



*Société d'investissement à capital variable (SICAV)*

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

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

**Prospectus**

**31 March 2021**

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## 1. INTRODUCTION

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

The Fund is a public limited company (*société anonyme*) incorporated on 4 December 2015 under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

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

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

The Fund is registered with the Luxembourg Trade and Companies Register under number B 202249. The Articles of Incorporation will be published in the *Mémorial C, Recueil des Sociétés et Associations* of the Grand-Duchy of Luxembourg on 23 December 2015.

Neither delivery of the Prospectus nor anything stated herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale.

The information contained in this Prospectus is supplemented by the financial statements and further information contained in the latest Annual Report and Semi-Annual Report of the Fund, copies of which may be requested free of charge at the registered office of the Fund and on [www.smeadcap.com](http://www.smeadcap.com).

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

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 material facts the omission of which would make misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may be restricted or prohibited by law. No Shares may be acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. In particular, the Board of Directors has decided that US Persons would be considered as Prohibited Persons.

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

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

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

## **2. DIRECTORY**

### **Registered office of the Fund**

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

### **Board of Directors of the Fund**

Cole Smead, CFA (Chairman)  
Managing Director  
Smead Capital Management, Inc.  
Phoenix, AZ 85016  
USA

Steven LeMire  
Chief Compliance Officer  
Smead Capital Management, Inc.  
Phoenix, AZ 85016  
USA

Antonio Thomas  
Independent Director  
ARTAS S.à r.l.  
2A Rue Nicolas Bové  
L-1253 Luxembourg  
Grand Duchy of Luxembourg

### **Depository and Paying Agent**

State Street Bank International GmbH,  
Luxembourg Branch  
49, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### **Administrator**

State Street Bank International GmbH,  
Luxembourg Branch  
49, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### **Legal adviser as to matters of Luxembourg law**

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

### **Management Company**

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

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

Philippe Meloni  
Director

Carlo Sagramoso  
Director

Gianluigi Sagramoso  
Director

### **Investment Manager**

Smead Capital Management, Inc.  
2777 East Camelback Road, Suite 375  
Phoenix, AZ 85016  
USA

### **Global Distributor**

Smead Capital Management, Inc.  
2777 East Camelback Road, Suite 375  
Phoenix, AZ 85016  
USA

### **Auditor**

Ernst & Young S.A.  
35E, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### 3. DEFINITIONS

1915 Law	the Luxembourg law of 10 August 1915 on commercial companies, as may be amended from time to time.
1993 Law	the law of 5 April 1993 on the financial sector, as may be amended from time to time.
2004 Law	the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time.
2010 Law	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
Administration Agreement	the agreement entered into between the Fund, the Management Company and the Administrator governing the appointment of the Administrator, as may be amended or supplemented from time to time.
Administrator	the central administration, registrar and transfer, domiciliation and corporate agent appointed by the Management Company with the consent of the Fund in accordance with the provisions of the 2010 Law and the Administration Agreement, as identified in the Directory.
Annual Report	the report issued by the Fund as of the end of the latest financial year in accordance with the 2010 Law.
Articles of Incorporation	the articles of incorporation of the Fund, as may be amended from time to time.
Board of Directors	the board of directors of the Fund.
Brussels I (Recast)	Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).
Business Day	any day on which banks are open for non-automated business in Luxembourg and the New York Stock Exchange is open for business, and as may be specified for a Sub-Fund or Share Class in a Supplement. For the avoidance of doubt, banks in Luxembourg are considered to be open for business on half-closed bank business days in Luxembourg and the New York Stock Exchange is considered to be open for business on days on which the New York Stock Exchange is open for business during any part of such days.
Accumulation Shares	Shares with respect to which the Fund does not intend to distribute dividends.
CAD	the lawful currency of Canada.

CHF	the lawful currency of Switzerland.
CDSC	a contingent deferred sales charge which the Fund may charge if the investor redeems his Shares within the relevant period of time, specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Conversion Day	the day or days on which Original Shares may be converted into New Shares, being a day which is a Redemption Day for the Original Shares and, if that day is not a Subscription Day for the New Shares, the day which is the immediately following Subscription Day for the New Shares, provided that the Cut-Off Time for a Conversion Day shall be the earlier of the Cut-Off Time for redemption of the Original Shares on that Redemption Day and the Cut-Off Time for subscription to the New Shares on that Subscription Day. For the avoidance of doubt, the Conversion Day may be a different day for the Original Shares and the New Shares
Conversion Fee	a fee which the Fund may charge upon conversion of Shares and which is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.
Conversion Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the conversion of all or part of his Shares.
CRS	the Common Reporting Standard, within the meaning of the Standard for Automatic Exchange of Financial Account Information in Tax Matters, as set out in the Luxembourg law dated 18 December 2015 on the Common Reporting Standard.
CRS Law	the Luxembourg law dated 18 December 2015 on the Common Reporting Standard implementing Directive 2014/107/EU, as further described in section 11.6 ("CRS") below.
CSSF	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector.
Cut-Off Time	for any Subscription Day, Redemption Day or Conversion Day, the day and time by which an application for subscription, redemption or conversion, as applicable, must in principle be received by the Fund in order for the application to be processed, if accepted, by reference to the Net Asset Value per Share calculated as of that Subscription Day, Redemption Day or Conversion Day, as applicable. The Cut-Off Time is specified for each Sub-Fund or Share Class in the Supplement.



Depositary	the depositary bank appointed by the Fund in accordance with the provisions of the 2010 Law and the Depositary Agreement, as identified in the Directory.
Depositary Agreement	the agreement entered into between the Fund and the Depositary governing the appointment of the Depositary, as may be amended or supplemented from time to time.
Directive 2005/60/EC	Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing as may be amended from time to time,
Directive 2006/48/EC	Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast), as may be amended from time to time.
Directive 2013/34/EU	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as may be amended from time to time.
Distribution Shares	Shares with respect to which the Fund intends to distribute dividends and which confer on their holder the right to receive such dividends, if and when declared by the Fund.
Distributors	intermediaries appointed by the Fund or the Global Distributor to distribute the Shares.
Eligible Investor	an investor who is a FATCA Eligible Investor and who satisfies all additional eligibility requirements for a specific Sub-Fund or Share Class, as specified for the Sub-Fund or Share Class in the Supplement.
ESMA	the European Securities and Markets Authority.
EU	the European Union.
EUR	the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
FATCA	the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA).

FATCA Eligible Distributor	any distributor who is a participating FFI, a registered deemed-compliant FFI, a non-registering local bank or a restricted distributor, as each defined by the IGA, and who holds the shares in the Fund as a nominee of account holders or other beneficial owners.
FATCA Eligible Investor	any person, other than an individual, who is not a specified US person, non-participating FFI, or passive NFFE with one or more substantial U.S. owners, as each defined by the IGA, or any other FATCA Eligible Investor investing through a FATCA Eligible Distributor.
FATCA Law	the Luxembourg law of 24 July 2015, as amended, and as further described in section 11.5 (“FATCA”) below.
Feeder Fund	as the context indicates, a Sub-Fund or another UCITS or sub-fund thereof qualifying as a feeder fund in the meaning of the 2010 Law.
Full-time Business Day	any day on which banks are open the whole day for non-automated business in Luxembourg and the New York Stock Exchange is open for business the whole day,
Fund	Smead Funds.
GBP	the lawful currency of the United Kingdom.
Global Distributor	the global distribution agent appointed by the Management Company with the consent of the Fund in accordance with the provisions of the 2010 Law and the Global Distribution Agreement, as identified in the Directory.
Global Distribution Agreement	the agreement entered into between the Fund, the Management Company and the Global Distributor governing the appointment of the Global Distributor, as may be amended or supplemented from time to time.
HKD	the lawful currency of Hong Kong.
IGA	the intergovernmental agreement concluded between the Grand Duchy of Luxembourg and the United States of America on 28 March 2014 to improve international tax compliance and with respect to FATCA and implemented by the Luxembourg law dated 24 July 2015.
Initial Offer	the first day or period on or during which Shares of a Share Class will be or were available for subscription.
Initial Offer Price	the price at which Shares may be subscribed for on or during the Initial Offer.
Institutional Investor	an institutional investor as defined by the administrative practice of the CSSF.

Investment Management Agreement	the agreement entered into between the Fund, the Management Company and the Investment Manager governing the appointment of the Investment Manager, as may be amended or supplemented from time to time.
Investment Manager	the investment manager appointed by the Management Company with the consent of the Fund in accordance with the provisions of the 2010 Law and the Investment Management Agreement, as identified in the Directory.
Lugano Convention	the Convention of Lugano of 30 October 2007 on jurisdiction and the enforcement of judgments in civil and commercial matters.
Management Company	the management company appointed by the Fund in accordance with the provisions of the 2010 Law and the Management Company Agreement, as identified in the Directory.
Management Company Agreement	the agreement entered into between the Fund and the Management Company governing the appointment of the Management Company, as may be amended or supplemented from time to time.
Management Fee	the fee payable by the Fund partly to the Management Company and partly to the Investment Manager under the Management Company Agreement and the Investment Management Agreement, as described in section 9.3 (Management Fee) of this Prospectus.
Master Fund	as the context indicates, a Sub-Fund or another UCITS or sub-fund thereof qualifying as a master fund in the meaning of the 2010 Law.
Member State	a State that is a contracting party to the Agreement creating the European Union. The States that are contracting parties to the Agreement creating the European Economic Area, other than the Member States of the European Union, within the limits set forth by such Agreement and related acts, are considered as equivalent to Member States of the European Union.
MiFID	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, as may be amended from time to time.
Money Market Instrument	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
Net Asset Value	as the context indicates, the net asset value of the Fund, a Sub-Fund, or a Share Class determined in accordance with the provisions of this Prospectus.
Net Asset Value per Share	the Net Asset Value of a Share Class in a Sub-Fund divided by the total number of Shares of that Share Class which are in issue as of the Valuation Day for which the Net Asset Value per Share is calculated.

New Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
Non-Member State	any State, other than a Member State, in Europe, America, Africa, Asia or Oceania.
NSCC	the National Securities Clearing Corporation (NSCC) in the United States of America.
OECD	the Organisation for Economic Cooperation and Development.
Original Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
Paying Agent	the paying agent appointed by Management Company with the consent of the Fund, as identified in the Directory.
Privacy Notice	the Funds' privacy notice, as amended from time to time, which is an appendix to the Subscription Form and available on <a href="http://www.smeadcap.com">www.smeadcap.com</a> .
Prohibited Person	any person considered as a Prohibited Person in the opinion of the Board of Directors according to the criteria set out in the Articles of Incorporation and section 7.10 (Prohibited Persons) of the Prospectus.
Prospectus	this prospectus including all Supplements, as may be amended from time to time.
Redemption Day	a Valuation Day on which Shares may be redeemed by the Fund at a Redemption Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Redemption Days are specified for each Sub-Fund or Share Class in the Supplement.
Redemption Fee	a fee which the Fund may charge upon redemption of Shares, equal to a percentage of the Redemption Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Redemption Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the redemption of all or part of his Shares.
Redemption Price	the price at which the Fund may redeem Shares on a Redemption Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Redemption Day and in accordance with the provisions of this Prospectus.

Redemption Settlement Period	the period of time, as specified for each Sub-Fund or Share Class in the Supplement, by the end of which the Fund will normally pay the Redemption Price (less any Redemption Fee) to redeeming investors, subject to the further provisions of this Prospectus.
Reference Currency	as the context indicates, (i) in relation to the Fund, USD, or (ii) in relation to a Sub-Fund, the currency in which the assets and liabilities of the Sub-Fund are valued and reported, as specified in each Supplement, or (iii) in relation to a Sub-Fund or Share Class, the currency in which the Shares of that Sub-Fund or Share Class are denominated, as specified in each Supplement.
Regulated Market	a regulated market within the meaning of MiFID.
SEC	the U.S. Securities and Exchange Commission.
SEK	the lawful currency of Sweden.
Semi-Annual Report	the report issued by the Fund as of the first half of the current financial year in accordance with the 2010 Law.
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.
SGD	the lawful currency of the Republic of Singapore.
Share Class	a class of Shares of a Sub-Fund created by the Board of Directors, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus. For the purposes of this Prospectus, each Sub-Fund shall be deemed to comprise at least one Share Class.
Shares	shares of a Sub-Fund or Share Class issued by the Fund.
Sub-Fund	a sub-fund of the Fund, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus.
Subscription Day	a Valuation Day on which investors may subscribe for Shares at a Subscription Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Subscription Days are specified for each Sub-Fund or Share Class in the Supplement.
Subscription Fee	a fee which the Fund may charge upon subscription for Shares, equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Subscription Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to make an initial and/or additional application for subscription to Shares.
Subscription Price	the price at which investors may subscribe for Shares on a Subscription Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Subscription Day and in accordance with the provisions of this Prospectus.
Subscription Settlement Period	the period of time by the end of which the subscriber is required to pay the Subscription Price (plus any Subscription Fee) to the Fund. The Subscription Settlement Period is specified for each Sub-Fund or Share Class in the Supplement.
Supplement	the supplement(s) to this Prospectus for each specific Sub-Fund, which form part of this Prospectus.
Sustainability Risks	An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the respective Sub-Fund's investment.
Target Sub-Fund	a Sub-Fund into which another Sub-Fund has invested in accordance with the provisions of this Prospectus.
Transferable Security	shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.
UCI	undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in transferable securities and other liquid financial assets.
UCITS	undertaking for collective investment in transferable securities
UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast), as may be amended from time to time.
USD	the lawful currency of the United States of America.

