

**Managed by**

GERIFONDS (Luxembourg) SA  
43, Boulevard Prince Henri  
L-11724 Luxembourg

**D M C F U N D**

A Luxembourg Mutual Fund investing in marketable transferable securities

**P R O S P E C T U S**

Issued with a view to permanent public issuing of registered units of joint ownership.

**Depositary Bank**

Banque et Caisse d'Epargne  
de l'Etat, Luxembourg  
(Spuerkeess)

This Prospectus will only be valid if distributed together with the latest annual report and/or the latest semi-annual report if published thereafter. These reports form an integral part of this Prospectus.

November 2023

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## **DMC FUND**

A Luxembourg Mutual Fund investing in marketable transferable securities.

## **PROSPECTUS**

Issued with a view to permanent issuing of registered units of joint ownership.

This Prospectus will only be valid if distributed together with the latest annual report and/or the latest semi-annual report if published thereafter. These reports form an integral part of this Prospectus.

## **PRIIPs KID**

The PRIIPs KID (Packaged Retail and Insurance-based Investment Products (PRIIPs) - Key Information Document (KID).) is available free of charge at the registered offices of the Management Company, GERIFONDS (Luxembourg) SA, 43 Boulevard Prince Henri, L-1724 Luxembourg, as well as at the Depositary, Banque et Caisse d'Epargne de l'Etat, Luxembourg (Spuerkeess), 1, place de Metz L- 2954 Luxembourg.

The distribution of this Prospectus and its accompanying PRIIPs KID and the offering of units contemplated herein may be restricted in certain jurisdictions; persons into whose possession this Prospectus and its accompanying PRIIPs KID comes are required to inform themselves of and to observe such restrictions. This Prospectus and its accompanying PRIIPs KID does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Prospective purchasers of units should inform themselves as to the legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

## **SFDR and Taxonomy Regulation**

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended ("SFDR") which is part of a broader legislative package under the European Commission's Sustainable Action Plan, came into effect on 10 March 2021.

As a financial markets participant, the Management Company must comply with the requirements of Regulation (EU) 2019/2088 of the European Parliament and the Council of 27 November 2019 on sustainability related disclosures in the financial sector. Regulation (EU) 2019/2088 establishes harmonised rules for financial market participants and financial advisers relating to transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability related information with respect to financial

products. Regulation (EU) 2019/2088 defines sustainability risk as 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 investment. Regulation (EU) 2019/2088 defines sustainability factors as factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. In relation with Article 6 of Regulation (EU) 2019/2088, taking into account the diversity of investments with regard to the Fund's investment strategy and policy, the sustainability risks that could impact the Fund may be considered along with other elements of the overall analysis performed within the investment process but are not the decisive criteria that will define the universe of investments actually held by the Fund. Investors should note that it is very difficult to assess with reasonable certainty the existence or the likely outcome of a sustainability risk on the investments and/or its impact on the Fund. Each Compartment of the Fund must comply with its investment policy and objectives, as well as the general investment restrictions as described in this Prospectus. These do not incorporate sustainability factors. As a result, and in conjunction with Article 4 and Article 7 of Regulation (EU) 2019/2088, the Management Company does not take into account the negative impact of investment decisions on sustainability factors. The Fund's investments do not take into account the European Union criteria for environmentally sustainable economic activities as specified in Regulation (EU) 2020/852.

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. Pursuant to the Taxonomy Regulation, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## **Common Reporting Standard (CRS)**

The OECD has developed a common standard reporting ("NCD") to achieve a comprehensive and multilateral automatic exchange of information ("EAI") worldwide.

On 9 December 2014 Directive 2014/107/EU amending Directive 2011/16/EU regarding the mandatory automatic exchange of information in tax matters ("DAC 2") was adopted to implement common standards of reporting between Member States.

DAC2 European Directive was transposed into Luxembourg law by the Law of 18 December 2015 concerning the automatic exchange of information relating to financial accounts in tax matters ("CRS Act"). CRS Act request to the Luxembourg financial institutions to identify the holders of financial assets and determine whether they are tax residents of countries with which Luxembourg has concluded an agreement to exchange tax information. The Luxembourg financial institutions then release information on financial accounts of asset holders to the Luxembourg tax authorities, which then automatically will transfer this information to the competent foreign

tax authorities on an annual basis.

