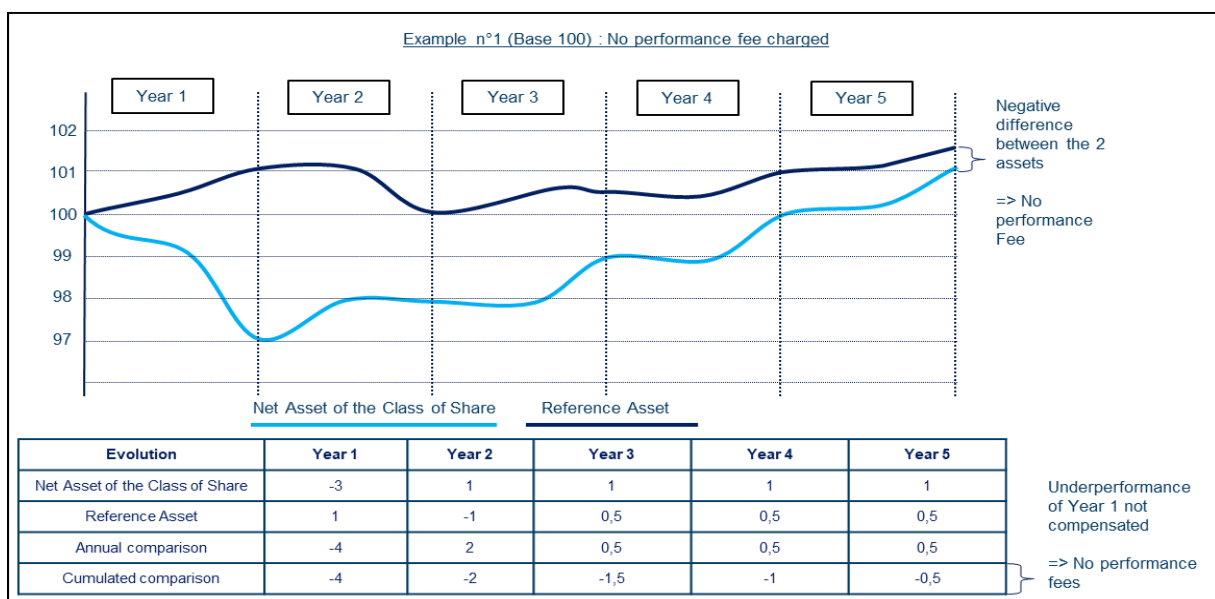
If over the performance observation period, the NAV of each relevant share class (before deduction of the performance fee) is lower than the Reference Asset, the performance fee becomes nil and all Performance Fees Accruals previously booked are reversed. Those reversals may not exceed the sum of the previous Performance Fees Accruals.

Over the performance observation period, all Performance Fees Accruals as defined above become due on the Anniversary Date and will be paid to the Management Company.

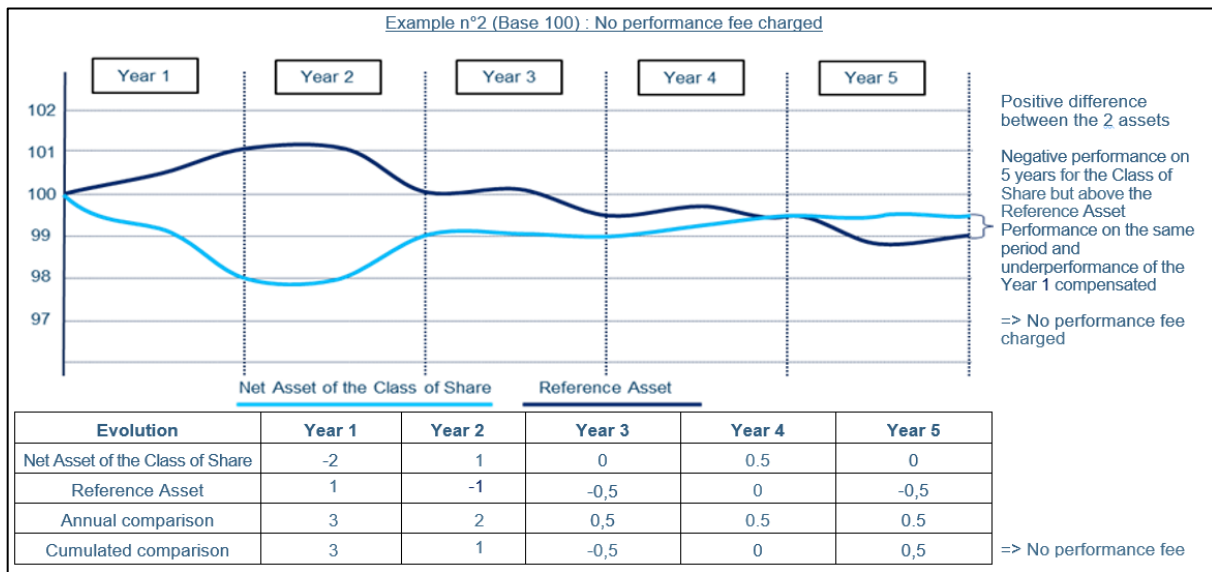
The performance fee is not paid to the Management Company if the performance of the share class over the performance observation period is negative, while remaining higher than the performance of the Reference Asset.

The examples below illustrate the methodology described for 5 years performance observation periods:

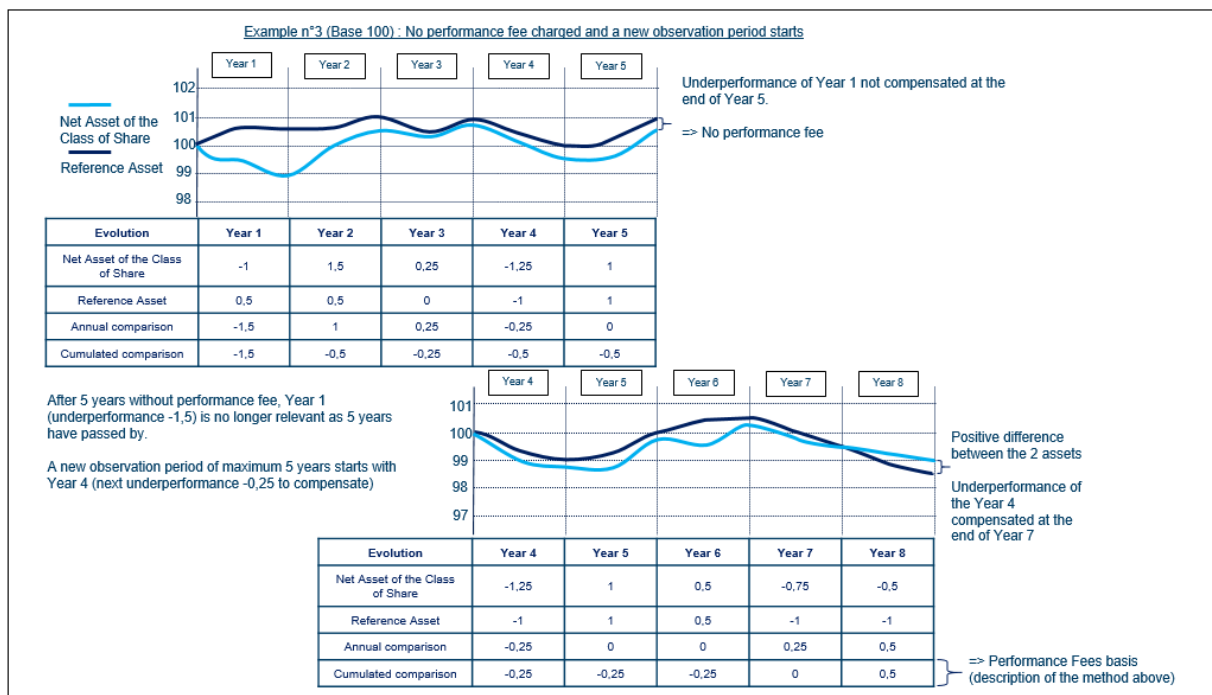
**Underperformance not compensated:**



**Underperformance compensated:**



**Underperformance not compensated and new observation period starts:**



For more details, please refer to the ESMA Guidelines n°34-39-968 on performance fees in UCITS and certain types of AIFs, as modified, and any related Q&A disclosed by ESMA.

**E. SHARE CLASSES**

Share Class	Currency	Distribution Status	Distribution Frequency	Hedged/ Non-Hedge
A	EUR	ND	n/a	NH
AH*	CHF	ND	n/a	Hedged

\*Such Share Class being denominated in CHF, the following Benchmark equivalent overnight rate will be used for the purpose of performance fees calculation for this specific hedged share class as follows: Swiss Average Rate Overnight + 0.5%

## ASB Axion SICAV - BancaStato Reddito Fund

### A. INVESTMENT OBJECTIVES AND POLICIES

The Sub-Fund seeks to maintain capital and achieve regular returns over the medium term through incomes generated primarily by investments in debt securities, with complementary revenues arising from investments in equities.

In order to achieve this objective, the Sub-Fund invests mainly in:

- debt securities of corporate, governmental and semi-governmental issuers worldwide, including below investment grade debt securities for up to 10% of the total net assets;
- equity and Equity-Linked Instruments for up to 30% of its total net assets, with equities of small capitalization issuers for up to 10% of the total net assets.

Investments are made either directly or indirectly through units of other UCITS or UCIs (including ETFs) for up to 50% of the Sub-Fund's total net assets.

The Sub-Fund may invest up to 25% of its total net assets in Emerging Markets Countries.

While complying with the above policies, the Sub-Fund may invest up to 20% of its total net assets in convertible bonds.

In exceptional circumstances, depending on the market environment, up to 100% of the Sub-Fund's net assets may be held in cash deposits and money market instruments on a temporary basis.

#### Derivatives

The Sub-Fund makes use of derivatives, including futures, warrants, options and swaps on eligible underlyings for efficient portfolio management and hedging purposes.

#### Management Process

The investment manager actively manages the Sub-Fund by applying a top-down investing approach that involves looking first at the macro picture of the economy, and then looking at the smaller factors to then decide the weight of the asset class.

Next the general market conditions are analysed to choose the region where invest, followed by industrial sectors analysis to select those that are forecast to outperform the market. From this point, the stocks of specific companies or securities are further analysed to choose potentially successful ones as investments.

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in section "Sustainable Investing" of the Prospectus. Given the Sub-Fund's investment focus, the Investment Manager does not integrate a consideration of Environmentally Sustainable Economic Activities (as prescribed in the Taxonomy Regulation) into the investment process for the Sub-Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for Environmentally Sustainable Economic Activities.

#### Benchmark

The Sub-Fund is actively managed and the composite benchmark described below under "Risk reference portfolio" serves a posteriori as an indicator for assessing the Sub-Fund's performance and as a reference for calculating and monitoring its relative Value-at Risk. There is no constraints relative to this benchmark restraining portfolio construction and the extent of deviation from such benchmark is expected to be significant.

### B. MAIN RISKS

- Collateral management
- Counterparty risk
- Currency risk
- Custody risk
- Depository risks in emerging market countries
- Emerging market countries risk
- Equity securities risk
- Fixed income securities risk
- Hedging risk
- High yield bond risk
- Market risk
- Derivatives risk
- Risk of investing in underlying funds
- Risks related to investments in a specific sector
- Small companies risk
- Sustainable Investment Risk

See "Risk Considerations" for more information.

### C. INVESTOR PROFILE

Recommended for professional investors and the following retail investors:

- With a basic knowledge of investing in funds and no or limited experience of investing in the Sub-Fund or similar funds.
- Who understand the risk of losing some or all of the capital invested.
- Seeking to increase the value of their investment over the recommended holding period.

Recommended holding period 3 years.

## D. OVERVIEW

Cut-off time for subscriptions, redemptions and conversions requests	1200 p.m. (noon) on the relevant Valuation Day
Initial offer day	4 May 2020
Initial Offer Price	CHF 100.-
Payment of subscription and redemption price	2 bank business days following the relevant Valuation Day
Currency of the Sub-Fund	CHF
Sales charge (in % from NAV to the benefit of the Distributor(s))	Up to 5%
Minimum initial investment	CHF 1,000
Minimum subsequent investment	CHF 100
Minimum holding	CHF 1,000
Redemption fee	None
Fee payable to the Management Company (in % of the net assets of the Sub-Fund)	0.08% p.a.; Minimum EUR 16,000.- p.a.
Maximum indirect management fees, paid by the UCITS or UCIs in which the Sub-Fund can invest (in % of their net assets)	2.5% p.a.
Fee payable to the Central Administration Agent (in % of the net assets of the Sub-Fund)	0.01% p.a.
Fee payable to the Investment Manager (in % of the net assets of the Sub-Fund)	0.90% p.a.
Depository fee (in % of the net assets of the Sub-Fund)	From 0.003% to 0.5% p.a.
Performance fee	None
Valuation Day	Each day that is a Business Day
Form of shares	Registered
Distribution policy	Accumulation and distribution
Listing	None
Risk Management method	Relative VaR, replaced by Commitment as from 16/10/2023
Risk reference portfolio [until 15/10/2023, then N/A]	50% Bloomberg Barclays Series-E Switzerland Govt 1-10years Index / 20% SBI Corporate Index / 15% CHF 1M Deposit Index / 7.5% Swiss Market Index / 3% S&P 500 Index / 2.5% Euro Stoxx 50 Index / 1% Nikkei 225 Index / 1% MSCI Emerging Markets Index 1
Expected gross leverage [until 15/10/2023, then N/A]	300%
Exposure resulting from the use of SFTs	Expected level: 0% Maximum level: 0%
Exposure resulting from the use of total return swaps & contracts for difference	Expected level: 0% Maximum level: 0%

## E. SHARE CLASSES

Share Class	Currency	Distribution Status	Distribution Frequency	Hedged/ Non-Hedge
A	CHF	ND	n/a	NH
D	CHF	Yes	Annual	NH
AH	EUR	ND	n/a	Hedged
DH	EUR	Yes	Annual	Hedged

## ASB Axion SICAV - BancaStato Bilanciato Fund

### A. INVESTMENT OBJECTIVES AND POLICIES

The Sub-Fund seeks to maintain capital and achieve regular returns over the medium term through incomes generated primarily by investments in debt securities, with complementary investments in equities for optimization purposes.

In order to achieve this objective, the Sub-Fund invests mainly in:

- debt securities of corporate, governmental and semi-governmental issuers worldwide, for at least 40% and up to 100% of its total net assets, including below investment grade debt securities for up to 20% of the total net assets;
- equity and Equity-linked instruments for up to 60% of its total net assets, with equities of small capitalization issuers for up to 10% of the total net assets.

Investments are made either directly or indirectly through units of other UCITS or UCIs (including ETFs) for up to 50% of the Sub-Fund's total net assets.

The Sub-Fund may invest up to 50% of its total net assets in Emerging Markets Countries.

While complying with the above policies, the Sub-Fund may invest up to 20% of its total net assets in convertible bonds.

In exceptional circumstances, depending on the market environment, up to 100% of the Sub-Fund's net assets may be held in cash deposits and money market instruments on a temporary basis.

#### Derivatives

The Sub-Fund makes use of derivatives, including futures, warrants, options and swaps on eligible underlyings for efficient portfolio management and hedging purposes.

#### Management Process

The investment manager actively manages the Sub-Fund by applying a top-down investing approach that involves looking first at the macro picture of the economy, and then looking at the smaller factors to then decide the weight of the asset class.

Next the general market conditions are analysed to choose the region where invest, followed by industrial sectors analysis to select those that are forecast to outperform the market. From this point, the stocks of specific companies or securities are further analysed to choose potentially successful ones as investments.

The Sub-Fund integrates Sustainability Factors in its investment process and takes into account principal adverse impacts of investment decisions on Sustainability Factors as outlined in more detail in section "Sustainable Investing" of the Prospectus. Given the Sub-Fund's investment focus, the Investment Manager does not integrate a consideration of Environmentally Sustainable Economic Activities (as prescribed in the Taxonomy Regulation) into the investment process for the Sub-Fund. Therefore, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for Environmentally Sustainable Economic Activities.

#### Benchmark

The Sub-Fund is actively managed and the composite benchmark described below under "Risk reference portfolio" serves a posteriori as an indicator for assessing the Sub-Fund's performance and as a reference for calculating and monitoring its relative Value-at Risk. There is no constraints relative to this benchmark restraining portfolio construction and the extent of deviation from such benchmark is expected to be significant.

### B. MAIN RISKS

- Collateral management
- Counterparty risk
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- Depository risks in emerging market countries
- Emerging market countries risk
- Equity securities risk
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- Risk of investing in underlying funds
- Risks related to investments in a specific sector
- Small companies risk
- Sustainable Investment Risk

See "Risk Considerations" for more information.