US Person or United States Person unless otherwise specified in this Prospectus, any United States Person as defined in Regulation S under the United States Securities Act of 1933, which includes any resident of the United States, or any corporation, partnership or other entity created or organised in or under the laws of the United States (including any estate of any such person created or organised in the United States)

“United States Persons” or “US Persons” shall be construed accordingly. For the purposes of further clarity, the term US Person shall not include any person whose application has been approved by the Board of Directors in its sole discretion.

Valuation Day a Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.

## **4. INVESTMENT STRATEGY AND RESTRICTIONS**

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

### **4.1 Authorized investments**

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

- (A) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market.
- (B) Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognized and open to the public.
- (C) Transferable Securities and Money Market Instruments admitted to the official listing on a stock exchange in a Non-Member State or dealt in on another market in a Non-Member State which is regulated, operates regularly and is recognized and open to the public.
- (D) Recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or dealing on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section, and that such admission is secured within one year of issue.
- (E) Shares or units of UCITS or other UCI, whether or not established in a Member State, provided that the following conditions are satisfied:
  - (1) such other UCI are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - (2) the level of protection for shareholders or unitholders in such other UCI is equivalent to that provided for unitholders in a UCITS, and in particular the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (3) the business of the other UCI is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and
  - (4) no more than 10% of the assets of the UCITS or the other UCI whose acquisition is contemplated can, according to their constitutive



documents, be invested in aggregate in shares or units of other UCITS or other UCI.

- (F) Deposits with credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, which are repayable on demand or have the right to be withdrawn and maturing in no more than twelve months.
- (G) Financial derivative instruments, including equivalent cash-settled instruments, listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section, or financial derivative instruments dealt in over-the-counter (OTC) provided that:
  - (1) the underlying consists of assets covered by this section 4.1.1 including instruments with one or more characteristics of those assets, and/or financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objective;
  - (2) the counterparties to OTC derivatives are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - (3) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Fund.
- (H) Money Market Instruments other than those dealt in on a Regulated Market or on another regulated market referred to in paragraphs (A) to (C) of this section, provided that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and that such instruments are:
  - (1) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong;
  - (2) issued by an undertaking any securities of which are listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (A) to (C) of this section;
  - (3) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
  - (4) issued by other bodies provided that investments in such instruments are subject to investor protection equivalent to that set out in paragraphs (H)(1) to (H)(3) of this section and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in

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

- 4.1.2** Each Sub-Fund may invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those identified in paragraphs (A) to (D) and (H) of section 4.1.1.
- 4.1.3** Each Sub-Fund may hold ancillary liquid assets. Liquid assets held to cover exposure to financial derivative instruments do not fall under this restriction. Each Sub-Fund may exceptionally and temporarily hold liquid assets on a principal basis if the Board of Directors considers this to be in the best interest of its investors.
- 4.1.4** Each Sub-Fund may borrow up to 10% of its net assets on a temporary basis. Collateral arrangements to cover exposure to financial derivative instruments are not considered borrowings for the purposes of this restriction. Each Sub-Fund may also acquire foreign currency by means of a back-to-back loan.
- 4.1.5** The Fund may acquire movable and immovable property which is essential for the direct pursuit of its business. Each Sub-Fund may borrow up to 10% of its net assets for this purpose. However, the total amount of borrowing for this purpose and any borrowing on a temporary basis permitted by section 4.1.4 above may not exceed 15% of the net assets of the Sub-Fund.
- 4.1.6** Each Sub-Fund may invest into shares issued by other Sub-Funds of the Fund (called Target Sub-Funds) provided that, during the period of investment:
  - (A) the Target Sub-Fund does not, in turn, invest in the investing Sub-Fund and no more than 10% of the net assets of the Target Sub-Fund may be invested in other Sub-Funds;
  - (B) the voting rights attached to such Shares of the Target Sub-Fund are suspended; and
  - (C) the value of such Shares of the Target Sub-Fund will not be taken into consideration for the calculation of the Net Asset Value of the Fund for the purposes of verifying the minimum threshold of net assets imposed by the 2010 Law.

## **4.2 Prohibited investments**

- 4.2.1** The Sub-Funds may not acquire commodities or precious metals or certificates representing them or hold any right or interest therein. Investments in financial instruments linked to, or backed by the performance of, commodities or precious metals, or any right or interest therein, do not fall under this restriction.
- 4.2.2** Except as set out in section 4.1.5, the Sub-Funds may not invest in real estate or hold any right or interest in real estate. Investments in financial instruments linked to, or backed by the performance of, real estate or any right or interest therein, or shares or debt instruments issued by companies which invest in real estate or interests therein, do not fall under this restriction.

**4.2.3** The Sub-Funds may not grant loans or guarantees in favor of a third party. Such restriction will not prevent any Sub-Fund from investing in Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1 which are not fully paid-up. Furthermore, such restriction will not prevent any Sub-Fund from entering into repurchase, reverse repurchase or securities lending transactions as described in section 4.6 (Efficient portfolio management techniques) below.

**4.2.4** The Sub-Funds may not enter into uncovered sales of Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1.

### **4.3 Risk diversification limits**

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

#### **Transferable Securities and Money Market Instruments**

**4.3.2** No Sub-Fund may purchase additional Transferable Securities or Money Market Instruments of any single issuer if, upon such purchase:

(A) more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of such issuer; or

(B) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of its net assets.

**4.3.3** The limit of 10% set out in section 4.3.2, paragraph (A) is increased 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 ("Covered Bonds"). In particular, the proceeds from the issue of Covered Bonds must be invested, in accordance with applicable law, in assets which are capable of covering claims attached to such bonds until their maturity and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of accrued interest. To the extent a Sub-Fund invests more than 5% of its net assets in Covered Bonds the total value of such investments may not exceed 80% of its net assets. Covered Bonds are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (B).

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

**4.3.5 Notwithstanding the limits set out 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 a Member State, by one or more of its local authorities, by a member State of the OECD or the Group of Twenty (G20) such as the United States of America, by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China or by a public international body of which one or more Member States are members, provided that the Sub-Fund holds in its portfolio securities from at least six different issues and that securities from any issue do not account for more than 30% of the net assets of the Sub-Fund.**

#### **Financial derivative instruments and efficient portfolio management techniques**

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

#### **Bank deposits**

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

#### **Combined limits**

**4.3.8** Notwithstanding the individual limits set out in sections 4.3.2, 4.3.6 and 4.3.7, a Sub-Fund may not combine, where this would lead to an exposure of more than 20% of its net assets to a single body:

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

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

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

### **Sub-Funds replicating the composition of a financial index**

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

### **Shares or units of UCITS or other UCI**

- 4.3.14** Unless specified in its Supplement, no Sub-Fund is permitted to invest in aggregate more than 10% of its net assets in shares or units of UCITS or other UCI, as specified in its Supplement.

If specified in the Supplement that a Sub-Fund is permitted to invest in aggregate more than 10% of its net assets in shares or units of UCITS or other UCI, the following applies:

- (A) investments made in shares or units of a single other UCITS or other UCI may not exceed 20% of the net assets of the Sub-Fund; and
- (B) investments made in shares or units of other UCI may not, in aggregate, exceed 30% of the net assets of the Sub-Fund.
- 4.3.15** The underlying assets of the UCITS or other UCI into which a Sub-Fund invests do not have to be combined with any other direct or indirect investment of the Sub-Fund into such assets for the purposes of the limits set out in section 4.3 (Risk diversification limits) above.
- 4.3.16** If a Sub-Fund invests in shares or units of UCITS or other UCI that are managed, directly or by delegation, by the Management Company or by any other company which is linked to the Management Company by common management or control, or by a substantial direct or indirect holding, the Management Company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares or units of such UCITS or other UCI.
- 4.3.17** If a Sub-Fund invests a substantial proportion of its assets in UCITS or other UCI, the Supplement will disclose the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the UCITS or other UCI in which it intends to invest. The Fund will disclose in the Annual Report the maximum proportion of management fees charged to both the Sub-Fund itself and the UCITS or other UCI in which the Sub-Fund invests.

## **Derogation**

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

### **4.4 Control limits**

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

**4.4.2** No Sub-Fund may acquire more than:

- (A) 10% of the non-voting shares of the same issuer;
- (B) 10% of the outstanding debt securities of the same issuer;
- (C) 10% of the Money Market Instruments of any single issuer; or
- (D) 25% of the outstanding units of the same UCITS or other UCI.

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

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

- (A) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- (B) Transferable Securities and Money Market Instruments issued or guaranteed by any non-Member State;
- (C) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member States are members;
- (D) shares in the capital of a company which is incorporated under or organized pursuant to the laws of a non-Member State, provided that:
  - (1) such company invests its assets principally in securities issued by issuers having their registered office in that State;
  - (2) 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
  - (3) such company observes in its investments policy the restrictions set out in section 4.3 (Risk diversification limits) above (with the exceptions of sections 4.3.5 and 4.3.11 to 4.3.13) and sections 4.4.1 to 4.4.2; and
- (E) shares held by the Fund in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the

subsidiary is established, in regard to the redemption of shares at the request of shareholders exclusively on its or their behalf.

## **4.5 Financial derivative instruments**

### **4.5.1 General**

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

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

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

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

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

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

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

#### **4.5.2 OTC financial derivative instruments**

Each Sub-Fund may invest into financial derivative instruments that are traded ‘over-the-counter’ or OTC including, without limitation, total return swaps or other financial derivative instruments with similar characteristics, in accordance with its investment objective and policy and the conditions set out in this section 4.

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

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

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

#### **4.5.3 Derivatives referencing financial indices**

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

For the purposes of this Prospectus, a ‘financial index’ is an index which complies, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where justified by exceptional



market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

#### **4.6 Efficient portfolio management techniques**

Each Sub-Fund may opt to employ techniques and instruments (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 CSSF circulars 08/356 and 14/592, ESMA's guidelines on ETFs and other UCITS issues (ESMA/2014/937) and Regulation (EU) 2015/2365 – SFTR) relating to Transferable Securities and Money Market Instruments, such as securities lending, repurchase and reverse repurchase transactions, provided that such techniques and instruments are used for the purposes of efficient portfolio management. The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund. Where techniques and instruments are employed by a specific Sub-Fund, this intention will be set out in the Sub-Fund's Supplement.

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

Each Sub-Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary or the Investment Manager to the extent permitted under applicable laws and regulations, 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 or the Investment Manager, if applicable, will be available in the Annual Report. All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

##### **4.6.1 Securities lending**

Securities lending transactions consist of transactions whereby a Sub-Fund will lend a security to a counterparty for an agreed fee. Where specified in its Supplement, a Sub-Fund may enter into securities lending transactions as lender of securities or instruments. Securities lending transactions are, in particular, subject to the following conditions:

- (A) the counterparty must be a credit institution from an OECD member state subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law, be of good reputation and have a minimum rating of BBB. There are no specific requirements as to the legal status (i.e. the corporate form) of the counterparty;
- (B) a Sub-Fund may only lend securities to a borrower either directly, through a standardized system organized by a recognized clearing institution or through a lending system organized by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialized in this type of transaction; and

- (C) a Sub-Fund may only enter into securities lending transactions provided that it is entitled at any time, under the terms of the agreement, to request the return of the securities lent or to terminate the agreement.

#### **4.6.2 Repurchase and reverse repurchase transactions**

Repurchase agreements consist in transactions whereby a Sub-Fund will sell securities to a counterparty and agree to buy them back from the counterparty at an agreed price in the future. Reverse repurchase agreements consist in transactions whereby a Sub-Fund will purchase securities from a counterparty and agree to sell them back to the counterparty at an agreed price in the future. Each Sub-Fund may also enter into transactions that consist in the purchase or sale of securities with a clause giving the counterparty or the Sub-Fund, as applicable, the right to repurchase the securities from the Sub-Fund or the counterparty, as applicable, at a price and term specified by the parties in their contractual arrangements.

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

- (A) the counterparty must be a credit institution from an OECD member state subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law, be of good reputation and have a minimum rating of BBB. There are no specific requirements as to the legal status (i.e. the corporate form) of the counterparty; and
- (B) the Sub-Fund must be able, at any time, to terminate the agreement or recall the full amount of cash in a reverse repurchase agreement (on either an accrued basis or a mark-to-market basis) or any securities subject to a repurchase agreement. Fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund.

#### **4.7 Collateral policy**

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

##### **4.7.1 Eligible collateral**

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

- (A) collateral other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;

- (B) collateral should be valued at least on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further specified below;
- (C) collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (D) collateral should be sufficiently diversified in terms of countries, markets and issuers. The maximum exposure of a Sub-Fund to any given issuer included in the basket of collateral received is limited to 20% of the Net Asset Value of the Sub-Fund. When the Sub-Fund is exposed to different counterparties, collateral received should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, this limit may be exceeded and up to 100% of the collateral received by a Sub-Fund may consist in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one of its local authorities, by a member State of the OECD or the Group of Twenty (G20) such as the United States, or by the Republic of Singapore, or by the Hong Kong Special Administrative Region of the People's Republic of China, or by a public international body of which one or more Member States are members, provided that such securities or instruments are part of a basket of collateral comprised of securities or instruments of at least six different issues and that securities or instruments from any one issue do not account for more than 30% of the Net Asset Value of the Sub-Fund.
- (E) where there is a title transfer, collateral received in the form of securities should be held (safe-kept) by the Depositary or one of its sub-custodians to which the Depositary has delegated the custody of such collateral; cash may be held in a cash account with the Depositary or another bank or credit institution, subject to the conditions of the 2010 Law. For other types of collateral arrangement, collateral can be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral;
- (F) collateral should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty;
- (G) where applicable, collateral received should also comply with the control limits set out in section 4.4 (Control limits) above.

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

- (A) cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (B) high-quality government bonds;
- (C) shares or units issued by money market UCI calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (D) reverse repurchase agreements (provided the transactions are with credit institutions subject to prudential supervision and are callable at any time for the full amount of cash on an accrued basis).