In this respect, Luxembourg financial institutions must pay due diligence obligations and reporting obligations imposed on them to determine to their account holders which financial accounts are reportable accounts according to CRS Act.

Therefore, the Fund may require its investors to provide information on the identity and the tax residence of financial account holders (including certain entities and individuals who hold control) to determine their status, and declare if necessary information regarding a Unitholder and his account to the Luxembourg tax authorities (Administration des Contributions) under the CRS and NCD Act.

This information may include:

- Identity and details of the person's identification with a tax resident in a jurisdiction NCD (name, address, date and place of birth, tax identification number);
- Identification on accounts (account numbers) and their balances;
- Received financial income (interest, dividends, proceeds, other income).

Under the CRS Act, the first EAI applied on September 30, 2017 to the local tax authorities of the Member States for data relating to the calendar year 2016.

In addition, Luxembourg has signed a multilateral agreement between the competent authorities of the OECD ("Multilateral Competent Authority Agreement") to automatically exchange information under the NCD. MCAA goal is to implement the NCD among non-member states; on the basis of each country.

The Fund reserves the right to reject any application if the information provided or not provided does not meet the requirements of the CRS Act and the NCD.

Unitholders should consult their legal and tax advisors regarding the legal and tax consequences of the implementation of the NCD.

## **Data protection**

The Fund, the Management Company, the administrative agent and other service providers and their affiliates (the "Agents") may collect, store, process and communicate personal data supplied by unitholders at the time of their subscription in order to comply with applicable legal obligations in accordance with the Luxembourg law of 2 August 2002 on the protection of individuals with regard to the processing of personal data, as amended ("Act on data protection"). In particular, the data supplied by unitholders is processed for the purpose of:

- Keeping the register of unitholders;
- Processing subscriptions, redemptions and conversions of units and payments of dividends to unitholders;
- Carry out checks on the practices of late trading and market timing;

- Perform the services provided by the above mentioned entities and
- Respect the applicable law, the rules against money laundering, the FATCA rules, the common standard statement or similar laws and regulations (e.g. at the OECD or the EU.).

By subscribing to the Fund, unitholders approved the aforementioned processing of their personal data and in particular, disclosure and processing of personal data by the parties referred to above, including affiliated company located in countries in outside the European Union that cannot provide a level of protection similar to that under the law of data protection in Luxembourg.

Unitholders acknowledge and accept that the transfer and processing of personal data by the Fund, the Management Company and / or its agents, may occur in countries outside Luxembourg, not benefiting from equivalent legislation data protection, and which do not guarantee the same level of confidentiality and protection than that offered by the legislation currently in force in Luxembourg when the personal data are kept abroad.

Unitholders acknowledge and agree that failure to provide relevant personal data requested by the Fund, the Management Company or its agents in connection with their relationship with the Fund, may prevent them from maintaining their investment in the Fund and may be declared by the Fund, the Management Company or its agents with relevant Luxembourg authorities.

Unitholders acknowledge and accept that the Fund, the Management Company or its agents declare all relevant information related to their investments in the Fund to the Luxembourg tax authorities will exchange this information on an automatic basis with the competent authorities in the United States or in other permitted jurisdictions as agreed in FATCA, the CRS Act, or international law at the OECD level, the EU or in applicable Luxembourg law.

Each Unitholder is entitled to access his personal data and may request a correction or deletion thereof in cases where such data is inaccurate and / or incomplete. Regarding the latter, each Unitholder has the right to request a modification of such information by a letter addressed to the Fund or the Manager or its agents. The unitholder has a right of opposition regarding the use of personal data for commercial purposes. This opposition can be made by letter addressed to the Fund, the Management Company or its agents.

Reasonable steps have been taken to ensure the confidentiality of personal data transmitted between the parties mentioned above. However, the fact that personal data are transferred electronically and are made available outside of Luxembourg, it may be that legislation on data protection does not guarantee the same level of confidentiality and protection than that offered by the legislation currently in force in Luxembourg when the personal data are kept abroad.