### C. INVESTOR PROFILE

Recommended for professional investors and the following retail investors:

- With a basic knowledge of investing in funds and no or limited experience of investing in the Sub-Fund or similar funds.
- Who understand the risk of losing some or all of the capital invested.
- Seeking to increase the value of their investment over the recommended holding period.

Recommended holding period 4 years.

## D. OVERVIEW

Cut-off time for subscriptions, redemptions and conversions requests	12.00 p.m. (noon) on the relevant Valuation Day
Initial offer day	4 May 2020
Initial Offer Price	CHF 100.-
Payment of subscription and redemption price	2 bank business days following the relevant Valuation Day
Currency of the Sub-Fund	CHF
Sales charge (in % from NAV to the benefit of the Distributor(s))	Up to 5%
Minimum initial investment	CHF 1,000
Minimum subsequent investment	CHF 100
Minimum holding	CHF 1,000
Redemption fee	None
Fee payable to the Management Company (in % of the net assets of the Sub-Fund)	0.08% p.a.; Minimum EUR 16,000.- p.a.
Maximum indirect management fees, paid by the UCITS or UCIs in which the Sub-Fund can invest (in % of their net assets)	2.5% p.a.
Fee payable to the Central Administration Agent (in % of the net assets of the Sub-Fund)	0.01% p.a.
Fee payable to the Investment Manager (in % of the net assets of the Sub-Fund)	1.10% p.a.
Depositary fee (in % of the net assets of the Sub-Fund)	From 0.003% to 0.5% p.a.
Performance fee	N/A
Valuation Day	Each day that is a Business Day
Form of shares	Registered
Distribution policy	Accumulation and distribution
Listing	None
Risk Management method	Relative VaR, replaced by Commitment as from 16/10/2023
Risk reference portfolio [until 15/10/2023, then N/A]	30% Bloomberg Barclays Series-E Switzerland Govt 1-10years Index / 20% Swiss Market Index / 20% CHF 1M Deposit Index / 10% SBI Corporate Index / 8% S&P 500 Index / 7% Euro Stoxx 50 Index / 3% Nikkei 225 Index / 2% MSCI Emerging Markets Index
Expected gross leverage [until 15/10/2023, then N/A]	300%
Exposure resulting from the use of SFTs	Expected level: 0% Maximum level: 0%
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## E. SHARE CLASSES

Share Class	Currency	Distribution Status	Distribution Frequency	Hedged/ Non-Hedge
A	CHF	ND	n/a	NH
D	CHF	Yes	Annual	NH
AH	EUR	ND	n/a	Hedged
DH	EUR	Yes	Annual	Hedged

## Risk Considerations

### A. General

An investment in a Sub-Fund involves certain risks relating to the particular Sub-Fund's structure and investment objectives which investors should evaluate before making a decision to invest in such Sub-Fund.

The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objective will be achieved.

Investors should make their own independent evaluation of the financial, market, legal, regulatory, credit, tax and accounting risks and consequences involved in investment in a Sub-Fund and its suitability for their own purposes. In evaluating the merits and suitability of an investment in the Sub-Fund, careful consideration should be given to all of the risks attached to investing in the Sub-Fund.

The following is a brief description of certain risk factors which should be considered along with other matters discussed elsewhere in this Prospectus. The following however, does not purport to be a comprehensive summary of all the risks associated with investments in any Sub-Fund.

An investment in Shares in the relevant Sub-Fund carries substantial risk and is suitable only for investors who accept the risks, can assume the risk of losing their entire investment and who understand that there is no recourse other than to the assets of the relevant Sub-Fund.

**Dependence on the Investment Manager relationship:** All decisions with respect to the general management of the Company will be made by the Board of Directors in consultation with the Investment Manager. Further, all investment allocations will be determined by the Investment Manager. As a result, the success of each Sub-Fund depends largely upon the ability of the Investment Manager.

**Early termination:** In the event of the early termination of the Company, the Company would have to distribute to the shareholders their pro-rata interest in the assets of the Company. The Company's investments would have to be sold by the Company or distributed to the shareholders. It is possible that at the time of such sale or redemption certain investments held by the Company may be worth less than the initial cost of the investment, resulting in a loss to the Company and to its shareholders. Moreover, in the event the Company terminates prior to the complete amortization of organizational expenses, any unamortized portion of such expenses will be accelerated and will be debited from (and thereby reduce) amounts otherwise available for distribution to shareholders.

**Changes in applicable law:** The Company must comply with various regulatory and legal requirements, including securities

laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Company, the regulatory and legal requirements to which the Company and its shareholders may be subject could differ materially from current requirements.

**Foreign exchange/Currency risk:** The Company may invest its assets in securities denominated in a wide range of currencies. The Net Asset Value of each Sub-Fund expressed in its respective unit currency will fluctuate in accordance with the changes in foreign exchange rate between its unit currency, the Reference Currency of the Company and the currencies in which the Company's investments are denominated.

**Potential Conflicts of Interests:** The Directors, the Management Company, the Investment Manager, the Depositary and Paying Agent, the Transfer Agent, the Central Administration Agent, the Distributor, any Dealer or sub-distributors, any shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (for the purposes hereof, each a "Connected Person") may:

1. contract or enter into any financial, banking or other transactions or arrangements with one another or with the Company including, without limitation, investment by the Company in securities or investment by any Connected Person in any company or body any of whose investments form part of the assets of the Company or be interested in any such contracts or transactions;
2. invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party; and
3. deal as agent or principal in the sale or purchase of securities and other investments to or from the Company through or with a Connected Person.

Any asset of the Company in the form of cash or securities may be deposited with any Connected Person. Any asset of the Company in the form of cash may be invested in certificates of deposit or banking investments issued by any Connected Person. Banking or similar transactions may also be undertaken with or through a Connected Person.

Entities within, and/or employees, agents, affiliates or subsidiaries of members of Axion Swiss Bank SA (for the purposes hereof, collectively, "Axion Swiss Bank SA Affiliates") are likely to be counterparties to the derivatives transactions or contracts entered into by the Company (for the purposes hereof, each a "Counterparty"). In addition, in many cases the Counterparty may be required to provide valuations of such derivative transactions or contracts. These valuations may form the basis upon which the value of certain assets of the Company is calculated. The Board of Directors acknowledges that Axion Swiss Bank SA Affiliates

may have a potential conflict of interest by virtue of acting as Counterparty and/or providing such valuations. However, the Board of Directors believes that such conflicts can be adequately managed, and expects that the Counterparty will be suitable and competent to provide such valuations and will do so at no further cost to the Company which would be the case if the services of a third party were engaged to provide valuations.

Axion Swiss Bank SA Affiliates may also act as Director, distributor, sub-distributor, index sponsor, index constituent agent, market maker, and provide safekeeping services to the Company all in accordance with the relevant agreements which are in place or to be documented from time to time as the case may be. The Board of Directors acknowledges that, by virtue of the functions which Axion Swiss Bank SA Affiliates will perform in connection with the Company, potential conflicts of interest are likely to arise. In such circumstances, each Axion Swiss SA Bank Affiliate has undertaken to use its or his reasonable endeavors to resolve any such conflicts of interest fairly (having regard to its or his respective obligations and duties) and to ensure that the interests of the Company and the shareholders are not unfairly prejudiced. The Board of Directors believes that such Axion Swiss Bank SA Affiliates are suitable and competent to perform such functions.

**United States Persons Not Permitted:** The investor is not, and is not subscribing for Shares for the account or benefit of, a person that is a U.S. Person, as defined above in this Prospectus. The investor is required to notify the Company, the Management Company or its agents immediately if the investor either becomes a U.S. Person or holds Shares for the account or benefit of a U.S. Person and any Shares held by or for the account of the investor shall be subject to compulsory redemption.

**Withholding Tax Risk:** Certain income of the Company and/or various Sub-Funds may be subject to withholding taxes, and any such taxes will reduce the return on the investments held by the Sub-Fund. However, the Company and/or various Sub-Funds (through the Management Company or its agents) may need to receive certain information from an investor for the Company and the Sub-Fund to avoid certain withholding taxes. In particular, Foreign Account Tax Compliance Act ("FATCA") recently adopted in the United States will require the Company (or the Management Company) to obtain certain identifying information about its investors and potentially provide that information to the United States Internal Revenue Service. Subject to certain transition rules, investors that fail to provide the Company, the Management Company or its agents with the requisite information will be subject to a 30% withholding tax on distributions to them and on proceeds from any sale or disposition. Any such withholding taxes imposed will be treated as a distribution to the investors that failed to provide the necessary information. In addition, Shares held by such investors shall be subject to compulsory redemption.

**Custody Risk:** Sub-Fund assets are deposited with the Depositary and identified in the Depositary's books as belonging to the respective Sub-Funds. Assets, except cash, are segregated from other assets of the Depositary which mitigates but does not prevent the risk of non-restitution in the event of bankruptcy of the Depositary. Cash deposits are not segregated in this way and therefore exposed to increased risk in the event of bankruptcy.

Sub-Fund assets are also held by sub-custodians appointed by the Depositary in countries where the Sub-Funds invest and, notwithstanding compliance by the Depositary with its legal obligations, are therefore exposed to the risk of bankruptcy of those sub-custodians. A Sub-Fund may invest in markets where custodial or settlement systems are not fully developed, where assets are held by a sub-custodian and where there may be a risk that the Depositary may have no liability for the return of those assets.

The Sub-Fund may invest from time to time in a country where the Depositary has no correspondent. In such a case, the Depositary will identify and appoint after due diligence a local custodian. This process may take time and deprive in the meantime the Sub-Fund of investment opportunities.

Similarly, the Depositary assesses the custody risk of the country where the Company's assets are safe-kept on an ongoing basis and may recommend the immediate sale of the assets. In doing so, the price at which such assets will be sold may be lower than the price the Company would have received in normal circumstances, potentially affecting the performance of the relevant Sub-Funds.

**Central Securities Depositories:** In accordance with the UCITS Directive, entrusting the custody of the Company's assets to the operator of a securities settlement system is not considered as a delegation by the Depositary and the Depositary is exempted from the strict liability of restitution of assets.

## B. Risks of investing in underlying funds

Certain Sub-Funds may invest in underlying funds. Such investments are subject to the following risks:

**Severalty of underlying funds:** In order to ensure diversification in terms of management strategies and markets, the Investment Manager will select a certain number of underlying funds who operate independently. Although such diversification intends to reduce the risk of loss while preserving the ability to benefit from price fluctuations, no guarantee can be given that the diversification of the underlying funds shall not result globally in losses recorded on certain underlying funds exceeding the profits generated by others.

**Inadvertent concentration:** It is possible that a number of underlying funds might take substantial positions in the same security at the same time. This inadvertent concentration would interfere with the Company's goal of diversification. The Company will attempt to alleviate such inadvertent concentration as part of its regular monitoring and reallocation process. Conversely the Company may at any given time, hold opposite positions, such position being taken by different underlying funds. Each such position shall result in transaction fees for the Company without necessarily resulting in either a loss or a gain. Moreover, the Company may proceed to a reallocation of assets between underlying funds and liquidate investments made in one or several of them. Finally, the Company may also, at any time, select additional underlying funds. Such assets reallocations may impact negatively the performance of one or several of the underlying funds.



**Future returns:** No assurance can be given that the strategies employed by the underlying funds in the past to achieve attractive returns will continue to be successful or that the return on the Company's investments will be similar to that achieved by the Company or such underlying funds in the past.

**Risks of special techniques used by underlying funds:** Many of the underlying funds in which the Company will invest will use special investment techniques that may subject the Company's investments to risks different from those posed by investments in equity and fixed income funds. The Company in any event is not designed to correlate to the broad equity market, and should not be viewed as a substitute for equity or fixed income investments.

**Currency risk:** The value of an investment represented by an underlying fund in which the Sub-Funds of the Company invest may be affected by fluctuations in the currency of the country where such underlying fund invests, by foreign exchange rules, or by the application of the various tax laws of the relevant countries (including withholding taxes), government changes or variations of the monetary and economic policy of the relevant countries.

**Volatility/Concentration:** Investments by the Sub-Funds will be made in regulated or non-regulated underlying funds that are generally set up in the form of a limited partnership, corporation or unit trust. The Sub-Fund shall only invest in such limited partnerships where the Sub-Funds shall be free to realize their investment at any time and independently from the other partners. Many of these underlying funds can be leveraged and sometimes take large positions with high volatility. Underlying funds may concentrate in only one geographic area or asset investment category, thereby taking on the risk of the market and of rapid changes to the relevant geographic area or investment category. These investments may be speculative.

**Valuation of underlying funds:** The method by which the Net Asset Value per Share of the Sub-Funds will be calculated presumes the Company's ability to value its holdings in underlying funds. In valuing those holdings, the Company will need to rely on financial information provided by the underlying funds themselves. Independent valuation sources such as exchange listing may not be available for underlying funds.

In particular, investors are warned that:

- the Net Asset Value per Share of the Sub-Funds may be determined only after the value of their investments itself is determined, which may take a certain time after the relevant Valuation Day;
- the number of Shares subscribed by an investor may therefore not be determined until the Net Asset Value per Share is determined.

Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

**Accumulation of fees:** As certain Sub-Funds may invest in underlying funds, the shareholders of the relevant Sub-Funds will incur a duplication of fees and commissions (such as management fees, custody and transaction fees, central administration fees and audit fees). To the extent these underlying funds invest in turn in other funds, shareholders may incur additional fees to those mentioned above.

In case of investments in related funds, i.e. in underlying funds managed or controlled directly or indirectly by the Investment Manager or by companies which are included in the same group of companies to which the Investment Manager belongs, as defined in accordance with the Directive 2013/34/EU, it will be ensured that there is no duplication of fees or commissions except for the investment manager's fee which is limited to 0.25%.

### C. Risks of using special investment techniques

**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 relevant 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.

**Special investment techniques:** The general use of currency hedging techniques and instruments, compared to traditional forms of investment may involve greater risks.

**Hedging risk:** Any attempts to hedge (reduce or eliminate certain risks) may not work as intended, and to the extent that they do work, they will generally eliminate potentials for gain along with risks of loss.

Any measures that the sub-fund takes that are designed to offset specific risks may work imperfectly, may not be feasible at times, or may fail completely. To the extent that no hedge exists, the Sub-Funds or share class will be exposed to all risks that the hedge would have protected against.

The Sub-Funds may use hedging within its portfolio. With respect to any designated Share Classes, the Sub-Funds may hedge the currency exposure of a Share Class (relative to the portfolio's reference currency). Hedging involves costs, which reduce investment performance.

**Securities lending:** Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Sub-Fund may lose money and there may be a delay in recovering the lent securities. The Sub-Fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. A Sub-Fund's portfolio exposure to market risk will not change by engaging in securities lending. However, securities lending carries the specific market risk of the counterparty defaulting. In such a case, the collateral provided will need to be sold and the lent securities repurchased at the prevailing price, which may lead to a loss in value of the individual Sub-Funds. Securities lending also carries operational risks such as the non-settlement of instructions associated with securities lending. Such operational risks are managed by means of procedures, controls and systems implemented by the Company, the securities lending agent and the Management Company.

**Reinvestment of collateral received in connection with securities lending and repurchase transactions:** A Sub-Fund may reinvest the cash collateral received in connection with securities lending and repurchase transactions. Reinvestment of collateral involves risks associated with the type of investments made. Reinvestment of collateral may create a leverage effect which will be taken into account for the calculation of the Sub-Fund's global exposure.

**Derivatives risk:**

- **Risks of options trading:** In seeking to enhance performance or hedge assets, the Company may use options.
- Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price.
- **Investing in futures is volatile and involves a high degree of leverage:** Futures markets are highly volatile markets. The profitability of the Company will partially depend on the ability of the Investment Manager to make a correct analysis of the market trends, influenced by governmental policies and plans, international political and economic events, changing supply and demand relationships, acts of governments and changes in interest rates. In addition, governments may from time to time intervene on certain markets, particularly currency markets. Such interventions may directly or indirectly influence the market. Given that only a small amount of margin is required to trade on futures markets, the operations of the managed

futures portion of the Company shall be characterized by a high degree of leverage. As a consequence, a relatively small variation of the price of a futures contract may result in substantial losses for the Company and a correlated reduction of the Net Asset Value of the Shares of the Company.