**4.7.2 Level of collateral**

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

It is expected that the amount of collateral posted by a counterparty in favor of each Sub-Fund will be such that the net exposure of the relevant Sub-Fund to that counterparty arising from OTC financial derivatives transactions and efficient portfolio management techniques is aimed to be zero percent (0%) of its Net Asset Value on each Valuation Day: each Sub-Fund is expected to be fully collateralized.

**4.7.3 Haircut policy**

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Board of Directors. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer’s credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

In accordance with its haircut policy, the Board of Directors expects that the discount percentages specified in the table below will be used in the calculation of the value of collateral received by the Sub-Fund:

Category of collateral	Haircut percentage
Cash in eligible currencies (EUR, GBP, USD)	0%
Government bonds	1% minimum, to be determined based on the remaining maturity
Other permitted forms of collateral	2% minimum, to be determined on a case-by-case basis

**4.7.4 Stress tests**

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

#### **4.7.5 Reinvestment of collateral**

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

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

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

#### **4.8 Global exposure limits**

##### **4.8.1 General**

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

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

##### **4.8.2 Commitment approach**

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

### **4.8.3 VaR approach**

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

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

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

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

### **4.9 Leverage**

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

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

The “sum of notionals” methodology, which is mandatory under applicable laws and regulations, does not allow for the offset of hedging transactions and other risk mitigation strategies involving financial derivative instruments, such as currency hedging or duration management. Similarly, the “sum of notionals” methodology does not allow for the netting of derivative positions. As a result, strategies that aim to reduce risks may contribute to an increased level of leverage for the Sub-Fund.

#### **4.10 Breach of investment limits**

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

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

## **5. GENERAL RISK FACTORS**

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

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

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

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

### **5.1 Market risk**

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

#### **5.1.1 Economic risk**

The value of investments held by a Sub-Fund may decline in value due to factors affecting financial markets generally, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The value of investments may also decline due to factors affecting a particular, industry, area or sector, such as changes in production costs and competitive conditions. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict.



When the economy performs well, there can be no assurance that investments held by a Sub-Fund will benefit from the advance.

### **5.1.2 Interest rate risk**

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

### **5.1.3 Foreign exchange risk**

Each Sub-Fund investing in securities denominated in currencies other than its Reference Currency may be subject to foreign exchange risk. As the assets of each Sub-Fund are valued in its Reference Currency, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in such other currencies. Foreign exchange exposure may increase the volatility of investments relative to investments denominated in the Reference Currency. In accordance with its investment objective and policy, a Sub-Fund may attempt to hedge or reduce foreign exchange risk, generally through the use of derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

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

### **5.1.4 Credit risk**

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

### **5.1.5 Volatility**

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

### **5.1.6 Leverage**

Leverage refers to the use of borrowed funds or financial derivative instruments to increase exposure to an asset in excess of the capital amount invested in that asset. Each Sub-Fund is subject to strict restrictions on borrowings which are generally not permitted for investment purposes. However, in accordance with its investment objective and policy, a Sub-Fund may use financial derivative instruments to gain additional market exposure to underlying assets in excess of its Net Asset Value, thereby creating a leverage effect. While leverage presents opportunities for increasing gains of a Sub-Fund, it also has the effect of potentially increasing losses incurred by the Sub-Fund. The maximum expected level of leverage of each Sub-Fund calculating its global exposure under the VaR approach is disclosed in the Supplement. For regulatory purposes, leverage must be calculated by reference to the gross notional amounts of the derivatives used. This calculation method does not take into account the market risk and volatility of the underlying assets. A relatively high notional amount may be required in order to achieve the desired level of exposure to the underlying assets. This may be the case in particular for short-term interest rate derivatives to the extent their sensitivity to interest rate changes is low relative to other assets.

## **5.2 Liquidity risk**

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

## **5.3 Counterparty risk**

Counterparty risk refers to the risk of loss for a Sub-Fund resulting from the fact that the counterparty to a transaction entered into by the Sub-Fund may default on its contractual obligations. There can be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Sub-Fund. This risk may arise at any time the assets of a Sub-Fund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a

Sub-Fund has deposited cash with a financial institution, invests into debt securities and other fixed income instruments, enters into OTC financial derivative instruments, or enters into securities lending, repurchase and reverse repurchase agreements.

## **5.4 Operational risk**

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

### **5.4.1 Valuation**

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

### **5.4.2 Laws and regulations**

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

### **5.4.3 FATCA and CRS**

Under the terms of the FATCA Law and CRS Law (as defined in sections 11.5 and 11.6 below), the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Although the Fund will attempt to satisfy any obligations as necessary to avoid any withholding tax and/or penalties under the FATCA Law or penalties or fines under the CRS Law, there can be no assurance that the Fund will be able to satisfy these obligations. If the Fund becomes subject to withholding tax and/or penalties as a result of the FATCA regime or to penalties or fines under the CRS regime, the value of the Shares held by its shareholders may suffer material losses.

Furthermore, the Fund may also be required to withhold tax on certain payments to its shareholders who would not be compliant with FATCA (i.e. the so-called foreign passthru payments withholding tax obligation).

#### **5.4.4 Segregation of Sub-Funds**

The Fund is a single legal entity incorporated as an "umbrella fund" comprised of separate Sub-Funds. Under Luxembourg law, each Sub-Fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Fund arising in respect of the creation, operation or liquidation of a Sub-Fund will be limited to the assets allocated to that Sub-Fund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognize the principle of segregation of liability between Sub-Funds. Moreover, under Luxembourg law, there is no legal segregation of assets and liabilities between Share Classes of the same Sub-Fund. In the event that, for any reason, assets allocated to a Share Class become insufficient to pay for the liabilities allocated to that Share Class, the assets allocated to other Share Classes of the Sub-Fund will be used to pay for those liabilities. As a result, the Net Asset Value of the other Share Classes may also be reduced.

### **5.5 Certain financial instruments and investment techniques**

#### **5.5.1 OTC financial derivative instruments**

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

The principal risk when engaging in OTC financial derivative instruments (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honor its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not *bona fide*) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favor of the Sub-Fund.

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

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not

subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

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

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

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

### **5.5.2 Securities lending, repurchase and reverse repurchase transactions**

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

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

Securities lending, repurchase or reverse repurchase transactions also entail liquidity risks due, *inter alia*, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Sub-Fund may also incur operational risks, such as, *inter alia*, non-settlement or delay in settlement of instructions, failure or delays in

satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

### **5.5.3 Collateral management**

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending, repurchase and reverse repurchase agreements is generally mitigated by the transfer or pledge of collateral in favor of the Sub-Fund. However, transactions may not be fully collateralized. Fees and returns due to the Sub-Fund may not be collateralized. 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 realize 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.

## 6. MANAGEMENT AND ADMINISTRATION

### 6.1 The Board of Directors

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

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

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

### 6.2 The Management Company

Pursuant to an agreement effective as of 1<sup>st</sup> October 2020 (the "**Management Company Agreement**"), the Fund has appointed Lemanik Asset Management S.A. (the "**Management Company**"), as its designated management company in accordance with the 2010 Law.

Lemanik Asset Management S.A. was incorporated on 1 September 1993 as a public limited company (société anonyme) under Luxembourg law, for an indefinite period.

Its share capital currently stands at two million euros (EUR 2,000,000.-).

The Management Company is in charge of the collective management of the Fund's portfolio. Its main business activity is to provide collective portfolio management services to the Fund and other funds and perform the functions of a UCITS management company in accordance with the 2010 Law.

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

For the purpose of a more efficient conduct of its business, as outlined below, the Management Company has delegated some of these duties to investment managers and other appropriately qualified and experienced specialist delegates. The delegated functions shall remain under the supervision and responsibility of the Management Company and the delegation shall not prevent the Management Company from acting, or the Fund from being managed, in the best interests of the investors. The delegation to third parties is subject to the prior approval of the CSSF.

The Management Company Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The

Management Company Agreement may also be terminated on shorter notice in certain circumstances. The Management Company Agreement contains provisions exempting the Management Company from liability and indemnifying the Management Company in certain circumstances. However, the liability of the Management Company towards the Fund will not be affected by any delegation of functions by the Management Company.

### **Remuneration Policy**

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

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

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [http://www.lemanigroup.com/management-company-service\\_substance\\_governance.cfm](http://www.lemanigroup.com/management-company-service_substance_governance.cfm).

A paper copy of the Remuneration Policy is available free of charge to the shareholders upon request.

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

In particular, the Remuneration Policy will ensure that:

- a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- b) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
- d) the assessment of performance is set in a multi-year framework in order to ensure that the assessment process is based on the longer-term performance of the Fund and its employees and that the actual payment of performance-based components of remuneration is spread over the same period;
- e) the variable remuneration to individuals is paid in a manner that does not facilitate avoidance of the requirement of the 2010 Law; and
- f) the remuneration in relation to the cancellation of a contract will be defined to the extent of the duties performed and avoiding the reward of failure or bad performance.



In context of delegation, the Management Company will ensure that the delegate has in place a remuneration policy and practices which are consistent with the requirements of articles 111*bis* and 111*ter* of the 2010 Law, and article 14a of the UCITS Directive.

### **6.3 The Investment Manager**

With the consent of the Fund, the Management Company has appointed Smead Capital Management, Inc. as Investment Manager for the Fund pursuant to the Investment Management Agreement.

Smead Capital Management, Inc. is a corporation organized under the laws of the State of Washington, in the United States of America. The Investment Manager is registered as an investment adviser with the SEC under the United States Investment Advisers Act of 1940, and is authorized to provide discretionary and nondiscretionary asset management services. Its main business activity is discretionary asset management. Its clients include both regulated entities, such as UCITS (Undertakings for Collective Investment in Transferable Securities) formed in Europe or U.S. investment companies registered with the SEC under the United States Investment Company Act of 1940, and unregulated clients, such as private funds and separate accounts.

Until 22 February 2016, Smead Capital Management, Inc. performed the tasks of investment manager and as such was in charge of the effective investment management of Pareturn Smead US Value Fund, a sub-fund of Pareturn, a Luxembourg investment company with variable capital (*Société d'Investissement à Capital Variable*, SICAV) subject to Part I of the 2010 Law, which was merged into the Fund's Sub-Fund "Smead US Value UCITS Fund" on that date and which pursued the same investment strategy.

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

The Investment Management Agreement has no fixed duration and the Fund and the Investment Manager may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Investment Management Agreement may also be terminated by either party on shorter notice in certain circumstances, for instance where one party commits any breach of its obligations under the Investment Management Agreement and fails to make good such breach within thirty (30) days of receipt of notice by the other party. The Investment Management Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors.

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

## **6.4 The Global Distributor**

With the consent of the Fund, the Management Company has also appointed Smead Capital Management, Inc. as the Global Distributor pursuant to the Global Distribution Agreement. The Global Distributor shall appoint distributors, and any distributor who acts as nominee must qualify as a FATCA Eligible Distributor. The Global Distributor will not act as nominee.

The relationship between the Fund, the Management Company and the Global Distributor is subject to the terms of the Global Distribution Agreement. Under the terms of the Global Distribution Agreement, the Global Distributor is responsible for the marketing and distribution of the Shares in Luxembourg and other jurisdictions approved by the Board of Directors. The Global Distributor has the authority to appoint distributors and sales agents on behalf of the Fund to market and distribute the Shares.

The Global Distribution Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months' prior written notice. The Global Distribution Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits any breach of its obligations under the Global Distribution Agreement and in the case of a breach capable of remedy, fails to remedy such breach within thirty days after receipt of written notice by the other party. The Global Distribution Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors.

Any Distributor who holds Shares in the Fund as nominee of account holders or other beneficial owners is required to notify the Fund and its Administrator of a change in its FATCA status within 90 days of such change.

## **6.5 The Depositary**

The Fund has appointed State Street Bank International GmbH, acting through its Luxembourg Branch as its Depositary within the meaning of the 2010 Law pursuant to the Depositary Agreement. State Street Bank International GmbH is a limited liability company organized under the laws of Germany, having its registered office at Brienner Str. 59, 80333 München, Germany and registered with the commercial register court, Munich under number HRB 42872. It is a credit institution supervised by the European Central Bank (ECB), the German Federal Financial Services Supervisory Authority (BaFin) and the German Central Bank. State Street Bank International GmbH, Luxembourg Branch is authorized by the CSSF in Luxembourg to act as depositary and is specialized in depositary, fund administration, and related services. State Street Bank International GmbH, Luxembourg Branch is registered in the Luxembourg Commercial and Companies' Register (RCS) under number B 148 186. State Street Bank International GmbH is a member of the State Street group of companies having as their ultimate parent State Street Corporation, a US publicly listed company.

### **Depositary's functions**

The relationship between the Fund and the Depositary is subject to the terms of the Depositary Agreement. Under the terms of the Depositary Agreement, the Depositary is entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares/Units are carried out in accordance with applicable law and the management regulations/articles of incorporation.
- ensuring that the value of the Shares/Units is calculated in accordance with applicable law and the management regulations/articles of incorporation.

- carrying out the instructions of the Management Company/the Fund unless they conflict with applicable law and the management regulations/articles of incorporation.
- ensuring that in transactions involving the assets of the Fund any consideration is remitted within the usual time limits.
- ensuring that the income of the UCITS is applied in accordance with applicable law and the management regulations/articles of incorporation.
- monitoring of the Fund's cash and cash flows
- safe-keeping of the Fund's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

### **Depository's liability**

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depository shall return financial instruments of identical type or the corresponding amount to the Fund acting on behalf of the Fund without undue delay.

The Depository shall not be liable if it can prove that the loss of a financial instrument held in custody 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 pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the shareholders may invoke the liability of the Depository directly or indirectly through the Fund provided that this does not lead to a duplication of redress or to unequal treatment of the shareholders.