The Fund disclaims any liability for any unauthorized third party taking knowledge and / or have access to personal data of Unitholders, except for wilful negligence or gross negligence of the Fund, the Management Company or its Agents.

Personal data shall not be kept longer than necessary with regard to the data processing goal, always subject to the retention periods applicable legal minimum.

## **UNITED STATES PERSON**

The units of DMC FUND are not registered under the United States Securities Act of 1933. Units of DMC FUND may neither be bought nor held directly by, nor may be transferred to, any investor who is a "United States person". For the purposes of this Prospectus, a "United States person" is any of the following:

- (a) any United States citizen or resident;
- (b) any corporation, partnership or other entity organised or existing under the laws of any state, territory or possession of the United States;
- (c) any estate or trust of which any executor, administrator or trustee is a United States person;
- (d) any agency or branch of a foreign entity located in the United States;
- (e) any discretionary or non-discretionary accounts held by a fiduciary for the benefit or account of a United States person; or
- (f) any foreign partnership or corporation formed by a United States person principally for the purpose of investing in unregistered securities.

Holders of units are required to notify the Management Company of any change in their non-U.S. status.

## **FATCA**

The Foreign Account Tax Compliance Act ("FATCA") is part of the Hiring Incentives to Restore Employment Act, enacted into U.S. law on 18 March 2010. FATCA aims to reduce tax evasion by United States persons by obliging certain reporting to the U.S. Internal Revenue Service ("IRS") of all United States persons' income from financial assets held outside the United States. As a result of FATCA, and to discourage non U.S. financial institutions from staying outside this regime, all U.S. securities held by a financial institution that does not enter and comply with the regime will be subject to a U.S. tax withholding of 30% on gross sales proceeds as well as income.

On March 28, 2014 Luxembourg signed a model 1 Intergovernmental Agreement ("IGA") with the United States. Under the terms of IGA the Fund is obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Luxembourg law implementing the IGA. Under the IGA, Luxembourg resident financial institutions that comply with the requirements of the Luxembourg IGA legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA.

The Fund is qualified as a Non-Reporting Financial Institution (“FI”) under Annex II of the IGA and therefore has deemed compliant status and does not need to register with the IRS. A Non-Reporting FI has no reporting and withholding obligations but has to identify its unitholders in accordance with Annex I of the IGA.

Unitholders, and intermediaries acting for prospective unitholders, should therefore take particular note that, as further outlined above, it is the existing policy of the Fund that United States persons may not invest in the Fund, and that investors who become United States persons are liable to compulsory redemption of their holdings. Further, under the FATCA legislation, the definition of a U.S. reportable account will include a wider range of investors than the current United States person definition.

Additional intergovernmental agreements similar to the IGA have been entered into or are under discussion by other jurisdictions with the United States. Investors holding investments via distributors or custodians that are not in Luxembourg or another IGA country should check with such distributor or custodian as to the distributor’s or custodian’s intention to comply with FATCA. Additional information may be required by the Fund, custodians or distributors from certain investors in order to comply with their obligations under FATCA or under an applicable IGA.

Due to the evolving nature of FATCA, investors should contact their own tax advisers regarding the application of FATCA to their particular circumstances.

**The Fund is managed by**

GERIFONDS (Luxembourg) SA  
43, Boulevard Prince Henri  
L-1724 Luxembourg

**The Board of Directors of the Management Company is composed of**

Chairman of the Board:

Christian CARRON  
CEO, GERIFONDS SA  
Rue du Maupas 2  
CH-1004 Lausanne

Vice-Chairman of the Board:

Nicolas BIFFIGER  
Senior Compliance Officer, GERIFONDS SA  
Rue du Maupas 2  
CH-1004 Lausanne

Directors of the Board:

Bertrand GILLABERT,  
CFO, GERIFONDS SA  
Rue du Maupas 2  
CH-1004 Lausanne

Marc AELLEN  
Sous-Directeur, Banque Cantonale Vaudoise  
Place Saint François 14  
CH-1003 Lausanne

Olivia TOURNIER-DEMAL  
Independent Director  
13, Rue Nicolas Thewes  
L-6146 Junglisten