- **Futures markets may be illiquid:** Most futures markets limit fluctuation in futures contracts prices during a single day. When the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions can be neither taken nor liquidated unless the Investment Manager is willing to trade at or within the limit. In the past futures contracts prices have exceeded the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Company from promptly liquidating unfavorable positions and thus subject the Company to substantial losses. In addition, even if the prices do not get close to such limits, the Company may be in a position not to obtain satisfying prices if the volumes traded on the market are insufficient to meet liquidation requests. It is also possible that a stock exchange, the Commodity Futures Trading Commission in the United States or another similar institution in another country suspends the listing of a particular contract, instructs the immediate liquidation of the contract or limits transactions on a contract to the sole transactions against delivery.
- **Options on Futures:** The Investment Manager may engage in the management of options, in particular options on futures contracts. Such management carries risks similar to the risks inherent to the uncovered management of futures contracts on commodities as far as such options are volatile and imply a high degree of leverage. The specific movements of the commodities and futures contracts markets, which represent the underlying assets of the options may not be predicted with precision. The buyer of an option may lose the entire purchase price of the option. The seller of an option may lose the difference between the premium received for the option and the price of the commodity or of the futures contract underlying the option that the seller must buy or deliver, upon the exercise of the option.
- **Swap Trading:** The Company may enter into one or more swaps in connection with a currency hedge or as a part of a strategy. Swap agreements are not traded on exchanges but rather banks and dealers act as principals by entering into an agreement to pay and receive certain cash flow over a certain time period, as specified in the swap agreement. Consequently, the Company is subject to the risk of a swap counterparty's inability or refusal to perform according to the terms of the swap agreement. The swap market is generally unregulated by any governmental authority. To mitigate the counterparty risk resulting from swap transactions, the Company will enter into such transactions only with highly rated, first class financial institutions with which it has established ISDA agreements.
- **The use of credit default swaps can be subject to higher risk than direct investment in transferable securities.** The market for credit default swaps may from time to time be less liquid than transferable securities markets. However, the Company only intends to invest in credit default swaps which are liquid.

The Company will therefore always seek to be in a position enabling it to liquidate its exposure to credit default swaps in order to meet redemption requests. In relation to credit default swaps where the Company sells protection, the Company is subject to the risk of a credit event occurring in relation to the reference issuer. In relation thereto, the exposure of the Company on a reference issuer resulting from these credit default swaps will be aggregated with the exposure resulting from direct investments in order to ensure that no more than 20% of the assets of each Sub-Fund will be exposed to the same reference issuer. Furthermore, in relation to credit default swaps where the Company buys protection, the Company is subject to the risk of the counterparty of the credit default swaps defaulting. To mitigate the counterparty risk resulting from credit default swap transactions, the Company will only enter into credit default swaps with highly rated financial institutions specialised in this type of transaction and in accordance with the standard terms laid down by the ISDA.

- **Particular Risks of OTC Derivatives:** Unlike exchange-traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC derivatives, are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Sub-Fund greater flexibility to tailor the instrument to its needs, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC derivatives are deemed not to be legally enforceable or are not documented correctly. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in NAV, incorrect collateral calls or delays in collateral recovery. There also may be a legal or documentation risk that the parties to the OTC derivatives may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Company to enforce its contractual rights may lead the Company to decide not to pursue its claims under the OTC derivatives. The Company thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, that those payments may be delayed or made only after the Company has incurred the costs of litigation.

**Counterparty Risk:** Via the use of derivatives, including the use of credit default swaps, as well as efficient portfolio management techniques the Company may have credit exposure to one or more counterparties by virtue of its investment positions. To the extent that a counterpart default on its obligation and the Company is delayed or prevented from exercising its rights with respect to the investments in financial derivative instruments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Such risks will increase where the Company uses only a limited number of counterparties. In the event that the counterparty risk linked to an OTC financial derivative transaction exceeds 10% in respect of

credit institutions or 5% in other cases of the assets of a Sub-Fund, the relevant Sub-Fund shall cover this excess through collateral.

**Structured Products Risk:** Common risks associated with structured products are liquidity risk, that comes with the highly customized nature of the investment, the issuer's credit quality and risks related to the underlying asset (such as equity risk, currency risk and interest rate risk).

**Structured Finance Securities:** The Sub-Funds may invest in structured finance securities. Structured finance securities include, but are not limited to, asset-backed securities ("ABS"), asset-backed commercial paper, mortgage-backed securities ("MBS") and portfolio credit-linked notes.

Asset-backed securities are securities that are backed by financial cash flows from a group of debt securities (current or future) or by other underlying assets that may or may not be fixed. Such assets may include, but are not limited to, mortgages on residential or commercial property, leases, credit card debts as well as personal or business loans. Asset-backed securities may be structured in various ways, either as a "true sale" in which the underlying assets are transferred within an ad hoc structure that then issues the asset backed securities or synthetically, in which the risk linked to underlying assets is transferred via derivative instruments to an ad hoc structure that issues the asset-backed securities.

Portfolio credit-linked notes are securities in which payment of the nominal amount and the interest is directly or indirectly linked to one or several managed or unmanaged portfolios of reference entities and/or assets ("reference credit"). Until a threshold credit event occurs in relation to a reference credit (such as bankruptcy or payment default), a loss will be calculated (corresponding, for example, to the difference between the nominal value of an asset and its recovery value).

Asset-backed securities and portfolio credit-linked notes are usually issued in different tranches. Any losses occurring in regard to underlying assets or, depending on the case, calculated in relation to reference credits, are first assigned to the most junior tranches until the nominal amount of the securities is brought to zero, then it is assigned to the nominal amount of the next most junior tranche remaining and so on.

Consequently, in the scenario that (a) for asset-backed securities, the underlying assets do not produce the expected financial flows and/or (b) for portfolio credit linked notes, one of the credit events defined occurs with regard to one or several underlying assets or reference credits, there may be an effect on the value of the related securities (that may be nil) and any amount paid on such securities (which may be nil). This may in turn affect the NAV per Share of the Sub-Fund in question. Moreover, the value of the structured finance securities and thus the NAV per Share of a Sub-Fund may, from time to time, be negatively affected by macro-economic factors, including for example unfavorable changes in the economic sector of the underlying assets or the reference credits (including the industrial, service, and real estate sectors), economic recession in the respective countries or global recession, as well as events linked to the inherent nature of the assets (thus, a loan to finance a project is exposed to risks related to the type of project).

The extent of such negative effects is thus linked to the geographic and sectoral concentrations of the underlying assets, and the type of underlying assets or reference credits. The degree to which a particular asset-backed security or a portfolio credit-linked note is affected by such events will depend on its issue tranche; the most junior tranches, even ones rated “investment grade”, may consequently be exposed to substantial risks.

Mortgage-backed securities may not be as effective as other instruments in “locking in” attractive long-term interest rates. During periods of declining interest rates, mortgage-backed securities may have less potential for capital appreciation, because of the possibility of increased prepayments. During periods of rising interest rates, mortgage-backed securities have a risk of partial depreciation comparable to that of other long-term fixed income securities. As proprietary hedging strategies are used to create portfolios providing a certain return profile over a certain horizon, the sale of Shares prior to the horizon may impact negatively the strategy.

Investments in structured finance securities may be more exposed to a greater liquidity risk than investing in government or corporate bonds. When a liquid market for these structured finance securities does not exist, such securities may only be traded for an amount lower than their nominal amount and not at the market value, which may subsequently affect the NAV per Share of the Sub-Fund in question.

Financial Derivative Instruments on Commodity Indices: A Sub-Fund using financial derivative instruments to gain exposure to commodity indices or sub-indices composed of futures contracts on physical commodities may incur additional risks as the underlying commodity’s/commodities’ prices may change unpredictably, affecting the index and subsequently the value and/or the liquidity of the Sub-Fund in unforeseeable ways. The risks of illiquidity may be increased where the Investment Manager is required to liquidate positions on behalf of the relevant Sub-Fund to meet redemption requests or to comply with the investment restrictions of such Sub-Fund.

#### **D. Risks of Sub-Funds investing in transferable securities other than those issued by an Underlying Fund**

MBS/ABS: risk Mortgage-backed and asset-backed securities (MBSs and ABSs) typically carry prepayment and extension risk and can carry above-average liquidity, credit and interest rate risks. MBSs (a category that includes collateralised mortgage obligations, or CMOs) and ABSs represent an interest in a pool of debt, such as credit card receivables, auto loans, student loans, equipment leases, home mortgages and home equity loans. When interest rates fall, these securities are often paid off early, as the mortgage-holders and other borrowers refinance the debt underlying the security. When interest rates rise, the borrowers of the underlying debt tend not to refinance their low-interest debt. MBSs and ABSs also tend to be of lower credit quality than many other types of debt securities. To the extent that the debts underlying an MBS or ABS go into default or become uncollectable, the securities based on those debts will lose some or all of their value.

Equity Securities: Investing in equity securities may offer a higher rate of return than those in short term and long term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

Fixed-Income Securities: Investing in fixed-income securities include the risks include but are not limited to the risk of an issuer’s inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

Emerging Market Countries: Investment in transferable securities of Emerging Market Countries are subject to various risks with regard to the rapid economic development which some of these countries are experiencing.

In this respect no assurance can be given that this process of development will continue during the years to come. The degree of market regulation in these markets is generally lower than in more developed markets. As a rule, transferable securities of Emerging Market Countries are substantially less liquid than transferable securities of the key markets. This may have negative effects on determining the time and price for the purchase or sale of transferable securities. In general, companies of Emerging Market Countries are not subject to accounting, auditing, and financial reporting standards or requirements comparable to those existing in the key markets. Investments in Emerging Market Countries may be influenced by political, economic or foreign policy changes. The ability of some issuers to repay the principal debt and interests may be uncertain, and no assurance can be given as to the possible insolvency of a particular issuer.

Depository Risks in Emerging Market Countries: Investments in Emerging Market Countries are subject to an increased risk in relation to the ownership and custody of transferable securities. Generally, investments in Emerging Market Countries involve greater risks due to the lack of an appropriate system for the transfer, price calculation and accounting of the transferable securities and to their custody and record keeping.

Special Risks related to the investment in warrants on transferable securities: Warrants confer on the investor the right to subscribe a fixed number of ordinary shares in the relevant company at a pre-determined price for a fixed period. The cost of this right will be substantially less than the cost of the share itself. Consequently the price movements in the Share will be multiplied in the price movements of the warrant. This multiplier is the leverage or gearing factor. The higher the leverage the more attractive the warrant. By comparing, for a selection of warrants, the premium paid for this right and the leverage, their relative worth can be assessed.

The levels of the premium and gearing can increase or decrease with investor sentiment. Warrants are therefore more volatile and speculative than ordinary shares. Investors should be warned that prices of warrants are extremely volatile and that furthermore, it may not always be possible to dispose of them.

**Market Risks:** Some of the markets in which a Sub-Fund will invest may be markets with low market capitalisation, which tend to be volatile and illiquid. These factors can influence the price at which the Sub-Fund may liquidate positions in order to meet redemption requests or other funding requirements.

**Smaller Companies:** Generally, equities and equity-related securities of smaller companies are less liquid than the transferable securities of larger companies due to their volume of trade. Markets for smaller companies are less liquid than markets for larger companies.

**Risks related to investment in a specific sector:** Given the higher volatility related to investments in specific sectors, potential investors should also be aware of the additional risks related to investing in specific sectors. The development of the assets in a specific sector can deviate from overall trends, as reflected by general market indices. Furthermore, investment in a specific sector fund can, due to the sector-related focus of the investment policy, concentrate particularly in newly issued transferable securities of small capitalised companies and, therefore, be exposed to increased value fluctuations.

**High Yield Bonds:** Sub-Funds investing in High Yield Bonds are exposed to substantially higher risks compared to traditional investment instruments. When investing in a Sub-Fund investing in High Yield Bonds, credit risks concerning the interest-bearing investments are possible. The investment policy's objective is to achieve the highest possible return while seeking to keep risks as low as possible. Such securities are sometimes referred to as "junk bonds".

**Contingent Convertible Bonds (Cocos) Risks:** These include risks related to the characteristics of these almost perpetual securities: coupon cancellation, partial or total reduction in the value of the security, conversion of the bond into equity, reimbursement of principal and coupon payments "subordinate" to those of other creditors with senior bonds, the possibility to call during life at predetermined levels or to extend the call. These conditions can be triggered, in whole or part, either due to financial ratios at level of the issuer or by discretionary and arbitrary decision of the latter or with the approval of the competent supervisory authority. Such securities are also innovative, yet untested and may therefore be subject to reaction of the market that may not be anticipated and that may affect their valuation and liquidity. The attractive yield offered by such securities compared to similarly rated debts may be the result of investors' undervalued risk assessment and capacity to face adverse events. Occurrence of any such risks may cause a decrease in the Net Asset Value.

**Investment in China A Shares trading through Stock Connect:** Some of the Sub-Funds may seek exposure to stocks issued by companies listed on China stock exchanges via the Stock Connect (Shanghai-Hong Kong and/or the Shenzhen-Hong Kong Stock Connect). Stock Connect is a trading programme that links stock

markets in China 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 Managers 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 Managers are 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 SSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland China rules. According to existing Mainland China practices, the Company 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.

**Investment through Bond Connect:** Some of the Sub-Funds may seek exposure to fixed income securities which trade on the Mainland China Interbank Bond Market ("CIBM") through Bond Connect ("Bond Connect Securities"). Bond Connect is a mutual bond market access link established between Hong Kong and the People's Republic of China ("PRC") which facilitates investment in the CIBM through mutual access and connection arrangements in respect of trading, custody and settlement between the related financial infrastructure institutions of Hong Kong and the PRC. To the extent that a Sub-Fund's investments in China are made through Bond Connect, such investments may be subject to additional risk factors.

Under the prevailing regulations in the PRC, an offshore custody agent recognised by the Hong Kong Monetary Authority shall

open omnibus nominee accounts with the onshore custody agent recognised by the People's Bank of China. All bonds traded by the Sub-Funds will be registered in the name of the Hong Kong Monetary Authority, which will hold such bonds as a nominee owner.

For investments via the Bond Connect, the relevant filings, registration with the People's Bank of China and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Funds are subject to the risks of default or errors on the part of such third parties.

Trading in Bond Connect Securities may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the Sub-Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

Investments through Bond Connect are not subject to any quota but the relevant authorities may suspend account opening or trading via Bond Connect, the relevant Sub-Fund's ability to invest in CIBM will be limited, and the relevant Sub-Fund may not be able to effectively pursue its investment strategy or it may have an adverse effect on the relevant Sub-Fund's performance as the relevant Sub-Fund may be required to dispose of its CIBM holdings. The relevant Sub-Fund may also suffer losses as a result.

A Sub-Fund's title or interests in, and entitlements to Bond Connect Securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign bondholding restriction, if any. It is uncertain whether the Chinese courts would recognise the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in case disputes arise.

Bond Connect Securities may be recalled from the scope of eligible bonds for trading through Bond Connect for various reasons, and in such event such Bond Connect Securities can only be sold but are restricted from being bought. This may affect the investment portfolio or strategies of the Sub-Funds.

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

Investments in Bond Connect Securities are subject to various risks associated with the legal and technical framework of Bond Connect. Due to differences in public holidays between Hong Kong and the PRC or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the markets accessible through Bond Connect. Bond Connect will only operate on days when those markets are open for trading and when banks in those markets are open on the corresponding settlement days. As such, it is possible that there are occasions when it is a normal trading day for the PRC market but it is not possible to carry out any Bond Connect Securities trading in Hong Kong.

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 in CIBM bonds via the Bond Connect.

Investments in Bond Connect Securities are subject to the risks associated with investing in China generally. For further information, please see *Country Risk - China* below.

**Country Risk - China:** In China, it is uncertain whether a court would protect the Sub-Fund's right to securities it may purchase via the Shanghai-Hong Kong Stock Connect or other programs, whose regulations are untested and subject to change. The structure of these schemes does not require full accountability of some of its component entities and leaves investors such as the Sub-Fund with relatively little standing to take legal action in China. In addition, the Security exchanges in China may tax or limit short-swing profits, recall eligible stocks, set maximum trading volumes (at the investor level or at the market level) or may otherwise limit or delay trading.

**Prepayment and Extension Risk:** Any unexpected behaviour in interest rates could hurt the performance of callable debt securities (securities whose issuers have the right to pay off the security's principal before the maturity date). When interest rates fall, issuers tend to pay off these securities and re-issue new ones at lower interest rates. When this happens, the Sub-Fund may have no alternative but to reinvest the money from these prepaid securities at a lower rate of interest ("prepayment risk").

At the same time, when interest rates rise, borrowers tend not to prepay their low-interest mortgages. This may lead the Sub-Fund to receiving below-market yields until interest rates fall or the securities mature ("extension risk"). It can also mean that the Sub-Fund must either sell the securities at a loss or forgo the opportunity to make other investments that may turn out to have performed better. The prices and yields of callable securities typically reflect the assumption that they will be paid off at a certain point before maturity. If this prepayment happens when expected, the Sub-Fund generally will not suffer any adverse effects. However, if it happens substantially earlier or later than expected, it can mean that the Sub-Fund effectively overpaid for the securities. Other factors as well can affect when or if an individual security is prepaid, including the presence or absence of any optional redemption and mandatory prepayment features, the default rate of the underlying assets and the nature of any turnover in the underlying assets.