The Depository will be liable to the Fund for all other losses suffered by the Fund as a result of the Depository's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depository shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depository of its duties and obligations.

### **Delegation**

The Depository has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depository's liability shall not be affected by any delegation of its safe-keeping functions under the Depository Agreement.

The Depository has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at One Lincoln Street, Boston, Massachusetts 02111, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Fund or at the following internet site: <http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>.

## **Conflicts of Interest**

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

- i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Fund;
- ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Fund, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;
- iv) may provide the same or similar services to other clients including competitors of the Fund;
- v) may be granted creditors' rights by the Fund which it may exercise.

The Fund may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund.

Where cash belonging to the Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Management Company may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

- i) conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the

Depository may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;

- ii) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- iii) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depository as its counterparty, which might create incentive for the Depository to act in its self-interest, or other clients' interests to the detriment of clients; and
- iv) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depository shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its shareholders.

The Depository has functionally and hierarchically separated the performance of its depository tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depository issues to be properly identified, managed and monitored. Additionally, in the context of the Depository's use of sub-custodians, the Depository imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depository further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depository internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depository, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depository, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to shareholders on request.

## **6.6 The Administrator**

With the consent of the Fund, the Management Company has appointed State Street Bank International GmbH, acting through its Luxembourg Branch also as administrative, registrar and transfer agent and as domiciliary and corporate agent of the Fund (the Administrator) pursuant to the Administration Agreement.

The relationship between the Fund, the Management Company and the Administrator is subject to the terms of the Administration Agreement. Under the terms of the Administration Agreement, the Administrator will carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, calculate the Net Asset Value per Share, maintain the accounting records of the Fund, as well as process all subscriptions, redemptions, conversions, and transfers of Shares, and register these transactions in the register of shareholders. In addition, as registrar and transfer agent of the Fund, the Administrator is also responsible for collecting the required information and performing verifications on investors to comply with applicable anti-money laundering rules and regulations.

The Fund has also appointed the Administrator as Paying Agent pursuant to the Administration Agreement.

The Administrator is not responsible for any investment decisions of the Fund or the effect of such investment decisions on the performance of the Fund.

The Administration Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than ninety (90) calendar days' prior written notice. The Administration Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of a material clause of the Administration Agreement. The Administration Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Administration Agreement contains provisions exempting the Administrator from liability and indemnifying the Administrator in certain circumstances. However, the liability of the Administrator towards the Management Company and the Fund will not be affected by any delegation of functions by the Administrator.

## **6.7 The Auditor**

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

## **6.8 Conflicts of interest**

The Board of Directors, the Management Company, the Investment Manager, the Depositary, the Administrator and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

As further described in the Articles of Incorporation, any director of the Fund who has, directly or indirectly, an interest in a transaction submitted to the approval of the Board of Directors which conflicts with the Fund's interest, must inform the Board of Directors. The director may not take part in the discussions on and may not vote on the transaction.

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

## **6.9 Best Execution and Commission Sharing Arrangements**

Purchases of portfolio securities for the Fund may be effected through broker-dealers (including banks) that specialize in the types of securities that the Fund will be holding, unless better executions are available elsewhere. When choosing or recommending broker-dealers to execute securities transactions on behalf of the Fund, it is the Investment Manager's policy to seek best execution. In order to ensure that the Investment Manager is meeting its duty of best execution, the Chief Operating Officer of the Investment Manager will periodically review the quality of brokerage services provided by those broker-dealers the Investment Manager uses or recommends to the Fund.

In placing portfolio transactions, the Investment Manager will use reasonable efforts to choose broker-dealers capable of providing the services necessary to obtain the most favorable price and execution available. The full range and quality of services available will be considered in making these determinations such as the size of the order, the difficulty of execution, the operational facilities of the firm involved, the firm's risk in positioning a block of securities, and other factors. In those instances where it is reasonably determined that more than one broker-dealer can offer the services needed to obtain the most favorable price and

execution available, consideration may be given to those broker-dealers that furnish or supply research and statistical information to the Investment Manager that it may lawfully and appropriately use in its investment management capacities, as well as provide other brokerage services in addition to execution services. The Investment Manager considers such information, which is in addition to and not in lieu of the services required to be performed by it under its Investment Management Agreement with the Fund and the Management Company, to be useful in varying degrees, but of indeterminable value. Portfolio transactions may also be placed with broker-dealers in which the Investment Manager has invested on behalf of the Fund and/or client accounts.

While it is the Investment Manager's general policy to first seek to obtain the most favorable price and execution available in selecting a broker-dealer to execute portfolio transactions for the Fund, weight is also given to the ability of a broker-dealer to furnish brokerage and research services to the Fund or to the Investment Manager, even if the specific services are not directly useful to the Fund and may be useful to the Investment Manager in advising other clients. In negotiating commissions with a broker or evaluating the spread to be paid to a dealer, the Fund may therefore pay a higher commission or spread than would be the case if no weight were given to the furnishing of these supplemental services, provided that the amount of such commission or spread has been determined in good faith by the Investment Manager to be reasonable in relation to the value of the brokerage and/or research services provided by such broker-dealer. The standard of reasonableness is to be measured in light of the Investment Manager's overall responsibilities to the Fund.

Other clients of the Investment Manager may indirectly benefit from the provision of these services to the Investment Manager, and the Fund may indirectly benefit from services provided to the Investment Manager as a result of transactions for other clients.

Investment decisions for the Fund are made independently from those of other client accounts. Nevertheless, it is possible that at times identical securities will be acceptable for both the Fund and one or more of such client accounts. In such event, the position of the Fund and such client account(s) in the same issuer may vary and the length of time that each may choose to hold its investment in the same issuer may likewise vary. However, to the extent any of these client accounts seek to acquire the same security as the Fund at the same time, the Fund may not be able to acquire as large a portion of such security as it desires, or it may have to pay a higher price or obtain a lower yield for such security. Similarly, the Fund may not be able to obtain as high a price for, or as large an execution of, an order to sell any particular security at the same time. If one or more of such client accounts simultaneously purchases or sells the same security that the Fund is purchasing or selling, each day's transactions in such security will be allocated between the Fund and all such client accounts in a manner deemed equitable by the Investment Manager, taking into account the respective sizes of the accounts and the amount being purchased or sold and consistent with the policies of the Investment Manager. It is recognized that in some cases this system could have a detrimental effect on the price or value of the security insofar as the Fund is concerned. In other cases, however, it is believed that the ability of the Fund to participate in volume transactions may produce better executions for the Fund. Notwithstanding the above, the Investment Manager may execute buy and sell orders for accounts and take action in performance of its duties with respect to any of its accounts that may differ from actions taken with respect to another account, so long as the Investment Manager shall, to the extent practical, allocate investment opportunities to accounts, including the Fund, over a period of time on a fair and equitable basis and in accordance with applicable law.

The Fund draws the investors' attention to the fact that investors may consult the Annual Report for specific, individual figures concerning best execution and commission sharing

arrangements as well as to the possibility of requesting information in relation hereto by contacting the Chief Compliance Officer of the Investment Manager.



## **7. SHARES**

### **7.1 Shares, Sub-Funds and Share Classes**

#### **7.1.1 Shares**

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

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

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

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

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

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

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

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

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

### **7.1.2 Sub-Funds**

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

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

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

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

### **7.1.3 Share Classes**

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

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

Currency Hedged Share Classes involve certain risks, as described in section 5 (General Risk Factors) above. For the avoidance of doubt, certain Share Classes may qualify as Currency Hedged Share Classes.

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

Class. The Supplement will indicate the duration of each Share Class and its extension, where applicable.

Additional Share Classes may be established in any Sub-Fund from time to time without the approval of investors. New Share Classes will be added to the relevant Supplement. Such new Share Classes may be issued on terms and conditions that differ from the existing Share Classes. The list and details of the Share Classes established within each Sub-Fund, if any, are set out in the Supplements. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Global Distributor upon request and on [www.smeadcap.com](http://www.smeadcap.com).

#### **7.1.4 Changes to Sub-Funds and Share Classes**

The rights and restrictions attached to Shares may be modified from time to time, subject to the provisions of the Articles of Incorporation. Any changes to the Articles of Incorporation will require a resolution of the general meeting of shareholders, as further described in section 10.3 (Meetings of shareholders) below.

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

#### **7.2 Dividend distribution policy**

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

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

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

Unless otherwise requested by an investor, dividends declared with respect to Distribution Shares will be reinvested in Shares of the same Share Class and investors will be advised of the details by a dividend statement.

No interest shall be paid on dividend distributions declared by the Fund which have not been claimed. Dividends not claimed within five years of their declaration date will lapse and revert to the relevant Share Class.

### **7.3 Eligible Investors**

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

Specifically, the Fund may not issue any Shares to specified US persons, non-participating foreign financial institutions, or passive non-financial foreign entities with one or more substantial US-owners, as each defined by the IGA. In this regard, the Board of Directors has decided that any investor not qualifying as an Eligible Investor, which includes any investor not qualifying as a FATCA Eligible Investor (*inter alia*, specified US-person, non-participating foreign financial institution, or passive non-financial foreign entity with one or more substantial US-owners, as each defined by the IGA), will be considered as a Prohibited Person, in addition to those persons described in section 7.10 (Prohibited Persons) below. The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons and especially non FATCA Eligible Investors. The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons in accordance with the procedure set out in this Prospectus (see section 7.10 (Prohibited Persons) below).

### **7.4 Subscription for Shares**

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

#### **7.4.1 Subscription application**

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

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

Investors wishing to subscribe for Shares of a Sub-Fund or Share Class will be requested to complete a Subscription Form in which they commit to subscribe and pay for the Shares. The

liability of each investor in respect of the Shares subscribed will be limited to the Subscription Price (plus any Subscription Fee). The Subscription Form must be submitted to the Administrator or a Distributor following the instructions on such form. The Fund may also accept subscriptions transmitted via electronic means (e.g., via fax, SWIFT, or the National Securities Clearing Corporation (NSCC)). The Subscription Form is available from the Administrator or a Distributor on request or on [www.smeadcap.com](http://www.smeadcap.com).

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

Applications must be submitted to the Administrator by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day. Earlier Cut-Off Times may apply for applications submitted to Distributors. Investors are advised to contact their Distributor to find out which Cut-Off time is applicable to them. Applications received by the Administrator after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Subscription Day. However, the Fund may accept subscription applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

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

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

#### **7.4.2 Settlement of subscription**

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

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

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

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

### **7.4.3 Subscription in kind**

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

## **7.5 Redemption of Shares**

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

### **7.5.1 Redemption application**

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

The Fund may charge a Redemption Fee on redemptions of Shares, as set out in section 9.1 (Subscription Fee and Redemption Fee) below, which will be deducted from the payment of the Redemption Price. The Redemption Fee is equal to a maximum percentage of the

Redemption Price or such other amount as specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Investors wishing to redeem their Shares in part or in whole must submit a Redemption Form. The Redemption Form must be submitted to the Administrator or a Distributor following the instructions on such form. The Fund may also accept redemptions transmitted via electronic means (e.g., via fax, SWIFT, or the National Securities Clearing Corporation (NSCC)). The Redemption Form is available from the Administrator or a Distributor on request or on [www.smeadcap.com](http://www.smeadcap.com).

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

Applications must be submitted to the Administrator by the Cut-Off Time for the Redemption Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Redemption Price applicable to that Redemption Day. Earlier Cut-Off Times may apply for applications submitted to Distributors. Investors are advised to contact their Distributor to find out which Cut-Off time is applicable to them. Applications received by the Administrator after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Redemption Day. However, the Fund may accept redemption applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

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

### **7.5.2 Settlement of redemption**

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

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

The Fund reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period when there is insufficient liquidity or in other exceptional circumstances. If redemption proceeds cannot be paid by the end of the

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

### **7.5.3 Redemption in kind**

The Fund may, in order to facilitate the settlement of substantial redemption applications or in other exceptional circumstances, propose to an investor a “redemption in kind” whereby the investor receives a portfolio of assets of the Sub-Fund of equivalent value to the Redemption Price (less any Redemption Fee). In such circumstances the investor must specifically consent to the redemption in kind and may always request a cash redemption payment instead. In proposing or accepting a request for redemption in kind at any given time, the Fund shall take into account the interest of other investors of the Sub-Fund and the principle of fair treatment. Where the investor accepts a redemption in kind, he will receive a selection of assets of the Sub-Fund. To the extent required by applicable laws and regulations, any redemption in kind will be valued independently in a special report issued by the Auditor or any other authorized statutory auditor (*réviseur d'entreprises agréé*) agreed by the Fund. The Fund and the redeeming investor will agree on specific settlement procedures. Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all investors of the Sub-Fund.

## **7.6 Conversion of Shares**

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

### **7.6.1 Conversion application**

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

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

The Fund may charge a Conversion Fee on conversions of Shares, as set out in section 9.1 (Subscription Fee and Redemption Fee) below and specified in the Supplement. For the



avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Investors wishing to convert their Shares must submit a Conversion Form. The Conversion Form must be submitted to the Administrator or a Distributor following the instructions on such form. The Fund may also accept conversions transmitted via electronic means (e.g., via fax, SWIFT, or the National Securities Clearing Corporation (NSCC)). The Conversion Form is available from the Administrator or a Distributor on request or on [www.smeadcap.com](http://www.smeadcap.com).