**The Conducting Officers of the Management Company are**

Daniel PYC  
Emmanuel CACAULT  
Benoît PAQUAY

**The Investment Manager is**

ONE swiss bank SA  
Rue de Lausanne, 78  
CH-1202 Geneva

**The Auditor of the Fund is**

PricewaterhouseCoopers, *Société coopérative*  
2, Rue Gerhard Mercator  
L-2182 Luxembourg

**The Depositary Bank (hereinafter the “Depositary”) is**

Banque et Caisse d’Epargne de l’Etat, Luxembourg (Spuerkeess)  
1, Place de Metz  
L-2954 Luxembourg

**The Central Administrator (hereinafter the “Administrative Agent”) is**

UI efa S.A.  
2, Rue d’Alsace  
L-1122 Luxembourg

**The Transfer and Registrar Agent is**

UI efa S.A.  
2, Rue d’Alsace  
L-1122 Luxembourg

**The Registered Office is**

GERIFONDS (Luxembourg) SA  
43, Boulevard Prince Henri  
L-1724 Luxembourg

Marketing of the Fund's units might be undertaken in Switzerland and some EU countries.

No one may refer to information other than that appearing in this Prospectus, its PRIIPS KID and in the documents referred to herein.

## THE FUND

### 1 GENERAL

DMC FUND was initially set up 3 April 1998 (under the name DYNAMIC FLOORING FUND) and is an open-ended mutual fund governed by Luxembourg Law and investing in marketable transferable securities.

The current Management Regulations have been deposited with the Trade Register of the district court in Luxembourg and the relating notice was published in the RESA, *Recueil Electronique des Sociétés et Associations* (hereafter "RESA").

DMC FUND as a Luxembourg mutual Fund (*Fonds commun de placement*) is governed by part I of the Luxembourg Law on Undertakings for collective Investment of 17 December 2010 (hereafter the "2010 Law"). DMC FUND does not have a legal personality.

Its assets are the undivided joint property of the unitholders and are separate from the assets of GERIFONDS (Luxembourg) SA. The Management Company is a company incorporated under the laws of Luxembourg and has its registered office in Luxembourg. There is no restriction on the amount of the Fund's assets nor to the number of its units.

DMC FUND has been established as an umbrella fund. The Management Company may on behalf of the Fund issue units (the "units") related to specific pools of assets (each a "Sub-Fund"). In respect of each Sub-Fund the Management Company pursues a specific investment policy.

At the issue of the present prospectus the Management Company has set up the Sub-Funds set forth in Section 4 below.

The rights of the unitholders and creditors regarding a Sub-Fund are limited to the assets of the Sub-Fund. The assets of a Sub-Fund will be answerable exclusively for the rights of the unitholders relating to this Sub-Fund. In relation between unitholders, each Sub-Fund will be deemed to be a separate entity.

The Management Company may in the future create further Sub-Funds by the issue of further classes of units.

This Prospectus shall be supplemented upon the effective launch of the other Sub-Funds or class of units.

## **2 MANAGEMENT REGULATIONS**

The rights and duties of the unitholders of each Sub-Fund, the Management Company and the Depositary are determined by the Management Regulations. Copies of the Management Regulations are available free of charge from the offices of the Management Company, GERIFONDS (Luxembourg) SA, 43, Boulevard Prince Henri, L-1724 Luxembourg, as well as at the Depositary, Banque et Caisse d'Epargne de l'Etat, Luxembourg (Spuerkeess), 1, place de Metz L-2954 Luxembourg.

The Management Company may, at any time, amend the Management Regulations, completely or partly, with the approval of the Depositary.

Amended Management Regulations enter into force at sign off date of the Management Regulations, in as far as nothing else is stipulated. The amended Management Regulations will be published as described in the "Publications" paragraph.

## **3 OBJECTIVES OF THE FUND AND INVESTMENT POLICY**

The main objective of the Fund is the realisation of long term capital growth.

The Fund has long term investment horizons and therefore the purchase of units in the Fund should be regarded as a long term investment.