Prepayment and extension considerations can also affect the Sub-Fund's duration, increasing or decreasing sensitivity to interest rates in undesired ways. In some circumstances, the failure of rates to rise or fall when anticipated could cause prepayment or extension risks as well.

**Sustainable Investment Risk :** the Investment Manager considers the principal adverse impact of investment decisions on Sustainability Factors when making investments on behalf of the Sub-Funds. In managing the Sub-Funds and in selecting the assets which the Sub-Fund shall invest in, the Investment Manager applies Amundi Responsible Investment Policy.

Certain Sub-Funds may have an investment universe that focuses on investments in companies that meet specific criteria including ESG scores and relate to certain sustainable development themes and demonstrate adherence to environmental, social and corporate governance practices. Accordingly, the universe of investments of such Sub-Funds may be smaller than that of other funds. Such Sub-Funds may (i) underperform the market as a whole if such investments underperform the market and/or (ii) underperform relative to other funds that do not utilize ESG criteria when selecting investments and/or could cause the Sub-Fund to sell for ESG related concerns investments that both are performing and subsequently perform well.

Exclusion or disposal of securities of issuers that do not meet certain ESG criteria from the Sub-Fund's investment universe may cause the Sub-Fund to perform differently compared to similar funds that do not have such a responsible investment policy and that do not apply ESG screening criteria when selecting investments.

Sub-Funds will vote proxies in a manner that is consistent with the relevant ESG exclusionary criteria, which may not always be consistent with maximising the short-term performance of the relevant issuer. Further information relating to Amundi's ESG voting policy may be found in the Amundi's Responsible Investment Policy available at [www.amundi.lu](http://www.amundi.lu).

The selection of assets may rely on a proprietary ESG scoring process that relies partially on third party data. Data provided by third parties may be incomplete, inaccurate or unavailable and as a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer.

## Management and monitoring of Global Risk Exposure

The Management Company uses a risk-management process, approved and supervised by its board of directors that enables it to monitor and measure the overall risk profile of each Sub-Fund. Risk calculations are performed every trading day.

There are three possible risk measurement approaches, as described below. The Management Company chooses which approach each Sub-Fund will use, based on the Sub-Fund's investment strategy. Where a Sub-Fund's use of derivatives is mostly for hedging and efficient portfolio management purposes, the commitment method

is usually used. Where a Sub-Fund may use derivatives extensively, Absolute Value-at-Risk ("VaR") is usually used, unless the Sub-Fund is managed with respect to a benchmark, in which case Relative VaR is used.

The Board of Directors can require a Sub-Fund to use an additional approach (for reference only, however, not for purposes of determining compliance), and can change the approach if it believes the current method no longer adequately expresses the Sub-Fund's overall market exposure.

Risk management method	Description
Absolute VaR	The Sub-Fund seeks to estimate the maximum loss it could experience in a month (meaning 20 trading days), and requires that 99% of the time, the Sub-Fund's worst outcome is no worse than a 20% decline in Net Asset Value.
Relative VaR	The Sub-Fund seeks to estimate the maximum loss it could experience beyond the estimated maximum loss of a benchmark (typically an appropriate market index or combination of indexes). The Sub-Fund calculates the amount that, with 99% certainty, is the limit for how much the Sub-Fund could underperform the benchmark over a month (20 trading days). The relative VaR of the Sub-Fund cannot exceed twice that of the benchmark.
Commitment	By using the commitment approach for the calculation of the global exposure, each financial derivative instrument position is converted into the market or notional value of an equivalent position in the underlying asset of that derivative. Embedded derivatives and leverage linked to efficient portfolio management techniques are also considered in the calculation. Netting and hedging arrangements may be taken into account. In accordance with the 2010 Law, the global exposure of a Sub-Fund using the commitment approach must not exceed 100% of that Sub-Fund's NAV.

Any Sub-Fund that uses the Absolute or Relative VaR approaches must also calculate its expected gross leverage, which is stated in the section of the Prospectus related to this Sub-Fund. Under certain circumstances, gross leverage might exceed this percentage. This percentage of leverage might not reflect adequately the risk profile of the Sub-Fund and should be read in conjunction with the investment policy and objectives of the Sub-Fund.

Gross leverage is a measure of total derivative usage and is calculated as the sum of the notional exposure of the derivatives used, without any netting that would allow opposite positions to be considered as cancelling each other out. As the calculation neither takes into account whether a particular derivative increases or decreases investment risk, nor takes into account the varying sensitivities of the notional exposure of the derivatives to market movements, this may not be representative of the actual level of investment risk within a Sub-Fund. The mix of derivatives and the purposes of any derivative's use may vary with market conditions.

For purposes of compliance and risk monitoring, any derivatives embedded in transferable securities or money market instrument count as derivatives, and any exposure to transferable securities or money market instruments gained through derivatives (except for index-based derivatives) counts as investment in those securities or instruments.

Derivatives contracts carry significant counterparty risk. Although the Sub-Fund use various techniques to mitigate exposure to counterparty risk, this risk is still present and could affect investment results. Counterparties used by the Company are identified in the annual report.

## BENCHMARK DISCLOSURE

For a complete list of benchmarks currently referred to in this Prospectus and (i) provided by benchmark administrators who are availing of the transitional arrangements afforded under 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 (the "Benchmark Regulation") and accordingly do not appear on the register of administrators and benchmarks maintained by ESMA pursuant to article 36 of the Benchmark Regulation or (ii) provided by benchmark administrators mentioned in the register referred to in article 36 of the

Benchmarks Regulation as administrator authorised pursuant to article 34 of the Benchmarks Regulation, go to [www.amundi.lu](http://www.amundi.lu).

The Management Company has adopted a written plan setting out actions, which it will take with respect to the sub-funds in the event that any benchmark materially changes or ceases to be provided (the "Contingency Plan"), as required by article 28(2) of the Benchmark Regulation. A copy of the Contingency Plan may be obtained, free of charge, and upon request at the registered office of the Company and the Management Company.

## SUSTAINABLE INVESTING

### Disclosure Regulation

On 18 December 2019, the European Council and European Parliament announced that they had reached a political agreement on the Disclosure Regulation, thereby seeking to establish a pan-European framework to facilitate Sustainable Investment. The Disclosure Regulation provides for a harmonised approach in respect of sustainability-related disclosures to investors within the EEA's financial services sector.

The scope of the Disclosure Regulation is extremely broad, covering a very wide range of financial products (e.g. UCITS funds, alternative investment funds, pension schemes etc.) and financial market participants (e.g. E.U. authorised investment managers and advisers). It seeks to achieve more transparency regarding how financial market participants integrate Sustainability Risks into their investment decisions and consider adverse sustainability impacts in the investment process. Its objectives are to (i) strengthen protection for investors of financial products, (ii) improve the disclosures made available to investors by financial market participants and (iii) improve the disclosures made available to investors regarding the financial products, to amongst other things, enable investors make informed investment decisions.

For the purposes of the Disclosure Regulation, the Management Company meets the criteria of a "financial market participant", whilst the Company and each Sub-Fund qualify as a "financial product".

### Taxonomy Regulation

The Taxonomy Regulation aims to identify economic activities which qualify as environmentally sustainable (the "Sustainable Activities").

Article 9 of the Taxonomy Regulation identifies such activities according to their contribution to six environmental objectives: (i) Climate change mitigation; (ii) Climate change adaptation; (iii) Sustainable use and protection of water and marine resources; (iv) Transition to a circular economy; (v) Pollution prevention and control; (vi) Protection and restoration of biodiversity and ecosystems.

An economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the six environmental objectives, does not significantly harm any of the environmental objectives ("do no significant harm" or "DNSH" principle) and is carried out in compliance with the minimum safeguards laid down in Article 18 of the Taxonomy Regulation and complies with technical screening criteria that have been established by the European Commission in accordance with the Taxonomy Regulation.

The "do no significant harm" principle applies only to those investments underlying the relevant Sub-Funds that take into account the European Union 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.

The Sub-Funds identified as Article 8 or Article 9 in their respective supplements may commit or may not commit to invest at the date of this Prospectus, in economic activities that contribute to the following environmental objectives set out in the Article 9 of the Taxonomy Regulation.

For more information on Amundi's approach to the Taxonomy Regulation please refer to the Amundi ESG Regulatory Statement on [www.amundi.lu](http://www.amundi.lu).

For further details on how a Sub-Fund complies with the requirements of the Disclosure Regulation, the Taxonomy Regulation and the RTS, please refer to the supplement for that Sub-Fund, and the annual reports and also (where relevant) to Annex 1- ESG Related Disclosures to this Prospectus.

For the purposes of the Disclosure Regulation, the Management Company meets the criteria of a "financial market participant", whilst the Company and each Sub-Fund of the Company qualify as a "financial product".

## OVERVIEW OF THE RESPONSIBLE INVESTMENT POLICY

Since its creation, the Amundi group of companies ("Amundi") has put responsible investment and corporate responsibility as one of its founding pillars, based on the conviction that economic and financial actors have a greater responsibility towards sustainable society and that ESG is a long-term driver of financial performance.

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Amundi considers that, in addition to economic and financial aspects, the integration within the investment decision process of ESG dimensions, including Sustainability Factors and Sustainability Risks, allows a more comprehensive assessment of investment risks and opportunities.



### *Integration of Sustainability Risks by Amundi*

Amundi's approach to sustainability risks relies on three pillars: a targeted exclusion policy, integration of ESG scores in the investment process and stewardship.

Amundi applies targeted exclusion policies to all Amundi's active investing strategies by excluding companies in contradiction with the Responsible Investment Policy, such as those which do not respecting international conventions, internationally recognized frameworks or national regulations.

Amundi has developed its own ESG rating approach. The Amundi ESG rating aims to measure the ESG performance of an issuer, i.e. its ability to anticipate and manage Sustainability Risks and opportunities inherent to its industry and individual circumstances. By using the Amundi ESG ratings, portfolio managers are taking into account Sustainability Risks in their investment decisions.

Amundi ESG rating process is based on the "Best-in-class" approach. Ratings adapted to each sector of activity aim to assess the dynamics in which issuers operate.

ESG rating and analysis is performed within the ESG analysis team of Amundi, which is also used as an independent and complementary input into the decision process as further detailed below.

The Amundi ESG rating is a ESG quantitative score translated into seven grades, ranging from A (the best scores universe) to G (the worst). In the Amundi ESG rating scale, the securities belonging to the exclusion list correspond to a G.

For corporate issuers, ESG performance is assessed by comparison with the average performance of its industry, through the three ESG dimensions:

1. Environmental dimension: this examines issuers' ability to control their direct and indirect environmental impact, by limiting their energy consumption, reducing their greenhouse emissions, fighting resource depletion and protecting biodiversity.
2. Social dimension: this measures how an issuer operates on two distinct concepts: the issuer's strategy to develop its human capital and the respect of human rights in general.
3. Governance dimension: This assesses capability of the issuer to ensure the basis for an effective corporate governance framework and generate value over the long-term.

The methodology applied by Amundi ESG rating uses 38 criteria that are either generic (common to all companies regardless of their activity) or sector specific which are weighted according to sector and considered in terms of their impact on reputation, operational efficiency and regulations in respect of an issuer.

To meet any requirement and expectation of Investment Managers in consideration of their sub-funds management process and the monitoring of constraints associated with a specific sustainable investment objective, the Amundi ESG ratings are likely to be expressed both globally on the three E, S and G dimensions and individually on any of the 38 criteria considered.

The Amundi ESG rating also considers potential negative impacts of the issuer's activities on Sustainability (principal adverse impact of investment decisions on sustainability factors, as determined by Amundi) including on the following indicators:

- Greenhouse gas emission and Energy Performance (Emissions and Energy Use Criteria)
- Biodiversity (Waste, recycling, biodiversity and pollution Criteria, Responsible Management Forest Criteria)
- Water (Water Criteria)
- Waste (Waste, recycling, biodiversity and pollution Criteria)
- Social and employee matters (Community involvement and human rights criteria, Employment practices Criteria, Board Structure Criteria, Labour Relations Criteria and Health and Safety Criteria)
- Human rights (Community involvement & Human Rights Criteria)
- Anti-corruption and anti-bribery (Ethics Criteria)

The way in which and the extent to which ESG analyses are integrated, for example based on ESG scores, are determined separately for each Sub-Fund by the Investment Manager.

Stewardship activity is an integral part of Amundi's ESG strategy. Amundi has developed an active stewardship activity through engagement and voting. The Amundi Engagement Policy applies to all Amundi funds and is included in the Responsible Investment Policy.

Lastly, Amundi considers Principal Adverse Impacts (PAIs) via a combination of approaches: exclusions, ESG rating integrating, engagement, vote, controversies monitoring.

For art. 8 and art. 9 Sub-Funds Amundi considers all mandatory PAIs in Annex 1, Table 1 of the RTS applying to the Sub-Fund's strategy and relies on a combination of exclusion policies (normative and sectorial), ESG rating integration into the investment process, engagement and voting approaches.

For all other Sub-Funds not classified pursuant to art. 8 or art. 9 of the Disclosure Regulation Amundi considers a selection of PAIs through its normative exclusion policy and for these funds only indicator 14 (Exposure to controversial weapons, anti-personnel mines, cluster munitions, chemical weapons and biological weapons) of Annex 1, Table 1 of the RTS will be taken into account for these Sub-Funds.

More detailed information is included in Amundi's Responsible Investment Policy and in Amundi's ESG Regulatory Statement that are available at [www.amundi.lu](http://www.amundi.lu).

Finally, in accordance with Amundi's Responsible Investment Policy, the Investment Manager seeks to mitigate Sustainability Risks in the investment process of all Sub-Funds via a stewardship approach and via a targeted exclusion policy depending on the investment strategy and asset classes.

### *Integration of Sustainability Risks at Sub-Fund level*

The Sub-Funds listed below that have sustainable investment as their objective pursuant to article 9 of the Disclosure Regulation follow a management process that aims to select securities that contribute to an environmental and or social objective and of issuers that follow good governance practices. Selection is based on a framework of research and analysis of financial and ESG characteristics, defined by the portfolio manager with a view to assessing the opportunities and risk, including any adverse sustainability impacts. Further details of the management process applied are set out in the supplement of the relevant Sub-Funds.

- None

The Sub-Funds listed below are classified pursuant to article 8 of the Disclosure Regulation and aim to promote environmental or social characteristics. In addition to applying the Responsible Investment Policy, these Article 8 Sub-Funds aim to promote such characteristics through increased exposure to sustainable assets gained by seeking to achieve an ESG score of their portfolios greater than of their respective benchmark or investment universe. The ESG portfolio score is the AUM-weighted average of the issuers' ESG score based on Amundi ESG scoring model.

- None

**FINALLY, IN ACCORDANCE WITH AMUNDI'S RESPONSIBLE INVESTMENT POLICY, THE INVESTMENT MANAGERS OF ALL OTHER SUB-FUNDS, NOT CLASSIFIED PURSUANT TO ARTICLE 8 OR 9 OF THE DISCLOSURE REGULATION, CONSIDERS PAIs AS FURTHER DEVELOPPED IN THE ABOVE SECTION "INTERGRATION OF SUSTAINABILITY RISKS BY AMUNDI".**

## The Board of Directors

The business and affairs of the Company are managed under the direction of the Board of Directors.

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the Company, subject to the powers expressly assigned by law to the general meeting of shareholders.

The Board of Directors is responsible for the investment objectives and policies of each Sub-Fund and for the investment management and administration of the Company.

The performance of the day-to-day management can be transferred by way of resolution to individual members of the Board of Directors or to third parties which can be either physical persons or legal entities.

## The Management Company

The Company is managed by Amundi Luxembourg S.A. (the "Management Company"), a public limited company ("société anonyme"), organised under the UCI Law as a management company eligible to manage UCITS. Its share capital amounts to Euro 10,000,000.- and its shares are fully owned by Amundi Asset Management S.A.S.

The Management Company was incorporated on 20 December 1996 for an unlimited period of time. Its articles of incorporation were published in the Mémorial of 28 January 1997 and have been amended for the last time on 1 January 2018 with publication of these amendments in the RESA on 8 January 2018.

The Management Company has a remuneration policy that complies with the following principles:

- a. the remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or Articles;
- b. it is in line with the business strategy, objectives, values and interests of the Management Company and the Company and of the shareholders of the Company, and includes measures to avoid conflicts of interest;
- c. if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Sub-Funds in order to ensure that the assessment process is based on the longer-term performance of the Sub-Funds and their investment risks and that the actual payment of performance-based

components of remuneration is spread over the same period; and

- d. 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.