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

Applications must be submitted to the Administrator by the Cut-Off Time for the Conversion Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at a conversion rate based on the respective Net Asset Values of the Original Shares and the New Shares on the Conversion Day. Earlier Cut-Off Times may apply for applications submitted to Distributors. Investors are advised to contact their Distributor to find out which Cut-Off time is applicable to them. Applications received by the Administrator after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Conversion Day. However, the Fund may accept conversion applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

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

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

### **7.6.2 Conversion rate**

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

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

where:

A is the number of New Shares to be allocated;

B is the number of Original Shares to be converted into New Shares;

- C is the Net Asset Value per Share of the Original Shares for the Conversion Day;
- D is the exchange rate, as determined by the Fund, between the Reference Currency of the Original Shares and that of the New Shares. Where the Reference Currencies are the same, D equals one (1); and
- E is the Net Asset Value per Share of the New Shares for the Conversion Day.

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

## **7.7 Transfer of Shares**

### **7.7.1 Conditions and limitations on transfer of Shares**

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

Specifically, investors are explicitly prohibited to sell or otherwise transfer any Shares in the Fund to specified US persons, non-participating foreign financial institutions, or passive non-financial foreign entities with one or more substantial US-owners, as each defined by the IGA.

In case an investor appears to be a specified US-person, non-participating financial institution, or passive non-financial foreign entity with one or more substantial US- owners, as each defined by the IGA, the Fund may charge such investor with any taxes or penalties imposed on the Fund attributable to such investor's non-compliance under the IGA, and the Fund may, in its sole discretion, redeem such Shares.

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

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

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

## **7.7.2 Trading of Shares on a stock exchange**

Shares of certain Share Classes may be listed and admitted to trading on the Luxembourg Stock Exchange or other market segments or stock exchanges as the Fund may determine from time to time. The Supplement will specify if Shares are or are intended to be listed. Although the Shares must be freely negotiable and transferable upon their listing and admission to trading on such stock exchanges (and trades carried out on such stock exchanges cannot be cancelled by the Fund) the restrictions of ownership and conditions on holding Shares (as set out in this Prospectus and the Articles of Incorporation) will nevertheless apply to any person to which Shares are transferred on such stock exchanges. The holding at any time of any Shares by, on behalf of or for the account or benefit of, a Prohibited Person may result in the compulsory redemption of such Shares in accordance with the provisions of this Prospectus and the Articles of Incorporation.

The listing and admission to trading on such stock exchanges does not constitute a warranty or representation by the stock exchange as to the competence of the service providers to or any other party connected with the Fund or the suitability of the Fund for investment or for any other purpose.

## **7.8 Special considerations**

### **7.8.1 Minimum subscription and holding amounts**

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

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

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

Alternatively, the Fund has the discretion, from time to time, to waive any applicable minimum initial subscription amount, minimum additional subscription amount and/or minimum holding amount provided that investors are treated fairly.

### **7.8.2 Minimum or maximum level of assets under management**

The Fund may decide to cancel the launch of a Sub-Fund or Share Class before the end of the Initial Offer where that Sub-Fund or Share Class has not reached the minimum or expected level of assets under management for such Sub-Fund or Share Class to be

operated in an economically efficient manner. In such event, applications for subscription will be refused and subscription proceeds previously received by the Fund will be returned to the applicant.

Where applications for redemptions or conversions out of a Sub-Fund or Share Class on a particular Redemption Day or Conversion Day represent the total number of Shares in issue in that Sub-Fund or Share Class, or the remaining number of Shares in issue after such redemptions or conversions would represent a total Net Asset Value below the minimum level of assets under management required for such Sub-Fund or Share Class to be managed and/or administered in an efficient manner, the Fund may decide to terminate and liquidate the Sub-Fund or Share Class in accordance with the procedure set out in section 10.10 (Liquidation) below. In such a case, all remaining Shares of the Sub-Fund or Share Class will be redeemed.

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

### **7.8.3 Suspension of issue, redemption or conversion of Shares**

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

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

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

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

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

## **7.9 Late trading, market timing and other prohibited practices**

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

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

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

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

## **7.10 Prohibited Persons**

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

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

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

The Board of Directors has also decided that any person not qualifying as an Eligible Investor, which includes any person not qualifying as a FATCA Eligible Investor, will be considered as a Prohibited Person. Furthermore, the Board of Directors has decided that any person who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, directly or indirectly, as described in section 7.9 (Late trading, market timing and other prohibited practices) above, will be considered as a Prohibited Person.

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

The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons. In such cases, the Fund will notify the investor of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Redemption Day on which the compulsory redemption will occur. The Redemption Price shall be determined in accordance with section 7.5 (Redemption of Shares) above.

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

The Fund reserves the right to require the investor to indemnify the Fund against any losses, costs or expenses arising as a result of any Shares being held by, on behalf or for the account or benefit of, a Prohibited Person. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

#### **7.11 Prevention of money laundering**

The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing, including in particular with the 2004 Law, and implementing regulations and CSSF circulars adopted from time to time. In particular, pursuant to the 1993 Law, the 2004 Law and CSSF Regulation 12-02, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering purposes. As a consequence thereof, anti-money laundering measures in force in the Grand Duchy of Luxembourg require the Fund, on a risk sensitive basis, to establish and verify the identity of subscribers for Shares (as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) and the origin of subscription proceeds and to monitor the business relationship on an ongoing basis.

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

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

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

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

## **8. VALUATION AND NET ASSET VALUE CALCULATION**

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

### **8.1 Calculation of the Net Asset Value**

The Net Asset Value per Share shall be determined by the Administrator as of each Valuation Day as specified for each Sub-Fund in the Supplement and at least twice a month. It shall be calculated by dividing the Net Asset Value of the Share Class of a Sub-Fund by the total number of Shares of such Share Class in issue as of that Valuation Day. The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded up or down to two (2) decimal places.

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

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

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

### **8.2 Valuation procedure**

#### **8.2.1 General**

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

The Board of Directors may apply, in good faith and in accordance with generally accepted valuation principles and procedures, other valuation principles or alternative methods of valuation that it considers appropriate in order to determine the probable realization value of any asset if applying the rules described below appears inappropriate or impracticable.

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

If, after the time of determination of the Net Asset Value but before publication of the Net Asset Value for a Valuation Day, there has been a material change affecting the exchanges or markets on which a substantial portion of the investments of a Sub-Fund are quoted, listed



or traded, the Board of Directors may cancel the first valuation and carry out a second valuation in order to safeguard the interest of investors. In such a case, the Net Asset Value used for processing subscription, redemption and conversion applications for that Valuation Day will be based on the second calculation.

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

The Board of Directors and the Administrator may consult with and seek the advice of the Investment Manager in valuing the Fund's assets. Where the Board of Directors considers it necessary, it may seek the assistance of a valuation committee whose task will be the prudent estimation of certain assets' values in good faith.

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

### **8.2.2 Assets of the Fund**

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

- 1) all cash on hand or on deposit, including any outstanding accrued interest;
- 2) all bills and any types of notes or accounts receivable, including outstanding proceeds of any disposal of financial instruments;
- 3) all securities and financial instruments, including shares, bonds, notes, certificates of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the Fund;
- 4) all dividends and distributions payable to the Fund either in cash or in the form of stocks and shares (which will normally be recorded in the Fund's books as of the ex-dividend date, provided that the Fund may adjust the value of the security accordingly);
- 5) all outstanding accrued interest on any interest-bearing instruments belonging to the Fund, unless this interest is included in the principal amount of such instruments;
- 6) the formation expenses of the Fund or a Sub-Fund, to the extent that such expenses have not already been written off; and

- 7) all other assets of any kind and nature including expenses paid in advance.

### **8.2.3 Liabilities of the Fund**

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

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

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

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

### **8.2.4 Valuation principles**

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

- 1) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.
- 2) Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs 3) and 6) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation.

Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realization value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

- 3) Notwithstanding paragraph 2) above, where permitted under applicable laws and regulations, Money Market Instruments may be valued using an amortization method whereby instruments are valued at their acquisition cost as adjusted for amortization of premium or accrual of discount on a constant basis until maturity, regardless of the impact of fluctuating interest rates on the market value of the instruments. The amortization method will only be used if it is not expected to result in a material discrepancy between the market value of the instruments and their value calculated according to the amortization method.
- 4) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realization value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- 5) Financial derivative instruments which are traded “over-the-counter” (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the Board of Directors which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.
- 6) Notwithstanding paragraph 2) above, shares or units in target investment funds (including UCITS and UCI) will be valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the Board of Directors is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed, or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph 2) above.
- 7) The value of any other asset not specifically referenced above will be the probable realization value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

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

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

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

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

## **8.2.6 Additional rules for assets and liabilities of the Fund**

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

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

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

### **8.3 Publication of the Net Asset Value**

The publication of the Net Asset Values will take place on the next Business Day after a Valuation Day unless otherwise provided for in the Supplement. The Net Asset Value per Share of each Share Class within each Sub-Fund will be available from the Administrator during normal business hours and is published on [www.smeadcap.com](http://www.smeadcap.com).

### **8.4 Temporary suspension of the Net Asset Value calculation**

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

- 1) when any exchange or regulated market that supplies the price of the assets of a Sub-Fund is closed, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;
- 2) when the information or calculation sources normally used to determine the value of the assets of a Sub-Fund are unavailable;
- 3) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of a Sub-Fund, or which is required to calculate the Net Asset Value per Share;
- 4) when exchange, capital transfer or other restrictions prevent the execution of transactions of a Sub-Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;

- 5) when exchange, capital transfer or other restrictions prevent the repatriation of assets of a Sub-Fund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;
- 6) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevent the Fund from being able to manage the assets of a Sub-Fund in a normal manner and/or prevent the determination of their value in a reasonable manner;
- 7) when there is a suspension of the net asset value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which a Sub-Fund is invested;
- 8) following the suspension of the net asset value calculation and/or the issue, redemption and conversion at the level of a Master Fund in which a Sub-Fund invests as a Feeder Fund;
- 9) when, for any other reason, the prices or values of the assets of a Sub-Fund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Sub-Fund in the usual way and/or without materially prejudicing the interests of investors;
- 10) in the event of a notice to shareholders of the Fund convening an extraordinary general meeting of shareholders for the purpose of dissolving and liquidating the Fund or informing them about the termination and liquidation of a Sub-Fund or Share Class, and more generally, during the process of liquidation of the Fund, a Sub-Fund or Share Class;
- 11) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- 12) during any period when the dealing of the Shares of a Sub-Fund or Share Class on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and
- 13) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Fund, a Sub-Fund or Share Class, in compliance with the principle of fair treatment of investors in their best interests.

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

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

Any decision to suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares of a Share Class,

will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed and posted on [www.smeadcap.com](http://www.smeadcap.com) where appropriate.

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

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

## **9. FEES AND EXPENSES**

### **9.1 Subscription Fee and Redemption Fee**

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

The Subscription Fee and Conversion Fee will be paid to the Fund or may be retained by a Distributor through which an investor subscribes. The Fund may pay all or part of such fees received to the Global Distributor and/or Distributors as commissions or other fee arrangements. The Redemption Fee, if any, will be paid to the Fund and will be allocated back to the Sub-Fund and Share Class concerned in order to benefit the remaining investors. The Fund, the Management Company and/or the Global Distributor may in their discretion waive all or part of the Subscription Fee or Conversion Fee. The Fund may, having regard to the overall interests of the investors of the Sub-Fund and Share Class concerned and the principle of fair treatment of investors, waive the Redemption Fee, in particular where evidence for prevention of short time trading has been provided. Should a Sub-Fund qualify as a Master Fund, no Subscription Fee, Redemption Fee or Conversion Fee will be charged in respect of subscription, redemption or conversion requests of any Feeder Fund of that Master Fund.

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

### **9.2 Contingent Deferred Sales Charge (CDSC)**

Certain Share Classes may be subject to a CDSC at a rate specified in the Supplement, if the investor redeems his Shares within the relevant period of time as specified in the Supplement, where applicable.

The CDSC will be calculated based on either the Net Asset Value of the Shares when purchased or the Net Asset Value of the Shares being sold. The calculation is made based on the relevant currency of the Shares being sold. There is no CDSC on Shares acquired through reinvestment monies. To keep the CDSC as low as possible, each time an instruction to sell Shares is placed, any Shares in the investor's holding not subject to a CDSC will be sold first. If there are not enough of these to meet the request, additional Shares will be sold in the order they were purchased. The amount of the CDSC is calculated by multiplying the relevant percentage rate indicated in section "Calculation of CDSC" of the Supplement by the Net Asset Value of the Shares being sold or their Net Asset Value when purchased, whichever is applicable.

The holding period for the purposes of applying a CDSC on Shares of a particular Sub-Fund acquired through a conversion of Shares from another Sub-Fund will be measured from the date that such Shares were initially acquired in the other Sub-Fund.

Amounts assessed as a CDSC are paid to the Global Distributor, or other Distributors appointed by the Global Distributor, to defray distribution costs incurred by the Global Distributor or such other Distributor. The CDSC may be waived in whole or in part by the Global Distributor and/or such other Distributor at its discretion either for individual investors



or for particular groups of investors. The Fund has committed to pay to the Global Distributor or the relevant Distributor the CDSC at the rates set forth in section “Calculation of CDSC” of the Supplement net of any taxes. In case any taxes would be payable on said amounts, the amount of CDSC would be increased in a manner to ensure that the agreed amounts are paid net to the Global Distributor or relevant Distributor. The Board of Directors has, at the date of this Prospectus, no reason to believe that any taxes are due or levied on the CDSC.

### **9.3 Management Fee**

The Management Company and the Investment Manager will each be entitled to a part of the Management Fee, being an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class. The Management Fee is calculated daily as a percentage of the average Net Asset Value of each Sub-Fund or Share Class and paid out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 8.2.5 (Valuation procedure) above). The Management Fee will accrue on each Valuation Day and will be payable monthly in arrears at the rate specified in the Supplement for each Sub-Fund or Share Class. The Management Company will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Extraordinary expenses which are incurred by the Management Company as a result of special assignments from the Fund or of events outside of the ordinary course of business can be charged separately provided these expenses have been notified and agreed by the Fund in advance except where contrary to applicable law or regulations.