The Fund proposes investors access to the global capital markets across all asset classes through a diversified portfolio. In order to achieve this, the assets may be invested, according to the investment policy of each Sub-Fund in marketable transferable securities and in other assets expressed in the currency of the Sub-Fund or any other convertible currency traded on a regulated market.

In order to achieve its objective, the respective Sub-Fund may use derivative techniques and instruments as defined in section 6.1.1. point (g), provided the conditions laid down in the investment restrictions are respected. In particular the Fund may for each Sub-Fund, do the usual transactions on regulated futures and options markets, operating regularly, being recognised and open to the public.

Besides marketable transferable securities and other authorised investments as stated in the investment restrictions, each Sub-Fund may, on an ancillary basis, invest in money market funds, money market instruments and/or term deposits for achieving the Sub-Fund's investment objectives, for financial purposes or under unfavourable market conditions.

Each Sub-Fund may hold sight deposits for treasury purposes. The holding of the sight deposits is limited to 20% of the net assets of each relevant Sub-Fund. The 20% limit may only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors.

As for any investment, the Management Company cannot guarantee the future performance and there cannot be any certainty as to whether the Sub-Funds' investment objectives will be met. Investors should bear in mind that the value of the units and any income from them may as well go up or down.

The options traded on regulated markets are volatile but liquid and the risk to suffer losses is above that of investing in other marketable transferable securities.

Each Sub-Fund needs to comply with the investment objectives and restrictions described below for each Sub-Fund and the general investment restrictions.

The assessment of Sustainability Risks is an integral part of the Investment Manager's investment decision process and is performed regularly for all portfolio holdings. Thereby relevant Sustainability Risks which might have a material negative impact on the return on an investment and hence their likely return for investors are taken into account. The Fund classifies all its Sub-funds as Article 6 according to SFDR.

Each Sub-Fund may also hold liquid assets in major currencies.

#### **4 SUB-FUNDS**

The following Sub-Funds are proposed:

##### **4.1. DMC FUND - WORLD HY CORPORATE BONDS (expressed in USD)**

###### **Investment Objective**

The investment objective of the DMC FUND - WORLD HY CORPORATE BONDS Sub-Fund (expressed in USD) is to achieve a long term capital increase with the aim of achieving a positive return and preserving capital by offering to investors an access to the main markets of bonds denominated in USD and in foreign currencies (currencies of OECD member countries), and in particular to the markets of "high yield" corporate bonds issued by industrial, banking, financial and/or other companies. The notion of "high yield" bonds covers bonds benefiting from a rating at best BB+ with Standard & Poor's or Fitch, or Ba1 with Moody's or from no rating at all.

The benchmark representative for the above defined bond universe is the « BofA Merrill Lynch Global High Yield Index ».

Information concerning this index is provided in the BofA Merrill Lynch Bond Index Guide, which can be accessed on Bloomberg (IND2[go], 4[go]), or by sending a request to mlindex@ml.com.

The management of the Sub-Fund is based on a quantitative indexing approach, called optimized sampling, aimed to closely align the principal portfolio risk factors with those of the benchmark. The global control of portfolio risk is achieved using quantitative process centered on spread maximization procedure that takes into account multiple constraints derived from the benchmark risk profile.

In order to enhance the expected return, the allocation of the Sub-Fund between the different segments of the investment universe (notably concerning sectors and rating categories) may differ from the allocation of the benchmark.

The assets are managed globally in corporate bonds depending on the specific investment universe of each Sub-Fund.

### **Investment Policy**

The Sub-Fund invests more than 70% of its net assets in “high yield” corporate bonds denominated in USD and/or in foreign currencies (currencies of OECD member countries) which benefit from a rating at best BB+ with Standard & Poor’s or Fitch, or Ba1 with Moody’s) or from no rating at all. In the event of default affecting bonds held by the fund, the fund reserves the right to retain those bonds in order to preserve the possibility of selling them in the best interest of the investors.

Sustainability Risks are not systematically integrated in the investment decisions of the Sub-Fund and are not a core part of the investment strategy of the Sub-Fund, due to the nature of the investment objective of the Sub-Fund which is to offer an exposure to the entire global “high yield” market without any exclusion.