The Management Company is responsible for the execution of the duties concerning the Company's investment management, central administration and distribution.

The Management Company, with the approval of the Board of Directors and in accordance with the applicable legal provisions, has delegated the execution of the following duties (as described hereunder) to the following third parties:

- the central administration agency has been delegated to Société Générale Luxembourg as Central Administration Agent;
- the registrar and transfer agency has been delegated to Société Générale Luxembourg as Registrar and Transfer Agent;
- the performance of the daily investment policy has been delegated to Axion Swiss Bank SA as Investment Manager;
- Axion Swiss Bank SA has been appointed as Distributor.

Without prejudice to the aforementioned delegation of duties to third parties the Management Company remains responsible for the supervision of the respective delegated duties.

## Conducting Persons

The conducting persons are responsible for supervising the activities of the Company and the Sub-Funds on a day-to-day basis. For that purpose, the conducting persons will receive regular reports from the Investment Manager, the Distributor, and the Central Administration Agent.

## The Central Administration Agent

The Management Company has appointed Société Générale Luxembourg as the Company's central administration agent (the "Central Administration Agent"). Its operational centre is located at 28-32, Place de la gare, L-1616 Luxembourg, Grand-Duchy of Luxembourg.

The Central Administration Agent is carrying out all central administration duties related to the Company, including accounting and Net Asset Value calculation and assistance in preparation and filing of financial reports.

### The Registrar and Transfer Agent

The Management Company has appointed Société Générale Luxembourg as its registrar and transfer agent (the “Registrar and Transfer Agent”). In such capacity, Société Générale Luxembourg is providing services relating to the processing of issues, redemptions, conversions, cancellations and transfers of the Shares, and the keeping of the register of shareholders of the Company.

### Investment Manager

Pursuant to an Investment Management Agreement dated 6 November 2007, the Management Company has appointed Axion Swiss Bank SA (the “Investment Manager”) as Investment Manager of the assets of the Company.

The Investment Manager is a Bank organized under the laws of Switzerland. Its share capital amounts to CHF 43 million and its share capital including reserves amounts to CHF 53.475 million.

Under the terms of the Investment Management Agreement, the Investment Manager, subject to the supervision and ultimate responsibility of the Board of Directors as well as of the Management Company, shall have discretion to invest and reinvest the assets of the Company in accordance with the investment policies and restrictions set forth herein. The Company shall pay the Investment Manager a fee as determined from time to time in the Investment Management Agreement. The Investment Management Agreement may be terminated by either the Management Company or the Investment Manager upon 90 days’ prior written notice.

### Sub-Investment Manager

The Investment Manager may, subject to the approval of the Board of Directors as well as of the Management Company, sub-delegate its powers, in which case the Prospectus will be updated or supplemented accordingly. The Investment Manager shall remain at its own costs responsible for the proper performance by such party of those responsibilities.

### Depositary and Paying Agent

In accordance with the UCI Law, Société Générale Luxembourg has been appointed to act as depositary of the Company with the responsibility for:

- a. safekeeping of the Company’s assets;
- b. oversight duties; and
- c. cash flow monitoring.

Under its oversight duties, the Depositary is required to:

- a. ensure that the sale, issue, redemption, conversion and cancellation of Shares effected on behalf of the Company or by the Management Company are carried out in accordance with applicable law and the Articles;
- b. ensure that the value of the Shares is calculated in accordance with applicable law and the Articles;
- c. carry out the instructions of the Management Company, unless they conflict with applicable law or the Articles;
- d. ensure that in transactions involving the assets of the Company any consideration is remitted to it within the customary settlement dates; and
- e. ensure that the income attributable to the Company is applied in accordance with the Articles.

The Depositary is entrusted with the safe-keeping of the Company’s assets. All financial instruments that can be held in custody are registered in the Depositary’s books within segregated accounts, opened in the name of the Company, in respect of each Sub-Fund. For other assets than financial instruments and cash, the Depositary must verify the ownership of such assets by the Company in respect of each Sub-Fund. Furthermore, the Depositary shall ensure that the Company’s cash flows are properly monitored.

The Depositary may delegate to Safe-keeping Delegates the safe-keeping of the Company’s assets subject to the conditions laid down in the UCI Law, articles 13 to 17 of the EU Level 2 Regulation and the Depositary Agreement. In particular, such Safe-keeping Delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The list of such Safe-keeping Delegates appointed by the Depositary, along with the sub-delegates, is available on the following website: [http://www.securities-services.societegenerale.com/uploads/tx\\_bisgnews/Global\\_list\\_of\\_sub\\_custodians\\_for\\_SGSS\\_2016\\_05.pdf](http://www.securities-services.societegenerale.com/uploads/tx_bisgnews/Global_list_of_sub_custodians_for_SGSS_2016_05.pdf).

The Depositary’s liability shall not be affected by any such delegation. Subject to the terms of the Depositary Agreement, entrusting the custody assets to the operator of a securities settlement system is not considered to be a delegation of functions. Where the law of a third country requires that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirement (i.e. the effective prudential regulation) under the UCI Law, the Depositary may, but shall be under no obligation to, delegate to a local entity to the extent required by the law of such jurisdiction and as long as no other local entity meeting such requirements exists, provided however that (i) the investors, prior to their investment in the Company, have been duly informed of the fact that such a delegation is required, of the circumstances justifying the delegation and of the risks involved in such a delegation and (ii) instructions to delegate to the relevant local entity have been given by or for the Company.

In accordance with the provisions of the UCI Law, article 18 of the EU Level 2 Regulation and the Depositary Agreement, the

Depositary shall be liable for the loss of a financial instrument held in custody by the Depositary or a third party to whom the custody of such financial instruments has been delegated as described above. In such case, the Depositary must return a financial instrument of identical type or the corresponding amount to the Company, without undue delay. The Depositary shall not be liable if it is able to prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable to the Company, or to the shareholders for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the UCI Law and the Depositary Agreement.

The Depositary is not allowed to carry out activities with regard to the Company that may create conflicts of interest between the Company, its shareholders and the Depositary itself, unless the Depositary has properly identified any such potential conflicts of interest, has functionally and hierarchically separated the performance of its depositaries tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the shareholders of the Company.

In that respect, the Depositary has in place a policy for the prevention, detection and management of conflicts of interest resulting from the concentration of activities in Société Générale's group or from the delegation of safekeeping functions to other Société Générale entities or to an entity linked to the Management Company.

This conflict of interest management policy intends to:

- Identify and analyse potential conflict of interest situations
- Record, manage and track conflict of interest situations by:
  - (i) Implementing permanent measures to manage conflicts of interest including the separation of tasks, the separation of reporting and functional lines, the tracking of insider lists and dedicated IT environments;
  - (ii) Implementing, on a case-by-case basis:
    - a. Appropriate preventive measures including the creation of an ad hoc tracking list and new Chinese Walls, and by verifying that transactions are processed appropriately and/or by informing the clients in question;
    - b. Or, by refusing to manage activities which may create potential conflicts of interest.

Regarding the delegation of the Depositary's safekeeping duties to a company linked to other Société Générale entities or to an entity linked to the Management Company, where conflicts or potential conflicts of interest may arise, the policy implemented by the Depositary consists of a system which prevents conflicts of interest and enables the Depositary to exercise its activities in a way that ensures that the Depositary always acts in the best interests of the Company.

The prevention measures consist, specifically, of ensuring the confidentiality of the information exchanged, the physical separation of the main activities which may create potential conflicts of interest, the identification and classification of remuneration and monetary and non-monetary benefits, and the implementation of systems and policies for gifts and events.

Shareholders of the Company may obtain up-to-date information on the conflicts of interest upon request to the Management Company or the Depositary.

The Depositary is a Luxembourg Société Anonyme and is registered with the Regulatory Authority as a credit institution.

The Depositary is appointed for an undetermined period of time, subject to the right of the Management Company, the Company or the Depositary to terminate the role of the Depositary on 90 calendar days' prior written notice.

### Distributor

The Management Company, on behalf of each Sub-Fund, may enter into agreements with financial intermediaries to market and place each of the Sub-Fund's Shares in various countries throughout the world, except the United States, its territories or possessions, or other areas subject to its jurisdiction (subject to certain exceptions) and where prohibited.

Pursuant to a Distribution Agreement between the Management Company and the Distributor, the Management Company has authorized the Distributor to appoint financial intermediaries and enter into agreements with each of them, whereby such financial intermediaries shall agree to market and promote the Company's Shares to their clients who are not U.S. Persons.

Any investor may deal directly with the Registrar and Transfer Agent in order to subscribe for, redeem or convert Shares, on the same terms as if the investor had subscribed, redeemed or converted through the Distributor or any Dealer as defined hereinafter.

The Distributor may conclude under its own liability contractual arrangements with dealers as its agents (individually referred to as a "Dealer" and collectively referred to as the "Dealers") for the distribution of Shares of any of the Sub-Funds outside any jurisdiction that may require other distribution arrangements.

The Distributor and the Dealers may be involved in the collection of subscription and redemption orders on behalf of the Company and the relevant Sub-Funds and may, in that case, provide a nominee service for investors purchasing Shares through them. Investors may elect to make use of such nominee service pursuant to which the nominee will hold the Shares in its name for and on behalf of the investors who shall be entitled at any time to claim direct title to the Shares and who, in order to empower the nominee to vote at any general meeting of shareholders, shall provide the nominee with specific or general voting instructions to that effect.

The Registrar and Transfer Agent, the Distributor and the Dealers, as appropriate, will at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to money laundering, as they may be amended or revised from time to time, and will furthermore adopt procedures designed to ensure, to the extent applicable, that they shall comply with the foregoing undertaking. The Dealers will at all times comply with relevant money laundering laws, rules and regulations in their respective jurisdictions.

The Management Company, the Distributor and the Dealers, as appropriate, will at all times comply with all laws, rules and regulations applicable to it concerning late trading, market-timing or other excessive trading practices, in particular with the CSSF Circular 04/146 of June 17, 2004 as it may be amended or revised from time to time. The Distributor represents and covenants that it and its Dealers have adopted procedures designed to ensure to the extent applicable, that they shall comply with the foregoing undertaking.

The Shares of the Company have not been and will not be registered under the United States Securities Act or any state laws, and the Company has not been registered as an investment company under the U.S. Investment Company Act and may not be publicly offered or sold, directly or indirectly, in the U.S. or to a U.S. Person. Shares will be offered and sold only to such persons and in such a manner as will not require registration of Shares or registration of the Company under U.S. securities laws. The Company may authorize the offer and sale of Shares in the U.S. to a limited number of institutional accredited investors and qualified purchasers in transactions that are exempt from the registration requirements of the U.S. Securities Act and do not subject the Company to registration as an investment company in the U.S.

The Distributor and the Dealers shall, to the extent required by the Management Company, forward application forms and wire monies in respect of subscriptions for Shares, to the Management Company, acting on behalf of the Company. The Distributor and the Dealers shall transmit to the Management Company for the processing at the Net Asset Value applicable on such day, only orders received before the cut-off time provided for hereunder.

## The Shares

Shares are issued in one or several Sub-Funds, as described herein. The net proceeds from the subscriptions to the relevant Sub-Funds are invested in the specific pool of assets constituting the relevant Sub-Fund.

The Board of Directors shall maintain for each Sub-Fund a separate pool of assets. As between shareholders, each pool of assets shall be invested for the exclusive benefit of the relevant Sub-Fund. As regards third parties, each Sub-Fund is exclusively responsible for all liabilities attributable to it.

Shares in any Sub-Fund will be issued in registered form only. The inscription of the shareholder's name in the register of shareholders evidences its right of ownership of such registered Shares. Transfer of registered shares shall be effected under the conditions provided in the Articles. All Shares must be fully paid-up; they are of no par value and carry no preferential or pre-emptive rights. Each Share of the Company whichever Sub-Fund it belongs to is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles.

Fractional Shares will be issued up to three decimal places, and such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the net results and in the proceeds of liquidation attributable to the relevant Shares in the relevant Sub-Fund on a pro rata basis.

## Fight Against Money Laundering and Financing of Terrorism

To comply with Luxembourg laws, regulations, circulars, etc. aimed at preventing money laundering and the financing of terrorism, we or any distributor or delegate (especially the Registrar and Transfer Agent) may require certain types of account documentation to allow us ensuring proper identification of Investors and ultimate beneficial owners.

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We or any distributor or delegate may ask you to provide in addition to the application form, any information and supporting documents we deem necessary as determined from time to time (either before opening an account or at any time afterward), to ensure proper identification in the meaning of applicable laws and regulations, including information about the beneficial ownership, proof of residence, source of funds and origin of wealth in order to be compliant at all times with applicable laws and regulations.

You will also be required regularly to supply updated documentation and in general, you must ensure at all times that each piece of information and documentation provided, especially on the beneficial ownership, remains up to date.

In case you subscribe through an intermediary and/or nominee investing on your behalf, enhanced due diligence measures are applied in accordance with applicable laws and regulations, to analyze the robustness of the AML/CFT control framework of the intermediary/nominee. Delay or failure to provide the required documentation may result in having any order delayed or not executed, or any proceeds withheld. Neither us or our delegates have any liability for delays or failure to process deals as a result of an investor providing no or only incomplete information and/or documentation.

We shall ensure that due diligence measures on investments are applied on a risk-based approach in accordance with applicable laws and regulations.

## Market Timing

The Company does not permit market-timing (i.e. arbitrage methods through which investors systematically subscribe and redeem or convert shares within a short time period by taking advantage of, inter alia, time differences) or other excessive trading practices. Excessive, short-term (market-timing) trading practices may disrupt portfolio management strategies and harm fund performance. To minimize harm to the Company and the shareholders, the Board of Directors has the right to reject any subscription or conversion order, or levy a fee of up to 2.00% of the value of the order for the benefit of the Company from any investor who is 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 Company or any of the Sub-Funds. In making this judgment, the Board of Directors may consider trading done in multiple accounts under common ownership or control. The Board of Directors also has the power to redeem all Shares held by a shareholder who is or has been engaged in excessive trading. Neither the Board of Directors nor the Company will be held liable for any loss resulting from rejected orders.

## Late Trading

Subscriptions, redemptions and conversions shall be made at an unknown NAV.

## Issue and Sale of Shares

### General

With respect to each Sub-Fund, Shares may be issued on any Valuation Day as specified under the sections "Overview" of each Sub-Fund.

With respect to each Sub-Fund, Shares shall be issued or sold at the NAV per Share of the relevant Sub-Fund plus the applicable sales charges (to the extent permissible by the UCI Law) calculated on the Valuation Day on which the application is received not later than 12.00 p.m. (noon), Luxembourg time.

Applications received after 12.00 p.m. (noon), Luxembourg time, by the Registrar and Transfer Agent will be processed for purchase on the next Valuation Day.

The Dealers may transmit subscription requests to the Registrar and Transfer Agent on behalf of the shareholders.

Payment for Shares will be required to be made in the Reference Currency of the relevant Sub-Fund within two Business Days from the relevant Valuation Day.

Investors should read the relevant key information document before investing and may be asked to declare that they have received an up-to-date key information document.

Investors may be required to complete an application form for Shares or other documentation satisfactory to the Management Company or to the Distributor or any Dealer indicating that the purchaser is not a U.S. Person. Application forms containing such representations are available from the Management Company or its duly appointed agents.

Payments for Shares should be made by electronic bank transfer net of all bank charges (except where local banking practices do not allow electronic bank transfers), to the bank account published by the Management Company or Distributor.

Other methods of payment are subject to the prior approval of the Management Company.

Written confirmations of shareholdings will be sent to shareholders within two Business Days after the relevant Valuation Day.

The Company may agree to issue Shares of the Company as consideration for a contribution in kind of securities, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the Auditor ("*réviseur d'entreprises agréé*"), which shall be available for inspection by any shareholder at the Registered Office and provided that such securities comply with the investment objectives, policies and restrictions of the relevant Sub-Fund. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant shareholders. Contributions in kind are however expected to be accepted in exceptional circumstances only.

The Company reserves the right to reject any subscription in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will normally be returned to the applicant within two Business Days thereafter or to suspend at any time and without prior notice the issue of Shares in one, several or all of the Sub-Funds.

No Shares of any Sub-Fund will be issued during any period when the calculation of the NAV per Share in such Sub-Fund is suspended by the Company, pursuant to the powers reserved to it by the Articles.

In the case of suspension of dealings in Shares, the subscription will be dealt with on the first Valuation Day following the end of such suspension period.