The Management Fee covers investment management and marketing services provided by the Management Company and its delegates, distributors and intermediaries. A part of the Management Fee shall be paid by the Fund to the Investment Manager and may be paid by the Fund to distributors and intermediaries. The sum of the fees paid by the Fund to the Management Company, the Investment Manager, distributors and intermediaries will not exceed the rate specified as “Management Fee” in the Supplement for each Sub-Fund or Share Class.

### **9.4 Fees of the Depositary and the Administrator**

The Depositary will be entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Administrator will be entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg. The Administration Agent will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

### **9.5 Fees of the Global Distributor and other Distributors**

Smead Capital Management, Inc. receives a part of the Management Fee for its services as Investment Manager, as described in section 9.3 (Management Fee) above. For this reason, it will not receive any additional remuneration for its services as Global Distributor from the Fund. Other than the fees that the Fund may pay out of the Management Fee to distributors and intermediaries (as described above in section 9.3 “Management Fee”), distributors or intermediaries will not receive any fees from the Fund.

The Global Distributor may further, at its sole discretion, pay out of its own fees service fees to certain financial institutions. Such payments will comply with applicable laws and regulations.

## **9.6 Directors' fees and expenses**

The members of the Board of Directors are entitled to receive a fee in consideration for their function. However, members of the Board of Directors who are also directors, officers or employees of the Investment Manager or its affiliates will not receive any fees as directors of the Fund. The Fund will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of the Board of Directors, and any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question. The Fund may also pay fees and expenses to members of any committee established by the Board of Directors (such as a valuation committee referred to in section 8.2 (Valuation procedure) above), where applicable.

## **9.7 Operating and Administrative Expenses**

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

- 1) preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Fund, a Sub-Fund or Share Class that are required by applicable laws and regulations (such as the Articles of Incorporation, this Prospectus, key investor information documents, financial reports and notices to investors) or any other documents and materials made available to investors (such as explanatory memoranda, statements, reports, factsheets and similar documents);
- 2) organizing and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders;
- 3) professional advisory services (such legal, tax, accounting, compliance, auditing and other advisory services) taken by the Fund or the Management Company on behalf of the Fund;
- 4) the authorization of the Fund, the Sub-Funds and Share Classes, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Fund and/or the members of the Board of Directors;
- 5) initial and ongoing obligations relating to the registration and/or listing of the Fund, a Sub-Fund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);
- 6) memberships or services provided by international organizations or industry bodies such as the Association of the Luxembourg Fund Industry (ALFI);

- 7) taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (*taxe d'abonnement*) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Fund; and
- 8) the reorganization or liquidation of the Fund, a Sub-Fund or Share Class.

### **9.8 Transaction costs**

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

### **9.9 Extraordinary expenses**

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

### **9.10 Formation expenses**

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

### **9.11 Cap on fees and expenses**

Where specified in the Supplement for a Sub-Fund or Share Class, the fees and expenses listed under this section 9 (Fees and expenses) (with the exclusions listed below) allocated to that Sub-Fund or Share Class (the "**Covered Fees and Expenses**") may be capped to a maximum annual percentage of the Net Asset Value of such Sub-Fund or Share Class as set out in the Supplement. In such a case, the Fund will enter into an agreement with the Investment Manager whereby the Investment Manager or a designated affiliate or third-party will agree to bear the actual amount of Covered Fees and Expenses in excess of the maximum annual percentage specified for that Sub-Fund or Share Class. As a result, the amount of Covered Fees and Expenses borne by a Sub-Fund or Share Class will be the lower of the actual amount of Covered Fees and Expenses incurred and the maximum annual percentage specified for that Sub-Fund or Share Class.

Subscription Fees and Redemption Fees, CDSC, transaction costs and extraordinary expenses (as described above) are excluded from the Covered Fees and Expenses. The Board of Directors and the Investment Manager may review which fees and expenses will be included in or excluded from the Covered Fees and Expenses, increase or decrease the

maximum annual percentage and/or remove the cap previously agreed for any Sub-Fund or Share Class. In such a case, investors will be informed and this Prospectus will be updated in accordance with the procedure set out in section 10.5 (Changes to this Prospectus) below by giving at least 90 days' prior notice of the proposed changes to the Cap on Fees and Expenses in order for investors to request, free of charge, the redemption of their Shares should they disagree.

## **10. GENERAL INFORMATION**

### **10.1 SFDR-related disclosures**

In accordance with the SFDR, the Fund shall include in its Prospectus, where relevant, in respect of each particular Sub-Fund, a description of the manner in which Sustainability Risks are integrated into their investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products they make available. Further information in the context of the SFDR is provided in the relevant special section of the Supplement of this Prospectus under the heading “SFDR Considerations”.

### **10.2 Reports and financial statements**

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

The financial year of the Fund will begin on 1 January of each year and end on 31 December of the same year. Each year, the Fund will issue an Annual Report as of the end of the previous financial year comprising, *inter alia*, the audited financial statements of the Fund and each Sub-Fund and a report of the Board of Directors on the activities of the Fund. The Fund will also issue a Semi-Annual Report as of 30 June of the current financial year. The first financial year will end on 31 December 2016 and the first Annual Report will be issued as of 31 December 2016.

The Annual Report shall be made available to investors within four (4) months following the end of the reporting period and the Semi-Annual Report will be made available to investors within two (2) months following the end of the reporting period. Investors may obtain, upon request, a copy of the latest financial reports from the Fund and/or the Management Company free of charge or from [www.smeadcap.com](http://www.smeadcap.com).

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

### **10.3 Meetings of shareholders**

The annual general meeting of shareholders will be held each year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice, at 1:00 p.m. (Luxembourg time) on the second Monday of May or, if such day is not a business day in Luxembourg, on the next business day in Luxembourg.

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

Notices of all general meetings will be published in the *Mémorial* and a Luxembourg newspaper and sent to all registered shareholders by ordinary mail; alternatively, convening notices will be sent to registered shareholders by registered mail at least eight (8) calendar days prior to the meeting. Convening notices will also be published and/or communicated to investors as required by applicable laws and regulations in other jurisdictions where the

Shares are distributed and posted on [www.smeadcap.com](http://www.smeadcap.com). Notices will include the agenda and will specify the time and place of the meeting, the conditions of admission, and the quorum and voting requirements.

The requirements as to attendance, quorum, and majorities at all general meetings will be those laid down in the Articles of Incorporation and in the 1915 Law. All shareholders may attend general meetings in person or by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication accepted by the Fund. A single person may represent several or even all shareholders of the Fund, a Sub-Fund or Share Class. Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund, and at all meetings of the Sub-Fund or Share Class concerned to the extent that such Share is a Share of such Sub-Fund or Share Class.

#### **10.4 Investors' rights**

Upon the issue of the Shares, the person whose name appears on the register of Shares will become a shareholder of the Fund in relation to the relevant Sub-Fund and Share Class. The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general shareholders' meetings, if the investor is himself a shareholder of the Fund. In cases where an investor invests in the Fund through an intermediary who invests into the Fund 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 Fund. Investors are advised to seek advice in relation to their rights.

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

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

#### **10.5 Changes to this Prospectus**

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

## **10.6 Documents available**

Investors may, upon request, obtain a copy of the Articles of Incorporation, this Prospectus, the applicable KIID as well as of the latest Annual Report or Semi-Annual Report from the Fund and/or the Management Company free of charge.

The Management Company and the Investment Manager have adopted a “best execution” policy with the objective of obtaining the best possible result for the Fund when executing decisions to deal on behalf of the Fund or placing orders to deal on behalf of the Fund with other entities for execution. Further information on the best execution policy may be obtained from the Management Company upon request.

The Management Company has a strategy for determining when and how voting rights attached to ownership of a Sub-Fund’s investments are to be exercised for the exclusive benefit of the Sub-Fund. A summary of this strategy as well as the details of the actions taken on the basis of this strategy in relation to each Sub-Fund may be obtained from the Fund and/or the Management Company upon request and on [www.smeadcap.com](http://www.smeadcap.com).

## **10.7 Complaints**

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

## **10.8 Data protection**

Prospective investors and shareholders are referred to the Fund’s Privacy Notice.

The Privacy Notice describes among others how personal data about individuals who invest in the Fund and who apply to invest in the Fund, and personal data about the directors, officers and ultimate beneficial owners of institutional investors, is collected, used and shared, and the investors’ rights in this context.

The Privacy Notice is an appendix to the Subscription Form. The Fund may update the Privacy Notice from time to time. The latest version of the Privacy Notice is available on [www.smeadcap.com](http://www.smeadcap.com).

Prospective investors and shareholders must read and understand the Privacy Notice.

## **10.9 Merger and reorganization**

### **10.9.1 Merger of the Fund or a Sub-Fund with other UCITS**

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the Fund with one or several other Luxembourg or foreign UCITS or sub-funds thereof. The Board of Directors may also decide to proceed with a merger (within the meaning of the 2010 Law) of one or several Sub-Funds with one or several other Sub-Funds within the Fund, or with one or several other Luxembourg or foreign UCITS or sub-funds thereof. In accordance with the provisions of the 2010 Law, a merger does not require the prior consent of investors except where the Fund is the absorbed entity, which thus ceases to exist as a result of the merger: in such case, the general meeting of shareholders of the Fund must decide on the merger and its effective date. The general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of the Fund or any Sub-Fund, as applicable, may also decide on any of the mergers described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Sub-Fund. The convening notice will explain the reasons for and the process of the proposed merger.

In any case, the merger will be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the common draft terms of the merger to be established by the Board of Directors and the information to be provided to investors.

### **10.9.2 Absorption of another UCI by the Fund or a Sub-Fund**

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

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of the Fund or any Sub-Fund, as applicable, may also decide on any of the absorptions described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Sub-Fund. The convening notice will explain the reasons for and the process of the proposed absorption.

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

### **10.9.3 Reorganization of Share Classes**

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

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

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

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, investors may also decide on such reorganization by resolution taken by the general meeting of shareholders of the Share Classes. The convening notice will explain the reasons for and the process of the proposed reorganization.



Investors will be informed of the reorganization by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed and posted on [www.smeadcap.com](http://www.smeadcap.com). The notice will explain the reasons for and the process of the reorganization.

## **10.10 Liquidation**

### **10.10.1 Termination and liquidation of Sub-Funds or Share Classes**

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

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

Investors will be informed of the decision to terminate a Sub-Fund or Share Class by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed and posted on [www.smeadcap.com](http://www.smeadcap.com). The notice will explain the reasons for and the process of the termination and liquidation.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of any Sub-Fund or Share Class, as applicable, may also decide on such termination by resolution taken by the general meeting of shareholders of the Sub-Fund or Share Class and have the Fund redeem compulsorily all the Shares of the Sub-Fund or Share Class at the Net Asset Value per Share for the applicable Valuation Day. The convening notice will explain the reasons for and the process of the proposed termination and liquidation.

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

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

The termination and liquidation of a Sub-Fund or Share Class will have no influence on the existence of any other Sub-Fund or Share Class. The decision to terminate and liquidate the

last Sub-Fund existing in the Fund will result in the dissolution and liquidation of the Fund in accordance with the provisions of the Articles of Incorporation.

#### **10.10.2 Dissolution and liquidation of the Fund**

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

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

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

## 11. TAXATION

### 11.1 General

The following summary is based on the law and practice applicable in the Grand Duchy of Luxembourg as at the date of this Prospectus and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. It does not purport to be a complete analysis of all possible tax situations that may 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. Shareholders should inform themselves of, and when appropriate, consult their professional advisors with regard to the possible tax consequences of subscription for buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

It is expected that shareholders will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with a shareholder's personal circumstances. Shareholders should be aware that the residence concept used under the respective headings applies for Luxembourg income tax assessment purposes only. Any reference in this section 11 to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

Shareholders should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) and personal income tax (*impôt sur le revenu*). Corporate shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and to the solidarity. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may also apply.

### 11.2 The Fund

Under current law and practice, the Fund is not liable for any Luxembourg income tax or net wealth tax nor are dividends paid by the Fund subject to any Luxembourg withholding tax.

The Fund is however subject to an annual subscription tax (*taxe d'abonnement*) of 0.05% in Luxembourg, such tax being calculated and payable quarterly, on the aggregate net assets of the Fund valued on the last day of each quarter.

This rate is 0.01% for:

- a) UCIs as well as individual compartments of UCIs with multiple compartments whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions;
- b) UCIs as well as individual compartments of UCIs with multiple compartments whose exclusive object is the collective investment in deposits with credit institutions;

- c) individual compartments of UCIs with multiple compartments referred to in this Law 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 however exempt from subscription tax:

- a) the value of the assets represented by units held in other UCIs to the extent such units have already been subject to the subscription tax provided for by Article 174 of the 2010 Law or by Article 68 of the amended law of 13 February 2007 on specialized investment funds or by Article 46 of the law of 23 July 2016 on reserved alternative investment funds;
- b) UCIs as well as individual compartments of UCIs with multiple compartments:
  - (i) whose securities are reserved for institutional investors, and
  - (ii) whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions; and
  - (iii) whose weighted residual portfolio maturity does not exceed 90 days; and
  - (iv) that have obtained the highest possible rating from a recognised rating agency;

Where several classes of securities exist within the UCI or the compartment, the exemption only applies to classes whose securities are reserved for institutional investors;

- c) UCIs as well as individual compartments of UCIs with multiple compartments whose securities are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or several employers' initiative for the benefit of their employees and (ii) companies of one or several employers investing the funds they hold in order to provide their employees with retirement benefits;
- d) UCIs as well as individual compartments of UCIs with multiple compartments whose main objective is the investment in microfinance institutions.
- e) UCIs as well as individual compartments of UCIs with multiple compartments:
  - (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public; and
  - (ii) whose exclusive object is to replicate the performance of one or more indices.