The Sub-Fund may invest up to 10% of its net assets in UCIs/UCITS, as defined in section 6.1.1 point (e) of the investment restrictions in this prospectus.

For achieving its investment objectives, for financial purposes or under unfavourable market conditions, the Sub-Fund may invest in money market funds, money market instruments and/or term deposits on an ancillary basis.

The Sub-Fund may hold sight deposits for treasury purposes. The holding of the sight deposits is limited to 20% of its net assets. The 20% limit may only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors.

## **Investor Profile**

The Sub-Fund invests mainly in corporate “high yield” bonds denominated in USD and/or in foreign currencies (currencies of OECD member countries).

Due to the Sub-Fund ability to hold bonds in default, investors should be aware of the additional risk related to those bonds, including valuation and liquidity risk arising from low liquidity levels that might consequently lead the Sub-Fund to face difficulties selling all or part of those bonds in default and potentially result in negative impact on its net asset value.

As these bonds bear credit & liquidity risk, a major emphasis is put on the diversification of the investments.

This Sub-Fund is particularly well suited for investors who are ready to accept the credit & liquidity risk linked to the higher yield associated with the considered bond universe, and who have a longer term investment horizon.

Moreover, for the unhedged unit classes, the investors must accept the potential fluctuations in the NAV per unit of their units linked to the exchange rate risk of the bonds denominated in foreign currencies.

## **5 UNITS**

For each Sub-Fund, the Management Company issues capitalisation and distribution units.

For the DMC FUND - WORLD HY CORPORATE BONDS Sub-Fund, the following classes of units are issued:

- units “R” in USD: open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000.-;
- units “R” in EUR (hedged): open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000.-;
- units “R” in CHF (hedged): open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000.-;
  
- units “I” in USD: reserved to institutional investors with a minimum investment amount corresponding to the counterpart of EUR 1,000,000.-;
- units “I” in EUR (hedged): reserved to institutional investors, with a minimum investment amount corresponding to the counterpart of EUR 1,000,000.-; and
- units “I” in CHF (hedged): reserved to institutional investors, with a minimum investment amount corresponding to the counterpart of EUR 1,000,000.-.

- units "R" Distr. in USD: open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000.-;
- units "R" Distr. in EUR (hedged): open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000.-;
- units "R" Distr. in CHF (hedged): open to all investors with a minimum investment amount corresponding to the counterpart of EUR 1,000.-;
- units "I" Distr. in USD: reserved to institutional investors with a minimum investment amount corresponding to the counterpart of EUR 1,000,000.-;
- units "I" Distr. in EUR (hedged): reserved to institutional investors, with a minimum investment amount corresponding to the counterpart of EUR 1,000,000.-; and
- units "I" Distr. in CHF (hedged): reserved to institutional investors, with a minimum investment amount corresponding to the counterpart of EUR 1,000,000.-.

Hedged units will be subject to currency hedging against the reference currency of the Sub-Fund concerned by using financial derivative instruments such as forward foreign exchange transactions and/or currency swaps. The hedge ratio may fluctuate between 95% and 105%. Costs incurred in connection with currency hedging will be charged to the relevant hedged units.

The Board of Directors shall determine how the income of the relevant Classes of units of the relevant Sub-Funds shall be distributed and may declare from time to time, at such time and in relation to such periods as the Board of Directors may determine distributions in the form of cash or units as set forth hereinafter.

Distributions, if any, will be paid out of the net investment income available for distribution. For certain classes, the Board of Directors may decide from time to time to distribute net realized and unrealized capital gains. Unless otherwise specifically requested, dividends will be reinvested in further units within the same Class of the same Sub-Fund and unitholders will be advised of the details by dividend statement.

Dividends not claimed within five years of their due date will lapse and revert to the relevant class, if any, of the relevant Sub-Fund.

No interest shall be paid on a distribution declared by the Fund and kept by it at the disposal of its beneficiary.