### Initial Sales Charges

For purchases of Shares an initial sales charge of up to 5% of the NAV may be levied (to the extent permissible under the UCI Law).

The sales charge shall revert to the Distributor or relevant Dealer through which the initial purchase was made. If in any country in which the Shares are offered, local law or practice requires or permits a lower sales charge than that listed above for any individual purchase order, the Company may sell Shares and may authorize the Distributor and the relevant Dealers to sell Shares within such country at a total price less than the applicable price set forth above, but in accordance with the maximum amounts permitted by the law or practice of such country.

### Conversion of Shares

Shareholders will have the right, on any Valuation Day of the relevant Sub-Fund and subject to the provisions hereinafter specified, to convert Shares from one Sub-Fund in Shares of another Sub-Fund.

The rate at which Shares of a Sub-Fund shall be converted will be determined by reference to the respective NAV, calculated as of the

same Valuation Day following receipt, not later than 12.00 p.m. (noon) Luxembourg time, by the Registrar and Transfer Agent, of the documents referred to below.

The Distributor and the Dealer(s) may transmit conversion requests to the Registrar and Transfer Agent on behalf of the shareholders.

There is no administrative fee or exchange fee. However, if a higher sales charge is applicable to the Shares of the Sub-Fund being acquired, the sales charge differential will be charged. The Company reserves the right to reject any conversion request it believes will result in excessive transaction costs or otherwise adversely affect other shareholders.

As a conversion of Shares of one Sub-Fund for Shares of another Sub-Fund is treated as a redemption of Shares and a simultaneous purchase of Shares, a converting shareholder may, therefore, realize a taxable gain or loss in connection with the conversion under the laws of the country of the shareholder's citizenship, residence or domicile.

All terms and notices regarding the redemption of Shares shall equally apply to the conversion of Shares.

No conversion of Shares will be effected until a duly completed conversion request form or other written notification acceptable to the Registrar and Transfer Agent has been received. Shareholders should read the relevant key information document relating to their intended investment before converting their Shares and may be asked to declare that they have received an up-to-date key investor information document.

Written confirmations of shareholding (as appropriate) will be sent to shareholders within three Business Days after the relevant Valuation Day of the relevant Sub-Fund, together with the balance resulting from such conversion, if any.

In converting Shares of a Sub-Fund for Shares of another Sub-Fund, a shareholder must meet the applicable minimum investment and holding requirement imposed by the acquired Sub-Fund and indicated in the section "Principal Features".

If, as a result of any request for conversion, the aggregate NAV of the Shares held by the converting shareholder in a Sub-Fund would fall below the minimum holding requirement for that Sub-Fund, the Company may treat such request as a request to convert the entire shareholding of such shareholder in such Sub-Fund.

Shares of any Sub-Fund will not be converted in circumstances where the calculation of the NAV per Share of such Sub-Fund is suspended by the Company pursuant to the Articles.

### Redemption of Shares

Each shareholder of the Company may request the Company to redeem on any Valuation Day all or any of the Shares held by such shareholder in any Sub-Fund on such Valuation Day.

Redemption requests should contain the following information (if applicable): the identity and address of the shareholder requesting the redemption, the number of Shares to be redeemed, the relevant Sub-Fund and the name in which such Shares are registered.

Shareholders whose applications for redemption are accepted will have their Shares redeemed on any Valuation Day on which the application is received not later than 12.00 p.m. (noon), Luxembourg time by the Registrar and Transfer Agent.

Applications received after that time will be processed on the next Valuation Day.

The Distributor and the Dealers may transmit redemption requests to the Registrar and Transfer Agent on behalf of the shareholders.

Shares will be redeemed at a price based on the NAV per Share of the relevant Sub-Fund (the "Redemption Price").

Shares within any Sub-Fund may be redeemed without charge.

The Board of Directors reserves the right to introduce a, or modify the existing, redemption charge in other circumstances if and when appropriate (to the extent permissible by the UCI Law). In such event, the Prospectus will be amended accordingly. The Redemption Price may be higher or lower than the price paid at the time of the subscription or purchase.

Generally, the Redemption Price shall be paid not later than 2 Business Days from the relevant Valuation Day, or from the date on which the redemption request details have been received by the Registrar and Transfer Agent, whichever is the later date.

Payment of the Redemption Price will be made by wire and/or cheque mailed to the shareholder at the address indicated by him or her or by bank order to an account indicated by the shareholder, at such shareholder's expense and at the shareholder's risk.

The Redemption Price will be paid in the Reference Currency of the relevant Sub-Fund.

Shares of any Sub-Fund will not be redeemed if the calculation of the NAV per Share of such Sub-Fund is suspended by the Company in accordance with the Articles.

If, as a result of any request for redemption, the aggregate NAV of the Shares held by the shareholder in a Sub-Fund would fall below the minimum holding requirement indicated in the section "Principal Features", the Company may treat such request as a request to redeem the entire shareholding of such shareholder in such Sub-Fund.

Furthermore, if on any Valuation Day redemption requests pursuant to Article 9 and conversion requests pursuant to Article 10 of the Articles relate to more than 10% of the Shares in issue in a specific Sub-Fund, the Board of Directors or a committee appointed by them for that purpose ("their delegate") may decide that part or all of such requests for redemption or conversion will be deferred for such period as the Board of Directors or their delegate consider to be in the best interests of the relevant Sub-Fund, but normally not exceeding 10 Valuation Days. On the next Valuation Day following such period, these redemption and conversion requests will be met in priority to later requests.

The Articles contain at Article 11 provisions enabling the Company to compulsorily redeem Shares held by U.S. Persons.

### **Distribution Policy**

The Company's principal investment objective is to generate reasonable capital preservation and growth on a long-term basis.

Consequently, no dividend is usually expected to be paid to the shareholders of the different Sub-Funds, unless otherwise provided under sections "Overview" and "Share Classes" of the Sub-Funds, when distribution Share Class(es) is/are available, allowing for annual dividend distributions.

In any case, the Board of Directors reserves however the right to propose the payment of a dividend at any time.

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

Dividends not claimed within five years of their due date will lapse and revert to the Shares in the relevant Sub-Fund.

## Charges and Expenses

### General

The Company shall pay out of the assets of the relevant Sub-Fund all expenses payable by the Sub-Fund, which shall include but not be limited to formation expenses, fees payable to its Investment Manager, fees and expenses payable to its accountants, Management Company, Central Administration Agent, Registrar and Transfer Agent, Depositary and Paying Agent, its correspondents, its listing agent, any paying agent, any Distributor and permanent representatives in places of registration, as well as any other agent employed by the Company, the remuneration of the Directors of the Board of Directors, their insurance coverage, and reasonable travelling costs and out of pocket expenses in connection with board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing Prospectuses, explanatory memoranda, periodical reports or registration statements, and the costs of any reports to shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

### Formation and launching expenses of additional Sub-Funds

Charges relating to the creation of a new Sub-Fund shall be written off over a period not exceeding five years against the assets of that Sub-Fund and in such amounts in each year as determined by the Board of Directors on an equitable basis. The newly created Sub-Fund shall not bear a pro rata share of the costs and expenses incurred in connection with the formation of the Company and the initial issue of Shares, which have not already been written off at the time of the creation of the new Sub-Fund.

### Fees of the Management Company

The remuneration of the Management Company shall be 0.08% per annum calculated on each Valuation Day and payable monthly in arrears on the basis of the average net assets of the relevant Sub-Fund, subject to a minimum fee of EUR 16.000.- per year per Sub-Fund.

The Management Company may pay selected Dealers for nominee and other distribution services from its own assets, including past profits, and such selected Dealers may receive different levels of compensation in respect of such services. In addition, the Management Company may rebate a portion of its management fee to selected Dealers who assist in the placement of shares. No such fees shall be paid directly by the Company.

### Fees of the Central Administration Agent

The fees payable for the Central Administration Agent services out of the Company's assets are 0.01% per annum calculated on the basis of the daily NAV of the relevant Sub-Fund and payable monthly in arrears. The Central Administration Agent is entitled to receive specific fees for additional services provided (eg: swing pricing adjustments).

### Fees of the Registrar and Transfer Agent

The Registrar and Transfer Agent is entitled to receive out of the assets of each Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg.

### Fees of the Investment Manager

The Investment Manager is entitled to receive, net of any Distribution Fees, as defined below, from the Kermata Fund a fee of 0.60%, from the BancaStato Azionario Globale Fund a fee of 1.50%, from the Unconstrained Bond Fund a fee of 1.00%, from the BancaStato Reddito Fund a fee of 0.90% and from the BancaStato Bilanciato Fund a fee of 1.10% computed monthly and payable quarterly on the basis of the average net assets at the end of each month in the financial year.

### Fees of the Depositary

The fees payable for the Depositary services out of the Company's assets ranges from 0.003% to 0.5% per annum depending on where the assets of the relevant Sub-Fund are held. The fees are calculated on the basis of the portfolio value of the relevant Sub-Fund at the end of each month of the financial year and payable monthly in arrears.

### Fees of the Distributor

Unless otherwise provided for in this Prospectus, the Distributor and the Dealer(s) are entitled to receive the sales charge levied pursuant to the above section "Issue and Sale of Shares" and may receive distribution fees (the "Distribution Fees").

Before any increase of any fee borne by the Company or its Sub-Funds and payable to the Management Company, the Central Administration Agent, the Registrar and Transfer Agent, the Investment Manager, the Depositary and/or to the Distributor, shareholders shall be notified with a period of notice and in the manner deemed appropriate by the Regulatory Authority.

### Best Execution

Each Investment Manager and sub-investment manager has adopted a best execution policy to implement all reasonable measures to ensure the best possible result for the Company, when executing orders. In determining what constitutes best execution, the Investment Manager and/or sub-investment manager will consider a range of different factors, such as price, liquidity, speed and cost, among others, depending on their relative importance based



on the various types of orders or financial instrument. Transactions are principally executed via brokers selected and monitored on the basis of the criteria of the best execution policy. Counterparties that are affiliates of Amundi may also be considered. To meet its best execution objective, the Investment Manager and/or sub-investment manager may choose to use agents (which may be affiliates of Amundi) for its order transmission and execution activities.

#### **Financial Derivative Instruments Costs and Fees**

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. In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Investment Manager 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 or the Management Company, if applicable, may be available in the annual report. All revenues arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

#### **Other costs and expenses**

Other costs and expenses charged to the Company include:

- all taxes which may be due on the assets and the income of the Company;
- usual brokerage fees due on transactions involving securities held in the portfolio of the Company (such fees to be included in the acquisition price and to be deducted from the selling price);
- legal expenses incurred by Company, the Management Company or the Depositary while acting in the interest of the Shareholders of the Company;
- the fees and expenses involved in preparing and/or filing the Articles and all other documents concerning the Company, including the sales documents and any amendments or supplements thereto, with all authorities having jurisdiction over the Company or the offering of Shares of the Company or with any stock exchanges in the Grand Duchy of Luxembourg and in any other country;
- the formation expenses of the Company;

- the fees payable to the Management Company, fees and expenses payable to the Company's accountants, Depositary and its correspondents, Administrator, Registrar and Transfer Agents, any permanent representatives in places of registration, as well as any other agent employed by the Company;
- reporting and publishing expenses, including the cost of preparing, printing, in such languages as are necessary for the benefit of the Shareholders, and distributing sales documents, annual, semi-annual and other reports or documents as may be required under applicable law or regulations;
- a reasonable share of the cost of promoting the Company, as determined in good faith by the Board of Directors, including reasonable marketing and advertising expenses;
- the cost of accounting and bookkeeping;
- the cost of preparing and distributing public notices to the Shareholders;
- the cost of buying and selling assets for the Company, including costs related to trade and collateral matching and settlement services;
- any fees and costs incurred by the agents of delegated Investment Managers in centralising orders and supporting best execution; some of these agents may be affiliates of Amundi;
- the costs of publication of Share prices and all other operating expenses, including interest, bank charges, postage, telephone and auditors' fees and all similar administrative and operating charges, including the printing costs of copies of the above mentioned documents or reports.

## OTC Financial Derivative Transactions and Efficient Portfolio Management Techniques

For the time being, the Company and its Sub-Funds will not use securities financing transactions in the meaning of 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 (SFTR).

### Collateral Policy

Collateral obtained under an OTC financial derivative transaction must, inter alia, meet the following criteria:

- (i) Non-cash collateral should be sufficiently liquid and traded on a regulated market or multilateral trading facility with transparent pricing;
- (ii) The collateral should be valued on a daily basis;
- (iii) Collateral which exhibits high price volatility should not be accepted unless suitably conservative haircuts are in place;
- (iv) In terms of issuer credit quality the collateral received should be of high quality;
- (v) The collateral (including any re-invested cash collateral) must be sufficiently diversified in terms of country, markets and issuers;
- (vi) Non-cash collateral should not be sold, re-invested or pledged;
- (vii) The collateral received must be capable of being fully enforced at any time and should not be sold, re-invested or pledged.

Cash collateral may be:

- (i) Placed on deposit;
- (ii) Invested in high quality government bonds;
- (iii) Used for reverse repurchase transactions under which the cash is callable at any time;
- (iv) Invested in Short-Term Money Market Funds.

### OTC Financial Derivative Transactions

In the event that the counterparty risk linked to an OTC financial derivative transaction exceeds 10% in respect of credit institutions or 5% in other cases of the assets of a Sub-Fund, the relevant Sub-Fund shall cover this excess through collateral.

The counterparties to any OTC financial derivative transactions, such as total return swaps or other financial derivative instruments with similar characteristics, entered into by a Sub-Fund, are selected from a list of authorised counterparties established by the Management Company. The authorised counterparties are either credit institutions with a registered office in a Member State or an investment firm, authorised under Directive 2014/65/EU or an equivalent set of rules, subject to prudential supervision with a rating of at least BBB- or its equivalent. The list of authorised counterparties may be amended with the consent of the Management Company.

Such OTC financial derivative instruments will be safe-kept with the Depository.

Collateral is posted and received in order to mitigate the counterparty risk in OTC financial derivative transactions. The Management Company determines what is eligible for use as collateral and currently operates a more restrictive collateral policy than that required by UCITS regulation. Typically, cash and government debt may be accepted as collateral for OTC financial derivative transactions. However, other securities permitted as collateral under Section II (b) of CSSF Circular 08/356 may be accepted, where agreed by the Management Company. Government debt may include, but is not limited to, U.S., Germany, France, Italy, Belgium, Holland/Netherlands, UK, Sweden, and other agreed Eurozone governments.

Collateral is monitored and marked-to-market daily. Regular reporting is provided to the Company, Management Company, Depository, Central Administration Agent, and Investment Manager. The board of directors of the Management Company has established a list of authorised counterparties, eligible collateral, and haircut policies; and these may be revised or amended by the Management Company at any time.

### Haircut Policies

Any haircuts applicable to collateral are agreed conservatively with each OTC financial derivative counterparty on a case by case basis. They will vary according to the terms of each collateral agreement negotiated and prevailing market practice and conditions.

The following guidance, in respect of acceptable levels of haircut for collateral in OTC transactions is applied by the Management Company: (the Management Company reserves the right to vary its practice at any time).

*Collateral haircuts for the counterparty risk calculation*

Collateral Instrument Type	Exposure in same Currency as Derivative	Exposure in Currency other than that of Derivative
Cash	0%	10%
Government Bonds	10%*	15%*
Non Government Bonds	15%	20%
Others	20%	20%

\*These may vary depending on the maturity period of the security.

Exceptions to the above haircuts may apply where a ratings criteria has been set against the collateral.

Contracts with counterparties generally set threshold amounts of unsecured credit exposure that the parties are prepared to accept before asking for collateral. These usually range from EUR 0 to 10 million. Minimum transfer amounts, often in the range of EUR 250,000 - 1 million, are set to avoid unnecessary costs involved in small transfers.

## Taxation in Luxembourg

The following information is of a general nature only and is based on the Company's understanding of certain aspects of the laws and practice in force in Luxembourg as of the date of this Prospectus. It does not purport to be a comprehensive description of all of the tax considerations that might be relevant to an investment decision. 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. It is a description of the essential material Luxembourg tax consequences with respect to the Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to shareholders. This summary is based on the laws in force in Luxembourg on the date of this Prospectus and is subject to any change in law that may take effect after such date. Prospective shareholders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

### Taxation of the Company in Luxembourg

#### Subscription tax

The Company is as a rule liable in Luxembourg to a subscription tax (taxe d'abonnement) of 0.05% per annum of its NAV, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Company at the end of the relevant calendar quarter.