If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes fulfilling the condition of sub-point (i).

No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares for cash by the Fund except a one-off tax of EUR 75 which is paid upon incorporation. Any amendments to the Articles of Incorporation are as a rule subject to a fixed registration duty of EUR 75.

Withholding tax and other taxes levied at source, if any, are not recoverable. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

## 11.3 Shareholders

### 11.3.1 Luxembourg tax residency

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance, delivery and/or enforcement of its rights and obligations thereunder.

### 11.3.2 Income tax - Luxembourg residents

#### a) Luxembourg Resident Individuals

Any dividends and other payments derived from the Shares received by Luxembourg resident individuals, who act in the course of either their private wealth or their professional or business activities, are subject to income tax at the progressive ordinary rate.

Capital gains realized upon the sale, disposal or redemption of Shares by Luxembourg resident individual shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Shares are disposed of less than six (6) months after the acquisition thereof, or if their disposal precedes their acquisition. A shareholding is considered to be a substantial shareholding in limited cases, in particular if (i) the shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five (5) years preceding the realization of the gain, more than ten percent (10%) of the share capital of the Fund or (ii) the shareholder acquired free of charge, within the five (5) years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period). Capital gains realized on a substantial participation more than six (6) months after the acquisition thereof are subject to income tax according to the half-global rate method (*i.e.* the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

Capital gains realized upon the sale, disposal or redemption of Shares by Luxembourg resident individual shareholders acting in the course of the management of their professional or business activities are subject to income tax at ordinary rates.

#### b) Luxembourg Resident Corporations

Luxembourg resident corporate shareholders (*sociétés de capitaux*) must include any profits derived as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### c) Luxembourg residents benefiting from a special tax regime

Luxembourg resident shareholders which benefit from a special tax regime, such as (i) UCIs subject to the 2010 Law, (ii) specialized investment funds governed by the law of 13 February 2007, as amended, (iii) family wealth management companies governed by the law of 11 May 2007, as amended, and (iv) reserved alternative investment funds governed by the

law of 23 July 2016 and treated as a specialized investment funds for Luxembourg tax purposes are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

### **11.3.3 Income tax - Luxembourg non-residents**

Shareholders, who are non-residents of Luxembourg and which have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are generally not subject to any income, withholding, estate, inheritance, capital gains or other taxes in Luxembourg.

Shareholders that are non-residents of Luxembourg but that have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable must include any income received as well as any gain realized on the sale, disposal or redemption of Shares in their taxable income for Luxembourg tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Shareholders should consult their professional advisors regarding the possible tax or other consequences of buying, holding, transferring or selling Shares under the laws of their countries of citizenship, residence or domicile.

### **11.3.4 Net Wealth Tax**

In general, Luxembourg non-resident Shareholders are not subject to net wealth tax. Net wealth tax is only applicable to Luxembourg non-resident Shareholders if their Shares in the Fund are attributable to a permanent establishment or a permanent representative in Luxembourg.

Luxembourg resident shareholders, and non-resident shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the 2010 Law, (iii) a securitization company governed by the law of 22 March 2004 on securitization, as amended, (iv) a company governed by the law of 15 June 2004 on venture capital vehicles, as amended, (v) a specialized investment fund governed by the law of 13 February 2007, as amended, (vi) a family wealth management company governed by the law of 11 May 2007, as amended or (vii) a professional pension institution governed by the law of 13 July 2005, as amended or (viii) a reserved alternative investment fund governed by the law of 23 July 2016.

However, (i) a securitization company governed by the law of 22 March 2004 on securitization, as amended (ii) an opaque company governed by the law of 15 June 2004 on venture capital vehicles, as amended, (iii) a professional pension institution governed by the law of 13 July 2005, as amended, and (iv) an opaque reserved alternative investment fund governed by the law of 23 July 2016 and treated as a venture capital vehicle for Luxembourg tax purposes remain subject to a minimum net wealth tax.

### **11.3.5 Other Taxes**

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance purposes. No estate or inheritance tax is levied on the transfer of Shares upon

death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his death.

Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

#### **11.4 VAT**

The Fund is considered in Luxembourg as a taxable person for value added tax (“**VAT**”) purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased outside Luxembourg. No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its investors, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

#### **11.5 FATCA**

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

The Fund may be subject to the so-called FATCA legislation which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities. As part of the process of implementing FATCA, the US government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model I Intergovernmental Agreement (“**IGA**”), implemented by the amended Luxembourg law dated 24 July 2015 (the “**FATCA Law**”) which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified US Persons , if any, to the Luxembourg tax authorities (*administration des contributions directes*).

Under the terms of the FATCA Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. The Fund will try to be considered as a Deemed-Compliant Foreign Financial Institution (FFI) within the meaning of the FATCA Law, under the category of Restricted Funds. The Restricted Funds status implies the Shares of the Fund to be offered, sold or otherwise transferred to or held by or through FATCA Eligible Investors only which also leads to specific selling restrictions.

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

FATCA may require the Fund to disclose the name, address and taxpayer identification number (if available) of its shareholders as well as information like account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purposes set out in the FATCA Law. Such information will be onward reported by the Luxembourg tax authorities to the U.S. Internal Revenue Service. Shareholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

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

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

Any investor that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund attributable to such investor's failure to provide the information and the Fund may, in its sole discretion, redeem the Shares of such investor in particular if such investor does not qualify as a FATCA Eligible Investor.

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

Investors should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

## 11.6 CRS

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

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "**Standard**") and its Common Reporting Standard (the "**CRS**") as set out in the Luxembourg law dated 18 December 2015 on the Common Reporting Standard (the "**CRS Law**") implementing Directive 2014/107/EU which provides for an automatic exchange of financial account information between Member States of the European Union as well as the OECD's multilateral competent authority agreement on automatic exchange of financial account information signed on 29 October 2014 in Berlin, with effect as of 1 January 2016.

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

As such, the Fund will be required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain shareholders qualifying as Reportable Persons, and (ii)



Controlling Persons of certain non-financial entities (“**NFEs**”) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law, will include personal data related to the Reportable Persons (the “**CRS Information**”).

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each shareholder providing the Fund with the CRS Information, along with the required supporting documentary evidence. In this context, the shareholders are hereby informed that, as data controller, the Fund will process such CRS Information for the purposes as set out in the CRS Law.

Shareholders qualifying as passive NFEs undertake to inform their controlling persons, if applicable, of the processing of their CRS Information by the Fund.

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

Investors are further informed that the CRS Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

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

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

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

Investors should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

## **12. SUPPLEMENT 1 – SMEAD US VALUE UCITS FUND**

### **1. Investment objective**

The objective of the Sub-Fund is to provide investors with long-term capital appreciation.

### **2. Investment policy and specific restrictions**

The Sub-Fund is actively managed without reference to any benchmark. In order to achieve its investment objective, the Sub-Fund will invest in U.S. securities issued by approximately 25-30 listed companies (the number of which will be maintained in its portfolio) and will typically invest in the common stocks of large capitalization (“large-cap”) U.S. companies. The Sub-Fund considers large cap companies to be those publicly traded U.S. companies with capitalizations exceeding \$5 billion. The Sub-Fund may use financial derivative instruments for hedging purposes. The Sub-Fund may not invest in total return swaps.

The Sub-Fund may also retain amounts in cash or cash equivalents including investments in money market funds e.g. during portfolio rebalancing, to pay for any margin requirements for the foreign currency hedging or if it is considered appropriate to achieve the investment objective. Any such investments will be ancillary to the primary investment strategy of the Sub-Fund.

The Sub-Fund may not employ any techniques and instruments such as securities lending or repurchase or reverse repurchase transactions or any other securities financing transactions as described in article 3 (11) of Regulation (EU) 2015/2365 on transparency on securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the “SFTR”).

If at a future point in time the Sub-Fund decides to make use of other securities financing transactions as described in article 3 (11) of SFTR or total return swaps, this Prospectus will be updated accordingly.

### **3. Investor profile**

The Fund is intended for investors seeking capital appreciation through investment primarily in U.S. equity securities.

The Fund is intended as a long term investment. Investors’ risk tolerance levels and investment time horizons may differ based on the individual circumstances of each investor. You should consult your Financial Intermediary for advice regarding your own risk tolerance and investment horizons before investing in the Fund.

### **4. Reference Currency**

The Reference Currency of the Sub-Fund is USD.

### **5. Specific risks**

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

Investors should remember that in addition to possibly not achieving your investment goals, you could lose money by investing in the Fund. The principal risks of investing in the Fund are:

- (i) **Management Risk.** The Adviser's investment strategies for the Fund may not result in an increase in the value of your investment or in overall performance equal to other investments.
- (ii) **General Market Risk.** The value of the Fund's shares will fluctuate based on the performance of the Fund's investments and other factors affecting the securities markets generally.
- (iii) **Equity Market Risk.** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change.
- (iv) **Large-Cap Company Risk.** Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in consumer tastes or innovative smaller competitors. Also, large-cap companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion.

## **6. SFDR Considerations**

Sustainability Risks within the meaning of SFDR, which could have a significant negative impact on the return of the Sub-Fund's investment, are not included in the investment decision-making process, including due diligence procedures, and are therefore not continuously assessed. This results from the investment strategy of the Sub-Fund. The expected impact of Sustainability Risks on the Sub-Fund's return is not considered relevant as the Sustainability Risks are not expected to have a material negative impact on the return or the performance of the Sub-Fund which is not significantly influenced. Furthermore, the adverse sustainability impacts of investment decisions on sustainability factors are not considered either due to the investment strategy of the Sub-Fund.

The Sub-Fund does not promote environmental or social characteristics (the so-called "Article 8 product" under SFDR), nor is it classified as a product that has sustainable investments as its objective (the so-called "Article 9 product" under SFDR)".

## **7. Global exposure**

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value.

## **8. Valuation**

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated as of 4.00 p.m. New York time (which is generally 10.00 p.m. Luxembourg time) on each Valuation Day, save for days where the New York Stock exchange closes earlier than 4.00 p.m. New York time. On such days, the Net Asset Value per Share will be calculated as of the time when the New York Stock exchange closes on that particular day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus.

## **9. Subscriptions & Entry Charges**

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 5.00 p.m. Luxembourg time on the Subscription Day that is a Full-time Business Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is 4.00 pm Luxembourg time three Business Days following the Subscription Day.

The subscription price corresponds to the Net Asset Value per Share with a deduction of subscription fee of maximum 5.75% of the Net Asset Value for the Category “A” shares. The maximum subscription fee for the different share categories are set out below in Table 1: Share Classes of Sub-Fund Smead US Value UCITS Fund.

As set out above in section 9.1 (Subscription Fee and Redemption Fee) of the general part of this Prospectus, the Fund, the Management Company and/or the Global Distributor may in their discretion waive all or part of the Subscription Fee.

## **10. Redemptions, Exit Charges & CDSC**

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 5.00 p.m. Luxembourg time on the Redemption Day that is a Full-time Business Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is three Business Days following the Redemption Day.

The redemption price shall be equal to the Net Asset Value per Share. No redemption fees will be applied to “A, I, M, G and R” Shares.

### **10.1 CDSC Qualified Investments of USD 1 Million or More**

In relation to qualified investments of USD 1 million or more in respect of Class A Shares, the entry charge may be waived and a Contingent Deferred Sales Charge (“CDSC”) of up to 1% may apply if an investor sells Shares within 18 months after each investment in order to recover commissions paid to sub-distributors, intermediaries, brokers/dealers and/or professional investors. The CDSC is up to 1.00% of the total cost of such Shares (exclusive of reinvested dividends distributions), and is retained by the Global Distributor to defray distribution costs incurred by the Global Distributor or such other Distributors appointed by the Global Distributor. The way this charge is calculated is more fully described in the section “Calculation of CDSC” below.

Qualified investments are investments made either as a lump sum or through cumulative orders of the investor, his spouse, his children and/or grandchildren if they are under the age of 18. For the purpose of the application of the qualified investments rules, shareholdings in other Sub-Funds offered by Smead Funds may be combined at the investor’s request. Information on the Sub-Funds whose shares may be combined and details of the procedure as well as the terms and conditions applicable may be obtained from the Management Company upon request.

No switch with Shares of other Share Classes will be allowed for Shares subject to such contingent deferred sales charge.

### **10.2 Calculation of CDSC**

The CDSC applicable for qualifying A Shares is based on the Net Asset Value of the Shares when purchased. The CDSC for applicable C Shares is based on the Net Asset Value of the Shares being sold or their Net Asset Value when purchased, whichever is less.

The amount of the CDSC is calculated by multiplying the percentages indicated in the chart displayed below by the Net Asset Value of the Shares being sold or their Net Asset Value when purchased, whichever is applicable.

As set out above in section 9.2 (Contingent Deferred Sales Charge (CDSC)) of the general part of this Prospectus, the CDSC may be waived in whole or in part by the Global Distributor and/or such other Distributors appointed by the Global Distributor at its discretion either for individual investors or for particular groups of investors.

CDSC for Class A Shares on qualified investments of USD 1 million or more		CDSC for Class C Shares	
Period Since Purchase	Percentage	Period Since Purchase	Percentage
Less than 18 months	Up to 1%	Less than 12 months	Up to 1%
Equal or more than 18 months	0%	Equal or more than 12 months	0%

**11. Share Classes**

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company or the Global Distributor upon request and on [www.smeadcap.com](http://www.smeadcap.com).