This rate is however of 0.01% *per annum* for:

- undertakings the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions;
- undertakings the exclusive object of which is the collective investment in deposits with credit institutions; and
- individual compartments of UCIs with multiple compartments as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Are further exempt from the subscription tax:

- the value of the assets represented by units held in other UCIs, provided such units have already been subject to the subscription tax;
- UCIs as well as individual compartment of umbrella funds (i) whose securities are reserved for institutional investors, (ii) whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, (iii) whose weighted residual portfolio maturity must not exceed ninety (90) days, and (iv) which have obtained the highest possible rating from a recognized rating agency;

- UCIs whose securities are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, created on the initiative of a same group for the benefit of its employees and (ii) undertakings of this same group investing funds they hold, to provide retirement benefits to their employees;
- for UCIs whose investment policy provides for an investment of at least 50% of their assets into microfinance institutions or which have been granted the LuxFLAG label; and
- for exchange-traded funds.

#### Withholding tax

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payment made by the Company to its shareholders in relation to the Shares. There is also no withholding tax on the distribution of liquidation proceeds to the shareholders.

#### Income tax

Under current law and practice, the Company is not liable to any Luxembourg income tax.

#### Value added tax

In Luxembourg, regulated investment funds have the status of taxable persons for value added tax ("VAT") purposes. Accordingly, the Company is considered in Luxembourg as a taxable person for value added tax 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 Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg. As a result of such VAT registration, the Company 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 Company to its investors, to the extent that such payments are linked to their subscription to the Company's Shares and do not constitute the consideration received for taxable services supplied.

#### Other taxes

No stamp or other tax is generally payable at a proportional rate in Luxembourg in connection with the issue of Shares against cash by the Company. Any amendment to the Articles of the Company is generally subject to a fixed registration duty of seventy-five Euro (EUR 75.-).

The Company may be subject to withholding tax on dividends and interest and to tax on capital gains in the country of origin of its investments. As the Company itself is exempt from income tax, withholding tax levied at source, if any, is not be refundable in Luxembourg.

### **Shareholder meetings and reports to shareholders**

Notice of any general meeting of shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-Fund) shall be mailed to each registered shareholder at least eight days prior to the meeting and shall be published to the extent and in the manner required by Luxembourg law as shall be determined by the Board of Directors.

If the Articles are amended, such amendments shall be filed with the Luxembourg Register of Commerce and Companies and shall be published in the RESA.

Detailed audited annual reports of the Company on its activities and on the management of its assets are published annually as of 31 December; such reports shall include, inter alia, the combined accounts relating to all the Sub-Funds, a detailed description of the assets of each Sub-Fund and a report from the Auditor.

The semi-annual unaudited reports of the Company on its activities are also published as of 30 June of each year, including, inter alia, a description of the investments underlying the portfolio of each Sub-Fund and the number of Shares issued and redeemed since the last publication.

The aforementioned documents may be obtained free of charge by any person at the Registered Office.

The accounting year of the Company commences on the 1st of January of each year and terminates on the 31st of December of the same year.

The Company will publish an audited annual report as per 31st of December and an unaudited semi-annual report drawn up as per 30th of June.

The annual general meeting takes place in Luxembourg City at a place specified in the notice of meeting on the last Friday of April of each year at 11.30 a.m. If such day is a legal or a bank holiday in Luxembourg, the annual general meeting shall be held on the next following Business Day.

The shareholders of any Sub-Fund may hold, at any time, general meetings to decide on any matters that relate exclusively to such Sub-Fund.

The combined accounts of the Company are maintained in Euro being the currency of the share capital. The financial statements relating to the separate Sub-Funds shall also be expressed in the Reference Currency of the relevant Sub-Fund.

## APPENDIX I: Investment Restrictions

The Board of Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Sub-Fund, the Reference Currency of a Sub-Fund and the course of conduct of the management and business affairs of the Company.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund under section “Investment Objectives and Policies of the Sub-Funds” of the Prospectus, the investment policy shall comply with the investment rules and restrictions laid down hereafter:

### 1. Permitted Investments

The investments of a Sub-Fund must comprise only one or more of the following:

- 1.1 Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- 1.2 Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognized and open to the public;
- 1.3 Transferable Securities and Money Market Instruments admitted to 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 recognized and open to the public;
- 1.4 recently issued Transferable Securities and Money Market Instruments, provided that:
  - A. the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, stock exchange or on another regulated market as described under 1.1. to 1.3. above;
  - B. such admission is secured within one year of issue;
- 1.5 units of UCITS and/or other UCIs within the meaning of Article 1 (2), points a) and b) of the UCITS Directive, whether or not established in a Member State, provided that:
  - A. such other UCIs are authorized under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - B. the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
- C. the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
- D. no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- 1.6 deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a Non-Member State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in EU law;
- 1.7 financial derivative instruments, in particular options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or other market referred to in 1.1 to 1.3 above, and/or financial derivative instruments dealt in over-the-counter (“OTC”) (“over-the-counter derivatives”), including without limitation, total return swaps or other financial derivative instruments with similar characteristics (within the meaning of, and under the conditions set out in, applicable laws, regulations and CSSF circulars issued from time to time, in particular, but not limited to, Regulation (EU) 2015/2365), provided that:
  - A. – the underlying consists of instruments covered by this section 1, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objectives;
    - the counterparties to over-the-counter derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority, and
    - the over-the-counter derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company’s initiative;
    - exposure to the underlying assets does not exceed the investment restrictions set out in 2.12 below.
  - B. Under no circumstances shall these operations cause the Company to diverge from its investment objectives.
- 1.8 Money Market Instruments other than those dealt in on a Regulated Market, and which fall within the definition given in the Glossary of this Prospectus, to the extent that the issue

or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- A. issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a 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 State belong, or
  - B. issued by an undertaking any securities of which are dealt in on Regulated Markets referred to in 1.1, 1.2 or 1.3 above, or
  - C. issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by EU law; or
  - D. issued by other bodies provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (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.
- 1.9 to the extent permissible by the UCI Law, securities issued by one or several other Sub-Funds of the Company (the "Target Sub-Fund"), under the following conditions:
- A. the Target Sub-Fund does not invest in the investing Sub-Fund;
  - B. not more than 10% of the assets of the Target Sub-Fund may be invested in other Sub-Funds of the Company;
  - C. the voting rights linked to the transferable securities of the Target Sub-Fund are suspended during the period of investment;
  - D. in any event, for as long as these securities are held by the Company, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and
  - E. there is no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund of the Company having invested in the Target Sub-Fund and this Target Sub-Fund.

1.10 However, each Sub-Fund:

- A. shall not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments other than those referred to above under 1.1 to 1.4 and 1.8 above;
- B. shall not acquire either precious metals or certificates representing them;
- C. may hold up to 20% of its net assets in deposits under "1. Permitted Investments" that are accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions; such restriction may exceptionally and temporarily be exceeded 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 best interest of the shareholders;
- D. may acquire movable and immovable property which is essential for the direct pursuit of its business;
- E. may borrow up to 10% of its net assets, provided that such borrowings (i) are made only on a temporary basis or (ii) enables the acquisitions of immovable property essential for the direct pursuit of its business. Where a Sub-Fund is authorised to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its assets in total. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction; and
- F. may acquire foreign currency by means of a back-to-back loan.

## 2. Investment Restrictions

- 2.1 For the purpose of calculating the restrictions described in 2.3 to 2.7, 2.10, 2.11, 2.20 and 2.21 below, companies which are included in the same Group of Companies are regarded as a single issuer.
- 2.2 To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules.
  - Transferable Securities and Money Market Instruments
- 2.3 No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
  - A. upon such purchase more than 10% of its net assets would consist of Transferable Securities and 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 the value of

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

- 24 A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- 25 The limit of 10% set forth above under 2.3.A above 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 State(s) are member(s).
- 26 The limit of 10% set forth above under 2.3.A above is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, “qualifying debt securities” are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.
- 27 The securities specified above under 2.5 and 2.6 are not to be included for purposes of computing the ceiling of 40% set forth above under 2.3.B above.
- 28 Notwithstanding the ceilings set forth above, each Sub-Fund is authorized 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 (i) a Member State of the EU, its local authorities or a public international body of which one or more Member State(s) of the EU are member(s), (ii) any member state of the OECD or any member country of the G-20, or (iii) Singapore or Honk Kong, provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.
- 29 Without prejudice to the limits set forth hereunder under 2.22 and 2.23 below, the limits set forth in 2.3 above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund’s investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the Regulatory Authority, on the following basis:
  - A. the composition of the index is sufficiently diversified,
  - B. the index represents an adequate benchmark for the market to which it refers,

C. it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for a single issuer.

- Bank Deposits
  - 2.10 A Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.
- Derivative Instruments
  - 2.11 The risk exposure to a counterparty in an over-the-counter derivative transaction may not exceed 10% of the Sub-Fund’s net assets when the counterparty is a credit institution referred to in 2.8 above or 5% of its net assets in other cases.
  - 2.12 Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set out in this paragraph. When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits set out above.
  - 2.13 When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of 1.7 above as well as with the risk exposure and information requirements laid down in the present Prospectus.
- Units of open-ended funds
  - 2.14 Unless otherwise provided in a Sub-Fund’s specific part of this Prospectus, a Sub-Fund may not invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs. If a Sub-Fund is authorised to invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs, the investment in the units of a single other UCITS or a single other UCI may however not exceed 20% of the relevant Sub-Fund’s net assets.
  - 2.15 When a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund’s investment in the units of such other UCITS and/or other UCIs.
  - 2.16 A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in the relevant Sub-Fund’s part of this Prospectus the maximum level of the management fees that may be charged both

to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report, the Company shall indicate 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.

- Master-Feeder structure

2.17 To the extent permissible under the UCI Law, a Sub-Fund may act as a feeder fund (the “Feeder”), under the following conditions: the Feeder shall invest at least 85% of its assets in shares/units of another UCITS or of a sub-fund of such UCITS (the “Master”), which is not itself a Feeder nor holds units/shares of a Feeder. The Sub-Fund, as Feeder, may not invest more than 15% of its assets in one or more of the following:

- A. Ancillary liquid assets in accordance with Article 41 second indent of second paragraph of the UCI Law;
- B. financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 first indent, point g) and Article 42 second and third indents of the UCI Law;
- C. movable and immovable property which is essential for the direct pursuit of the Company’s business.

2.18 When a Sub-Fund invests in the shares/units of a Master which is managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund’s investment in the shares/units of the Master.

2.19 A Sub-Fund (Feeder) that invests into a Master shall disclose in the relevant Sub-Fund’s part of this Prospectus the maximum level of the management fees that may be charged both to the Sub-Fund (Feeder) itself and to the Master in which it intends to invest. In its annual report, the Company shall indicate the maximum proportion of management fees charged both to the Sub-Fund (Feeder) itself and to the Master. The Master shall not charge subscription or redemption fees for the investment of the Feeder into its shares/units or the divestment thereof.

- Ancillary liquid assets

2.20 Except for situations of exceptionally unfavourable market conditions where a temporary breach of the 20% limit is required by the circumstances and justified having regard to the interests of the shareholders, Sub-Funds of the Company may hold up to 20% of their net assets in Ancillary liquid assets, as defined in the Glossary of Terms, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions. A sub-fund does not need to comply with investment limits when exercising subscription rights, so long as any violations are corrected as described above.

- Combined limits

2.21 Notwithstanding the individual limits laid down in 2.3, 2.10 and 2.11 above, a Sub-Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:

- (i) investments in Transferable Securities or Money Market Instruments issued by that body,
- (ii) deposits made with that body, and/or

(iii) exposures arising from over-the-counter derivative transactions undertaken with that body.

2.22 2.21 The limits set out in 2.3, 2.5, 2.6, 2.10, 2.11 and 2.20 above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with 2.3, 2.5, 2.6, 2.10, 2.11 and 2.20 above may not exceed a total of 35% of the net assets of each Sub-Fund.

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

2.24 The Company may acquire no more than (i) 10% of the outstanding non-voting shares of the same issuer; (ii) 10% of the outstanding debt securities of the same issuer; (iii) 10% of the Money Market Instruments of any single issuer; or (iv) 25% of the outstanding shares or units of the same UCITS or other UCI. The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The limits set forth above under 2.22 and 2.23 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 State(s) are member(s); or
- D. Shares in the capital of a company which is incorporated under or organized pursuant to the laws of a state which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investments policy the restrictions set forth under 2.3, 2.7, 2.10, 2.11 and 2.14 to 2.23;
- E. Shares held by one or more Sub-Funds 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.



### 3. Global Exposure

Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

### 4. Additional investment restrictions:

- 4.1 No Sub-Fund may acquire commodities or precious metals or certificates representative thereof, provided that transactions in foreign currencies, financial instruments, indices or Transferable Securities as well as futures and forward contracts, options and swaps thereon are not considered to be transactions in commodities for the purposes of this restriction.
- 4.2 No Sub-Fund may invest in real estate or any option, right or interest therein provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- 4.3 The investment policy of a Sub-Fund may replicate the composition of an index of securities or debt securities, in compliance with the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the UCI Law and implementing the UCITS Directive.
- 4.4 A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned in 1.5, 1.7 and 1.8 above and shall not prevent the lending of securities in accordance with applicable laws and regulations (as described further in 'Securities Lending and Borrowing' below).
- 4.5 The Company may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed in 1.5, 1.7 and 1.8 above.
- 4.6 Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.
- 4.7 The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to securities in such Sub-Fund's portfolio.
- 4.8 If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.

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

### 5. Swap Agreements and Efficient Portfolio Management Techniques

#### 5.1 General

The Company may employ techniques and instruments relating to Transferable Securities and other financial liquid assets for hedging and efficient portfolio management purposes as well as for investment purposes.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in "Investment Restrictions" above.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as set out in this Prospectus.

#### 5.2 Swap agreements

Some Sub-Funds may enter into swap agreements such as credit default swaps, total return swaps, interest rate swaps, swaptions and inflation-linked swaps with counterparties duly assessed and selected by the Management Company that are first class institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority.

Total return swaps are agreements in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total return swaps entered into by a Sub-Fund may be in the form of funded and/or unfunded swaps. An unfunded swap is a swap where no upfront payment is made by the total return receiver at inception. A funded swap is a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset. Funded swaps tend to be costlier due to the upfront payment requirement.

Maximum and expected proportions of assets under management that total return swaps may represent for a Sub-Fund are reported in the Overview of the relevant Sub-Fund in this Prospectus.

#### 5.3 Securities Lending and Borrowing

The Company may, for efficient portfolio management purposes, enter into securities lending borrowing transactions in respect of securities held within the portfolio of a Sub-Fund provided that they comply with the following rules:

- A. The Sub-Fund may only lend or borrow securities through a standardised system organized by a recognized clearing institution, through a lending program organized by a financial institution or through a first class financial institution subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those prescribed by EU law and specialized in this type of transactions.

- B. As part of and during the lifetime of the lending transactions, the Sub-Fund must receive a guarantee, the value of which must be at least 90% of the total value of the securities lent.
- C. The Sub-Fund must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Sub-Fund's assets in accordance with its investment policy.
- D. The Sub-Fund shall ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
- E. The securities borrowed by the Sub-Fund may not be disposed of during the time they are held by the Sub-Fund, unless they are covered by sufficient financial instruments that enable the Sub-Fund to reconstitute the borrowed securities at the close of the transaction.
- F. The Sub-Fund may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Depository fails to make delivery; and (d) as a technique to meet its obligation to deliver the securities being the object of a repurchase agreement when the counterparty to such agreement exercises its right to repurchase these securities, to the extent such securities have been previously sold by the Sub-Fund.

#### 5.4 Reverse repurchase and repurchase agreement transactions

Any Sub-Fund may, on an ancillary basis, enter into reverse repurchase and repurchase agreement transactions, which consist of a forward transaction at the maturity of which

- A. the seller (counterparty) has the obligation to repurchase the asset sold and the Sub-Fund the obligation to return the asset received under the transaction. Securities that may be purchased in reverse repurchase agreements are limited to those referred to in the CSSF Circular 08/356 dated 4 June 2008 and they must conform to the relevant Sub-Fund's investment policy; or
- B. the Sub-Fund has the obligation to repurchase the asset sold and the buyer (the counterparty) the obligation to return the asset received under the transaction.

A Sub-Fund may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered as equivalent to those prescribed by EU law.

A Sub-Fund must take care to ensure that the value of the reverse repurchase or repurchase agreement transactions is kept at a level such that it is able, at all times, to meet its redemption obligations towards its shareholders.

A Sub-Fund that enters into a reverse repurchase transaction must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement.

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

Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund.

#### 5.5 Management of Collateral

The risk exposures to a counterparty arising from OTC derivative transactions and efficient portfolio management techniques (such as securities lending and borrowing and reverse repurchase and repurchase agreement transactions) shall be combined when calculating the counterparty risk limits provided for under items 2.1 to 2.21 above.

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

- A. any collateral received other than cash shall be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received shall also comply with the provisions of items 2.22 and 2.23 above.
- B. collateral received shall be valued in accordance with the rules laid down in "Appendix II: Determination of the Net Asset Value" on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.
- C. collateral received shall be of high quality.
- D. the collateral received shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- E. collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives

from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, one or more of its local authorities, a third country, or a public international body to which one or more Member States of the EU belong. Such a Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's Net Asset Value. Sub-Funds that intend to be fully collateralised in these securities as well as the identity of the Member States of the EU, third countries, local authorities, or public international bodies issuing or guaranteeing these securities will be disclosed in the Prospectus.

- F. Where there is a title transfer, the collateral received shall be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- G. Collateral received shall be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty.
- H. Non-cash collateral received shall not be sold, re-invested or pledged.
- I. Cash collateral received shall only be:
  - placed on deposit with entities as prescribed in item 1.6 above;
  - invested in high-quality government bonds;
  - used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on accrued basis;
  - invested in short-term money market funds as defined in the “Guidelines on a Common Definition of European Money Market Funds”.

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral.

## APPENDIX II: Determination of the Net Asset Value

### Calculation and Publication

The purpose of the valuation policy is to ensure that the Sub-funds of the Company are valued in a reliable and consistent manner, in compliance with the Articles and in line with the principle of “fair value”, ensuring the fair treatment of investors.

Fair value shall be understood as the amount for which an asset could be exchanged or a liability settled in an orderly transaction between knowledgeable willing parties in an arm’s length transaction at the Valuation Day.

The calculation of the net asset value (“NAV”) per Share of each Sub-Fund will be carried out by the Central Administration Agent, in accordance with the requirements of the Articles. The NAV per Share of each Sub-Fund shall be expressed in the Reference Currency of each Sub-Fund, to the nearest two decimal places, and shall be determined for each Sub-Fund on the relevant Valuation Day, by dividing the net assets of the Company attributable to Shares in such Sub-Fund being the value of the portion of assets less the portion of liabilities attributable to such Sub-Fund, on any such Valuation Day, by the number of Shares of the relevant Sub-Fund then outstanding, in accordance with the valuation rules set forth below. If since the time of determination of the NAV there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Sub-Fund are dealt in or quoted, the Company may, in order to safeguard the interests of the shareholders and the Company, cancel the first valuation and carry out a second valuation for all applications received on the relevant Valuation Day.

The value of such assets is determined by or at the direction of the Central Administration Agent as follows:

- a. The value of any cash on hand or in deposit, bills, demand notes and accounts receivables, prepaid expenses, dividends and interests matured but not yet received shall be valued at the par-value of the assets except however if it appears that such value is unlikely to be received. In such a case, subject to the approval of the Board of Directors, the value shall be determined by deducting a certain amount to reflect the true value of these assets;
- b. The value of assets which are listed or dealt in on any stock exchange is based on the last available quoted price on the stock exchange which is normally the principal market for such assets.
- c. The value of assets dealt in on any other Regulated Market is based on the last available quoted price.
- d. In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on their probable realization value determined with care and in good faith.
- e. The liquidating value of options contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Company; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.
- f. The value of Money Market Instruments not listed or dealt in on any stock exchange or any other Regulated Market and with remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of 90 days or less will be valued by the amortized cost method, which approximates market value.
- g. Interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve.
- h. Units or shares of open-ended UCI will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value.
- i. All other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors or a committee appointed to that effect by the Board of Directors.

The value of all assets and liabilities not expressed in the Reference Currency of a Sub-Fund will be converted into the Reference Currency of such Sub-Fund at rates last quoted by major banks. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board of Directors.

To the extent that the Board of Directors consider that it is in the best interests of the Company, given the prevailing market conditions and the level of subscriptions or redemptions requested by shareholders in relation to the size of any Sub-Fund, an adjustment, as determined by the Board of Directors at their discretion, may be reflected in the Net Asset Value of the Sub-Fund for such sum as may represent the percentage estimate of costs and expenses which may be incurred by the relevant Sub-Fund under such conditions.

Other generally recognized and auditable valuation principles may be used in order to reach a fair valuation. At any time, reliance may be made on the Investment Manager ability to assess fair value, provided such contribution is subject to the appropriate supervision of the Management Company..

The NAV per Share and the issue, redemption and conversion prices per Share of each Sub-Fund may be obtained during business hours at the Registered Office.

## Swing Pricing

The Board of Directors has decided to apply the Swinging Single Pricing (“SSP”) approach to the Sub-Funds. The balance of subscriptions, redemptions or conversions of Shares for a specific Sub-Fund and Valuation Day determines whether or not the Net Asset Values per Share of the Share Classes of such Sub-Fund for that specific Valuation Day will be swung or not. The price is swung if the balance of subscriptions, redemptions or conversions of Shares for a specific Sub-Fund and Valuation Day exceeds a threshold determined and reviewed by the Board of Directors at least annually. This approach prevents existing investors from suffering any dilution of their Shares due to the costs (bid/ask spreads, market impacts, transaction costs, commissions, duties etc.) triggered by net in- or out-flows and is not meant to address specific circumstances of each individual investor. To this extent, orders in the opposite direction of the Sub-Fund’ net transaction activity may be executed at the expense of the other orders.

The impact on the determination of the NAV per Share is as follows:

- (i) if inflows into a Sub-Fund exceed outflows for a specific Valuation Day, the NAV per Share of all Share Classes of that Sub-Fund will increase by a swing factor (the “Swing Factor”) in order to meet the costs on average (bid/ask spreads, market impacts, transaction costs, commissions, duties etc.) triggered by the net inflows. The swung NAV per Share will be higher than the unswung NAV per Share.
- (ii) if outflows from a Sub-Fund exceed inflows for a specific Valuation Day, the NAV per Share of all Share Classes of that Sub-Fund will decrease by a Swing Factor in order to meet the costs on average (bid/ask spreads, market impacts, transaction costs, commissions, duties etc.) triggered by the net outflows. The swung NAV per Share will be lower than the unswung NAV per Share.
- (iii) if inflows into a Sub-Fund equal outflows for a specific Valuation Day, no costs are triggered for the Sub-Fund due to the netting effect. In this case no Swing Factor will be applied to the unswung NAV per Share, and the swung NAV per Share is identical to the unswung NAV per Share.

The Swing Factor will not exceed 1% of the unswung NAV per Share. The Board of Directors will determine the Swing Factor for each Sub-Fund individually based on the assessment of the costs on average (bid/ask spreads, market impacts, transaction costs, commissions, duties etc.) triggered by the net in- or out-flows and review the Swing Factor at least on a quarterly basis. In the event of market developments and unforeseen circumstances that will negatively impact the market liquidity of the underlying assets of the fund the Board of Directors may review the Swing Factor at any time in between the quarterly review cycle. The Board of Directors may determine the thresholds for the level of net in- or out-flows relevant for the application of the Swing Factor.

The Central Administration Agent, in respect of each Sub-Fund, will compute the NAV per Share of each Share Class for each Valuation Day to at least two (2) decimal places. For a Share Class which is expressed in a currency other than the Reference Currency of the relevant Sub-Fund, the NAV per Share of that Class shall be the NAV attributable to the Shares of the Class of that Sub-Fund calculated in the Reference Currency of the Sub-Fund and then converted into the other currency at the relevant currency exchange rate applicable on the relevant Valuation Day. All NAV based fees that are accrued according to this Prospectus are calculated using the swung NAV,

except for the performance fees which are based on the unswung NAV.

## Temporary Suspension of the Calculation

The Central Administration Agent may temporarily suspend the determination of the NAV per Share of any Sub-Fund and the issue and redemption of its Shares from its shareholders as well as the conversion from and to Shares of each Sub-Fund during:

- a. any period when the principal stock exchanges on which a substantial proportion of the investments of the Company attributable to such Sub-Fund are quoted are closed otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended; or
- b. the existence of any state of affairs which constitutes an emergency as a result of which disposals or valuation of assets owned by the Company attributable to such Sub-Fund would be impractical; or
- c. any breakdown in the means of communication normally employed in determining the price or value of any of the investments attributable to any particular Sub-Fund or the currency price or values on any such stock exchange; or
- d. any moment when for other reason, beyond the control of the Board of Directors, the prices of any investments owned by the Company attributable to any Sub-Fund cannot promptly or accurately be ascertained;
- e. any period when the Company is unable to repatriate Sub-Funds for the purpose of making repayments due on the redemption of such Shares or during which any transfer of Sub-Funds involved in the realisation or acquisition of investments or payments due on the redemption of such Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange;
- f. to the extent that it is permissible under the UCI Law, for a Sub-Fund to act as Feeder to a Master, the suspension of the calculation of the net asset value per share/unit, the issue, redemption and the conversion at the level of a Master fund in which the Sub-Fund invests acting by that mean as a Feeder of such Master; or
- g. following a possible decision to liquidate or dissolve the Company or one or several Sub-Funds.

Any such suspension shall be published, if appropriate, by the Central Administration Agent and may be notified to shareholders having made an application for subscription, redemption or conversion of Shares for which the calculation of the NAV has been suspended.

Such suspension as to any Sub-Fund shall have no effect on the calculation of the NAV per Share, the issue, redemption and conversion of Shares of any other Sub-Fund, if the assets within such other Sub-Fund are not affected to the same extent by the same circumstances.

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

## APPENDIX III: General Information

### 1. Corporate Information

The Company was incorporated on 6 November 2007 and launched on 16 November 2007. At the time of its incorporation, the Company was governed by the law of 10 August 1915 on commercial companies as amended and by Part II of the UCI Law (being at that time the law of 20 December 2002 on undertakings for collective investment, as amended). The initial Company was converted into a UCITS subject to Part I of the UCI Law (being at that time the law of 20 December 2002 on undertakings for collective investment, as amended) pursuant to a decision of the general meeting of shareholders taken on 23 November 2011.

The Articles were published in the *Mémorial C* of 26 November 2007. The Articles were amended for the last time on 23 November 2011; the relevant deed was published in the *Mémorial C* of 7 December 2011. The Articles as well as any amendment thereto may be inspected at the “Recueil électronique des sociétés et associations (the “RESA”); copies of the relevant documents, are also available on request at the Registered Office.

The Company is registered at the “*Registre de Commerce et des Sociétés*” of Luxembourg under the number B 133350.

The Company has its registered office at 5, Allée Scheffer, L-2520 Luxembourg.

The minimum capital of the Company, as provided by law, is set at EUR 1,250,000.-. The capital of the Company is represented by fully paid-up Shares of no par value.

The Company is open-ended, which means that it may at any time on the request of the shareholders, redeem its Shares at prices based on the applicable NAV per Share.

In accordance with the Articles, the Board of Directors may issue Shares in one or several Sub-Funds. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objectives applicable to the relevant Sub-Fund. As a result, the Company is an “umbrella fund” enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds.

The Board of Directors may from time to time decide to create further Sub-Funds; in that event, the Prospectus will be updated and amended so as to include detailed information on the new Sub-Funds.

### 2. Dissolution and Liquidation of the Company

The Company may be dissolved at any time by a resolution of the general meeting of shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum

capital indicated in Article 6.1 of the Articles, the question of the dissolution of the Company shall be referred to a general meeting of shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares represented at the meeting.

The question of the dissolution of the Company shall also be referred to a general meeting of shareholders whenever the share capital falls below one-fourth of the minimum capital set by Article 6.1 of the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by shareholders holding one-fourth of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty days from the date that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the Regulatory Authority and appointed by the general meeting of shareholders that shall determine their powers and their compensation.

The net proceeds of liquidation of each Sub-Fund shall be distributed by the liquidators to the holders of Shares of the relevant Sub-Fund in proportion to their holding.

Should the Company be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the UCI Law, which specifies the steps to be taken to enable shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the “Caisse de Consignation” at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

### 3. Closure of Sub-Funds

#### 3.1 Closure decided by the Board of Directors

In the event that for any reason the value of the total net assets in any Sub-Fund has not reached or has decreased to an amount determined by the Board of Directors to be the minimum level for such Sub-Fund to be operated in an economically efficient manner, set for the time being at EUR 5,000,000.- or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation, the Board of Directors may decide to redeem all the Shares of the relevant Sub-Fund at the NAV per Share (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect and therefore close the relevant Sub-Fund.

The Management Company shall serve a written notice to the shareholders of the relevant Sub-Fund prior to the effective date for the compulsory redemption provided however that in no event shall such shareholders receive less than 30 days' prior notice. This notice will indicate the reasons and the procedure for the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between, the shareholders, the shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

### 3.2 Closure decided by the shareholders

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraphs, the general meeting of shareholders of any Sub-Fund may, upon proposal from the Board of Directors, redeem all the Shares of the relevant Sub-Fund and refund to the shareholders the NAV of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

### 3.3 Consequences of the closure

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for a period of six months thereafter; after such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

The liquidation of the last remaining Sub-Fund of the Company will result in the liquidation of the Company as referred to in the UCI Law.

## 4. Mergers

### 4.1 Merger decided by the Board of Directors

The Board of Directors may decide to proceed with a merger (within the meaning of the UCI Law) of the Company or of one of the Sub-Funds, either as receiving or absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the UCI Law, in particular concerning the merger project and the information to be provided to the shareholders, as follows:

#### a. Merger of the Company

The Board of Directors may decide to proceed with a merger of the Company, either as receiving or absorbed UCITS, with:

- another Luxembourg or foreign UCITS (the “New UCITS”); or
- a sub-fund thereof,

and, as appropriate, to redesignate the Shares of the Company as Shares of this New UCITS, or of the relevant sub-fund thereof as applicable.

In case the Company is the receiving UCITS (within the meaning of the UCI Law), solely the Board of Directors will decide on the merger and effective date thereof.

In case the Company is the absorbed UCITS (within the meaning of the UCI Law), and hence ceases to exist, the general meeting of the shareholders has to approve, and decide on the effective date of such merger by a resolution adopted with no quorum requirement at a simple majority of the votes validly cast.

### b. Merger of the Sub-Funds

The Board of Directors may decide to proceed with a merger of any Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- another existing Sub-Fund within the Company or another sub-fund within a New UCITS (the “New Sub-Fund”); or
- a New UCITS,

and, as appropriate, to redesignate the Shares of the Sub-Fund concerned as Shares of the New UCITS, or of the New Sub-Fund as applicable.

### 4.2 Merger decided by the shareholders

Notwithstanding the provisions under section 4.1 “Merger decided by the Board of Directors”, the general meeting of shareholders may decide to proceed with a merger (within the meaning of the UCI Law) of the Company or of one of the Sub-Funds, either as receiving or absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the UCI Law, in particular concerning the merger project and the information to be provided to the shareholders, as follows:

#### a. Merger of the Company

The general meeting of the shareholders may decide to proceed with a merger of the Company, either as receiving or absorbed UCITS, with:

- a New UCITS; or
- a new sub-fund thereof.

The merger decision shall be adopted by the general meeting of shareholders with no quorum requirement at a simple majority of the votes validly cast.

b. Merger of the Sub-Funds

The general meeting of the shareholders of a Sub-Fund may also decide to proceed with a merger of the relevant Sub-Fund, either as receiving or absorbed Sub-Fund, with:

- any New UCITS; or
- a New Sub-Fund,

by a resolution adopted with no quorum requirement at a simple majority of the votes validly cast.

4.3 Rights of the shareholders and costs to be borne by them

In all the merger cases under 4.1 and 4.2 above, the shareholders will in any case be entitled to request, without any charge other than those retained by the Company or the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their Shares, or, where possible, to convert them into units or shares of another UCITS pursuing a similar investment policy and managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by substantial direct or indirect holding, in accordance with the provisions of the UCI Law.

Any cost associated with the preparation and the completion of the merger shall neither be charged to the Company nor to its shareholders.



## APPENDIX IV: Documents available

Copies of the following documents may be obtained free of charge during usual business hours on any Business Day in Luxembourg at the Registered Office:

1. the Articles of the Company and any amendments thereto;
2. the relevant key information documents;
3. the following agreements:
  - the Agreement between the Company and the Management Company;
  - the Fund Administration Services Agreement between the Company and the Central Administration Agent;
  - the Registrar and Transfer Agent Services Agreement between the Company and the Registrar and Transfer Agent;
  - the Depositary and Paying Agent Services Agreement between the Company, the Management Company and the Depositary and Paying Agent;
  - the Investment Management Agreement between the Company and the Investment Manager;
  - the Distribution Agreement between the Management Company and the Distributor;
  - the latest reports and accounts referred to under the heading “Shareholder Meetings and Reports to Shareholders”.

The agreements referred to above may be amended by mutual consent between the parties thereto.