**12. Distribution policy**

Distribution shares receive an annual dividend (with the exception of Share Category G, where distribution shares receive a monthly or quarterly dividend), and the Net Asset Value of which is reduced by an amount equal to the distribution made. They carry the abbreviation “Dist” in their name.

Accumulation shares do not receive a dividend and of which the Net Asset Value remains unchanged (resulting in a percentage increase of the global Net Asset Value attributable to Accumulation shares). They carry the abbreviation “Acc” in their name.

**13. Eligible Investors**

Share Category “A” and “C” are open to all types of investors. They are intended for retail investors who receive either investment advice or execution services from an intermediary and have agreed that the intermediary may receive inducements.

Share Categories “I” and “Y” are exclusively reserved for Institutional Investors.

Share Category “M” and “G” are reserved for certain Institutional Investors like discretionary portfolio managers and financial managers of UCITS/UCI.

Share Category “R” is open to all types of investors. No inducements may be paid to intermediaries.

#### **14. Fees and expenses**

The fees and expenses for each Share Class will be capped to a maximum annual percentage of the Net Asset Value of such Share Class as described above in section 9.11 (Cap on fees and expenses) in the general part of the Prospectus. The actual percentage is set out for each Share Class in the table at the end of this Supplement in the column “Total Expense Ratio”.

Smead Capital Management, Inc. (the Investment Manager) has agreed to waive or reduce its part of the Management Fee and/or absorb certain expenses of the Sub-Fund to ensure that the Covered Fees and Expenses (as defined in section 9.11 (Cap on fees and expenses) in the general part of the Prospectus) do not exceed the percentage that is set out for each Share Class in the table at the end of this Supplement in the column “Total Expense Ratio” through December 31<sup>st</sup>, 2017, subject thereafter to annual re-approval of the agreement by the Board of Directors. Investors will be informed at least 90 days before the end of the period covered by the cap on fees and expenses whether or not the agreement will be renewed. This cap on fees and expenses agreement can be terminated only by, or with the consent of, the Board of Directors.

#### **15. Launch date**

The Sub-Fund was launched on 22 February 2016 by way of a merger by absorption of Pareturn Smead US Value Fund, a sub-fund of Pareturn, a Luxembourg investment company with variable capital (*Société d'Investissement à Capital Variable*, SICAV) subject to Part I of the 2010 Law, for which the Investment Manager also acted as investment manager.

Table 1: Share Classes of Sub-Fund Smead US Value UCITS Fund

	Distributio n/ Accumulati on shares	Referen ce Curren cy / Curren cy Hedged Share Class	Active / Dor mant	Mini mum Initial Subs cripti on Price	Minimum Initial Subscripti on Amount	Minimum Additional Subscripti on Amount	Maximum Subscripti on Fee	Maximum Redemptio n Fee (only during period specified & immediatel y following subscriptio n) or CDSC	Manageme nt Fee	Total Expense Ratio	Taxe d'abonne ment	Eligible Investors
<b>Category "A"</b>												All types of Investors
Smead US Value UCITS Fund A USD Acc	Accumulati on	USD	Active		USD 10,000	USD 3,000	5,75%	See CDSC Schedule	maximum 1.85% p.a.	maximum 2.25% p.a.	0.05%	
Smead US Value UCITS Fund A GBP Acc	Accumulati on	GBP	Dormant		GBP 10,000	GBP 3,000	5.75%	See CDSC Schedule	maximum 1.85% p.a.	maximum 2.25% p.a.	0.05%	
Smead US Value UCITS Fund A GBP Acc (H)	Accumulati on	GBP Hedged	Dormant		GBP 10,000	GBP 3,000	5.75%	See CDSC Schedule	maximum 1.85% p.a.	maximum 2.25% p.a.	0.05%	

Smead US Value UCITS Fund A EUR Acc	Accumulation	EUR	Dormant	EUR 10,000	EUR 3,000	5.75%	See CDSC Schedule	maximum 1.85% p.a.	maximum 2.25% p.a.	0.05%
Smead US Value UCITS Fund A EUR Acc (H)	Accumulation	EUR Hedged	Dormant	EUR 10,000	EUR 3,000	5.75%	See CDSC Schedule	maximum 1.85% p.a.	maximum 2.25% p.a.	0.05%
<b>Category "C"</b>										All types of Investors
Smead US Value UCITS Fund C USD Acc	Accumulation	USD	Dormant	USD 10,000	USD 3,000	none	See CDSC Schedule	maximum 2.25% p.a.	maximum 2.65% p.a.	0.05%
Smead US Value UCITS Fund C GBP Acc	Accumulation	GBP	Dormant	GBP 10,000	GBP 3,000	none	See CDSC Schedule	maximum 2.25% p.a.	maximum 2.65% p.a.	0.05%
Smead US Value UCITS Fund C GBP Acc (H)	Accumulation	GBP Hedged	Dormant	GBP 10,000	GBP 3,000	none	See CDSC Schedule	maximum 2.25% p.a.	maximum 2.65% p.a.	0.05%
Smead US Value UCITS Fund C EUR Acc	Accumulation	EUR	Dormant	EUR 10,000	EUR 3,000	none	See CDSC Schedule	maximum 2.25% p.a.	maximum 2.65% p.a.	0.05%



Smead US Value UCITS Fund C EUR Acc (H)	Accumulati on	EUR Hedged	Dormant	EUR 10,000	EUR 3,000	none	See CDSC Schedule	maximum 2.25% p.a.	maximum 2.65% p.a.	0.05%	
<b>Category "I"</b>										Institution al Investors	
Smead US Value UCITS Fund I USD Acc	Accumulati on	USD	Active	USD 250	USD 1,000,000	USD 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I USD Dist	Distribution	USD	Dormant		USD 1,000,000	USD 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I GBP Acc	Accumulati on	GBP	Active		GBP 1,000,000	GBP 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I GBP Acc (H)	Accumulati on	GBP Hedged	Dormant		GBP 1,000,000	GBP 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I GBP Dist	Distribution	GBP	Active		GBP 1,000,000	GBP 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%

Smead US Value UCITS Fund I GBP Dist (H)	Distribution	GBP Hedged	Dormant	GBP 1,000,000	GBP 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I EUR Acc	Accumulation	EUR	Active	EUR 1,000,000	EUR 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I EUR Acc (H)	Accumulation	EUR Hedged	Active	EUR 1,000,000	EUR 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I EUR Dist	Distribution	EUR	Dormant	EUR 1,000,000	EUR 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I EUR Dist (H)	Distribution	EUR Hedged	Dormant	EUR 1,000,000	EUR 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I CHF Acc	Accumulation	CHF	Dormant	CHF 1,000,000	CHF 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I CHF Acc (H)	Accumulation	CHF Hedged	Dormant	CHF 1,000,000	CHF 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%

Smead US Value UCITS Fund I CHF Dist	Distribution	CHF	Dormant	CHF 1,000,000	CHF 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I CHF Dist (H)	Distribution	CHF Hedged	Dormant	CHF 1,000,000	CHF 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I HKD Acc	Accumulation	HKD	Dormant	HKD 1,000,000	HKD 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I HKD Acc (H)	Accumulation	HKD Hedged	Dormant	HKD 1,000,000	HKD 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I SGD Acc	Accumulation	SGD	Dormant	SGD 1,000,000	SGD 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I SGD Acc (H)	Accumulation	SGD Hedged	Dormant	SGD 1,000,000	SGD 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I SEK Acc	Accumulation	SEK	Dormant	SEK 1,000,000	SEK 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I SEK Acc (H)	Accumulation	SEK	Dormant	SEK 1,000,000	SEK 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%

Smead US Value UCITS Fund I CAD Acc	Accumulation	CAD	Dormant	CAD 1,000,000	CAD 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
Smead US Value UCITS Fund I CAD Acc (H)	Accumulation	CAD Hedged	Dormant	CAD 1,000,000	CAD 3,000	none	none	maximum 1.05% p.a.	maximum 1.15% p.a.	0.01%
<b>Category "M"</b>										Institutional investors
Smead US Value UCITS Fund M USD Acc	Accumulation	USD	Active	USD 25,000	USD 3,000	none	none	maximum 1.20% p.a.	maximum 1.30% p.a.	0.01%
Smead US Value UCITS Fund M GBP Acc	Accumulation	GBP	Dormant	GBP 25,000	GBP 3,000	none	none	maximum 1.20% p.a.	maximum 1.30% p.a.	0.01%
Smead US Value UCITS Fund M EUR Acc	Accumulation	EUR	Dormant	EUR 25,000	EUR 3,000	none	none	maximum 1.20% p.a.	maximum 1.30% p.a.	0.01%
<b>Category "G"</b>										Institutional investors
Smead US Value UCITS Fund G USD Acc	Accumulation	USD	Dormant	USD 50,000	USD 3,000	none	none	maximum 1.55% p.a.	maximum 1.65% p.a.	0.01%

Smead US Value UCITS Fund G GBP Acc	Accumulation	GBP	Dormant	GBP 50,000	GBP 3,000	none	none	maximum 1.55% p.a.	maximum 1.65% p.a.	0.01%
Smead US Value UCITS Fund G EUR Acc	Accumulation	EUR	Dormant	EUR 50,000	EUR 3,000	none	none	maximum 1.55% p.a.	maximum 1.65% p.a.	0.01%
Smead US Value UCITS Fund G CHF Acc	Accumulation	CHF	Dormant	CHF 50,000	CHF 3,000	none	none	maximum 1.55% p.a.	maximum 1.65% p.a.	0.01%
Smead US Value UCITS Fund G HKD Acc	Accumulation	HKD	Dormant	HKD 50,000	HKD 3,000	none	none	maximum 1.55% p.a.	maximum 1.65% p.a.	0.01%
Smead US Value UCITS Fund G SGD Acc	Accumulation	SGD	Dormant	SGD 50,000	SGD 3,000	none	none	maximum 1.55% p.a.	maximum 1.65% p.a.	0.01%
<b>Category "R"</b>										All types of Investors
Smead US Value UCITS Fund R USD Acc	Accumulation	USD	Active	USD 2,500	USD 100	none	none	maximum 1.25% p.a.	maximum 1.35% p.a.	0.05%
Smead US Value UCITS Fund R EUR Acc	Accumulation	EUR	Active	EUR 2,500	EUR 100	none	none	maximum 1.25% p.a.	maximum 1.35% p.a.	0.05%

Smead US Value UCITS Fund R GBP Acc	Accumulati on	GBP	Dormant	GBP 2,500	GBP 100	none	none	maximum 1.25% p.a.	maximum 1.35% p.a.	0.05%
Smead US Value UCITS Fund R CHF Acc	Accumulati on	CHF	Dormant	CHF 2,500	CHF 100	none	none	maximum 1.25% p.a.	maximum 1.35% p.a.	0.05%
Smead US Value UCITS Fund R HKD Acc	Accumulati on	HKD	Dormant	HKD 2,500	HKD 100	none	none	maximum 1.25% p.a.	maximum 1.35% p.a.	0.05%
Smead US Value UCITS Fund R SEK Acc	Accumulati on	SEK	Dormant	SEK 2,500	SEK 100	none	none	maximum 1.25% p.a.	maximum 1.35% p.a.	0.05%
Smead US Value UCITS Fund R SGD Acc	Accumulati on	SGD	Dormant	SGD 2,500	SGD 100	none	none	maximum 1.25% p.a.	maximum 1.35% p.a.	0.05%
Smead US Value UCITS Fund R AUD Acc	Accumulati on	AUD	Dormant	AUD 2,500	AUD 100	none	none	maximum 1.25% p.a.	maximum 1.35% p.a.	0.05%
Smead US Value UCITS Fund R NOK Acc	Accumulati on	NOK	Dormant	NOK 2,500	NOK 100	none	none	maximum 1.25% p.a.	maximum 1.35% p.a.	0.05%
Smead US Value UCITS Fund R NZD Acc	Accumulati on	NZD	Dormant	NZD 2,500	NZD 100	none	none	maximum 1.25% p.a.	maximum 1.35% p.a.	0.05%

Smead US Value UCITS Fund R BRL Acc	Accumulation	BRL	Dormant	BRL 2,500	BRL 100	none	none	maximum 1.25% p.a.	maximum 1.35% p.a.	
<b>Category “Y”</b>										Institutional investors
Smead US Value UCITS Fund Y USD Acc	Accumulation	USD	Active	USD 25,000,000	USD 3,000	none	none	maximum 0.85% p.a.	maximum 0.95% p.a.	0.01%
Smead US Value UCITS Fund Y EUR Acc	Accumulation	EUR	Dormant	EUR 25,000,000	EUR 3,000	none	none	maximum 0.85% p.a.	maximum 0.95% p.a.	0.01%
Smead US Value UCITS Fund Y GBP Acc	Accumulation	GBP	Dormant	GBP 25,000,000	GBP 3,000	none	none	maximum 0.85% p.a.	maximum 0.95% p.a.	0.01%
Smead US Value UCITS Fund Y CHF Acc	Accumulation	CHF	Dormant	CHF 25,000,000	CHF 3,000	none	none	maximum 0.85% p.a.	maximum 0.95% p.a.	0.01%
Smead US Value UCITS Fund Y HKD Acc	Accumulation	HKD	Dormant	HKD 25,000,000	HKD 3,000	none	none	maximum 0.85% p.a.	maximum 0.95% p.a.	0.01%
Smead US Value UCITS Fund Y SGD Acc	Accumulation	SGD	Dormant	SGD 25,000,000	SGD 3,000	none	none	maximum 0.85% p.a.	maximum 0.95% p.a.	0.01%

Smead US Value UCITS Fund Y AUD Acc	Accumulati on	AUD	Dormant	AUD 25,000,000	AUD 3,000	none	none	maximum 0.85% p.a.	maximum 0.95% p.a.	0.01%
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