No retrocession will be paid by the following classes of units :

- units "I" in USD
- units "I" in EUR (hedged)
- units "I" in CHF (hedged)
- units "I" Distr. in USD
- units "I" Distr. in EUR (hedged)
- units "I" Distr. in CHF (hedged)

## 6 INVESTMENT RESTRICTIONS

### General Provisions

Rather than concentrate on a single specific investment objective, the Fund is divided into different Sub-Funds, each of which has its own investment policy and its own risk profile by investing in a specific market or in a group of markets. The characteristics of each Sub-Fund, the investment objectives and policies are described in sections 3 and 4 of this Prospectus.

### 6.1

#### 6.1.1

The Fund's investments shall consist exclusively of:

(a) transferable securities and money market instruments listed or traded on a regulated market;

(b) transferable securities and money market instruments traded on another regulated and regularly functioning market of a Member State of the European Union, that is recognised and open to the public;

(c) transferable securities and money market instruments admitted for listing on a stock market of a State, which is not part of the European Union or traded on another market of a State that is not part of the European Union, which is regulated and regularly functioning, recognized and open to the public;

(d) transferable securities and newly issued money market instruments provided that:

- the terms of issue include an undertaking that an application will be made for admission to be officially listed on a stock exchange or other regulated, regularly functioning market which is recognized and open to the public;
- and that this admission is obtained at the latest within one year of the issue.

(e) units of UCITS approved in conformity with Directive 2014/91/EU and/or of other UCIs within the meaning of Art. 1, paragraph (2), points a) and b) of Directive 2014/91/EU, whether located or not in a European Union Member State, provided that:

- these other UCIs are approved in conformity with legislation stipulating that the entities are subject to supervision that the CSSF considers equivalent to that intended by the EU legislation and that cooperation between the authorities is adequately guaranteed;
- the level of protection guaranteed to shareholders of these other UCIs is equivalent to that intended for shareholders of a UCITS and, in particular, that the rules relating to the division of assets, borrowings, loans, short sales of transferable securities and money market

instruments are equivalent to the requirements of Directive 2014/91/EU;

- the activities of these other UCIs are reported in semi-annual and annual statements that enable valuation of assets and liabilities, income and operations for the period concerned; and that

- no more than 10% of the assets of the UCITS or the other UCIs, whose acquisition is envisaged, can, in conformity with their management regulations or their constitutive documents, be invested in aggregate in units of other UCITS or other UCIs;

- when a compartment invests in units of other UCITS and/or other UCIs that are linked to the Fund within the framework of common management or control or by a significant direct or indirect holding, or is managed by a Management Company linked to the manager, no subscription or redemption fees may be invoiced to the Fund for investment in the UCITS or UCI units;

- the Fund, the manager or the Management Company may not receive any commission for issue or redemption and may only receive a maximum management commission of 0.25% if they acquire target funds that are:

a. directly or indirectly managed by themselves, or

b. managed by a company to which they are linked:

- under common management
- under common control, or
- by a direct or indirect holding of more than 10% of the capital or votes.

(f) deposits in credit establishments redeemable on request or which can be withdrawn and whose maturity is twelve months or less, provided that the credit establishment has its registered headquarters in a European Union Member State or, if the registered headquarters of the credit establishment are located in a third country, is subject to the prudent portfolio rules considered by the CSSF as equivalent to those provided by EU legislation;

(g) derivative financial instruments, including similar instruments allowing cash settlements, that are traded on regulated markets of the kind specified in points (a), (b) and (c) above, and/or over-the counter derivative financial instruments (“**OTC Derivatives**”), provided that:

- the underlying assets consist of instruments allowed under Section 6.1.1, in terms of financial indexes, interest rates, exchange or currency rates, swaps, in which the Fund may invest in conformity with its investment objectives;

- the counterparties to OTC Derivative transactions are establishments subject to prudential supervision and belonging to categories approved by the CSSF; and

- the OTC Derivative instruments are reliably and verifiably evaluated on a daily basis and can be, should the Fund wish, sold, liquidated or closed by a symmetrical transaction, at any time and at their fair value;

(h) money market instruments other than those traded on a regulated market and designated by article 1 of the 2010 Law, as long as the issuer or the issuer of these instruments are themselves subject to regulations

whose aim is to protect the investors and investments and that the instruments are:

- issued and guaranteed by a central, regional or local administration, by a central bank of a European Union Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a third state or, in the case of a federal state, by one of the members of the federation, or by an international public agency of which one or more European Union Member States are members; or
- issued by a company whose securities are traded on regulated markets specified in points (a), (b) or (c) above; or
- issued or guaranteed by an establishment subject to prudential supervision according to criteria defined by European Union law, or by an establishment that is subject to and in conformity with prudential rules considered by the CSSF as at least as strict as those intended by European Union legislation; or
- issued by other entities belonging to categories approved by the CSSF as long as the investments in these instruments are subject to rules for protecting investors that are at least equivalent to those prescribed by the first, second or third indents, and that the issuer is a company whose capital and reserves are at least ten million euros (EUR 10'000'000) and which offers and publishes its annual accounts in conformity with Directive 78/660/EEC, or is an entity which, within a group of companies including one or more listed companies, is dedicated to financing the group or is an entity which is dedicated to financing securitization vehicles with a line of bank financing.

### 6.1.2

However:

(a) each Sub-Fund may invest a maximum of 10% of its net assets in transferable securities and money market instruments other than those mentioned in section 6.1.1 a), b), c), d) and h) above;

(b) the Fund (and each of its Sub-Fund) cannot acquire precious metals or certificates representing precious metals.

### 6.1.3

Restrictions on ancillary cash

The Fund may hold cash on an ancillary basis. Ancillary liquidity is limited to sight deposits at banks, such as cash available in current accounts opened with a bank that can be accessed at any time, in order to cover current or non-recurring payments, or the time required to reinvest in eligible assets in accordance with Article 41(1) of the Law of 17 December 2010, or for a period strictly necessary in the event of unfavourable market conditions. These liquid assets may not represent more than 20% of the Fund's net assets on an ancillary basis.

The limit of 20% mentioned above may be exceeded temporarily only for a strictly necessary period when, due to exceptionally unfavourable market conditions, circumstances so require and such

excess is justified in the best interests of investors.

## 6.2

(a) In accordance with the principle of risk diversification, the Fund may not invest more than 10% of the net assets of each Sub-Fund in transferable securities or money market instruments of the same issuer and cannot invest more than 20% of the net assets of each Sub-Fund in deposits placed in the same entity.

The counterparty risk of the Fund in a transaction involving OTC Derivatives may not exceed 10% of the net assets of the respective Sub-Fund when the counterparty is one of the credit establishments specified in Section 6.1.1, point f), or 5% of the net assets of the respective Sub-Fund in other cases.

(b) The total value of the transferable securities and money market instruments of one and same issuers in which more than 5% of a Sub-Fund's net assets is invested may not exceed 40% of the value of the net assets of the respective Sub-Fund. This limit does not apply to deposits in financial establishments that are subject to prudential supervision and to transactions of OTC Derivative instruments with these establishments.

Notwithstanding the individual limits set in point (a) above, a Sub-Fund may not combine:

- instruments in transferable securities or money market instruments issued by a single entity,
  - deposits in a single entity, and/or
  - risks related to transactions involving OTC Derivative instruments with a single entity,
- that represent more than 20% of its net assets.

(c) The 10% limit defined in the first sentence of point (a) above may be raised to a maximum of 35% when the transferable securities or money market instruments are issued or guaranteed by a European Union Member State, by its local authorities, by a state that is not a member of the European Union or by international public bodies of which one or more EU Member States are members. The transferable securities and money market instruments mentioned in this paragraph are not accounted for when applying the 40% limit mentioned in point (b) above.

(d) The 10% limit defined in the first sentence of point (a) above may be raised to a maximum of 25% for certain debt securities, when they are issued by a credit establishment having registered headquarters in a European Union Member State that is legally subject to special public auditing designed to protect holders of the bonds. In particular, the amounts originating from the issue of the bonds must be invested, in conformity with the law, in assets that adequately cover, for the entire duration of the validity of the bonds, the related liabilities and that will be distributed preferentially as redemption of the capital and payment of interest accrued in the event of default by the issuer. When a Sub-

Fund invests more than 5% of its assets in bonds as understood in this paragraph and issued by the same issuer, the total value of the investments may not exceed 80% of the value of the assets of the respective Sub-Fund. The transferable securities and money market instruments mentioned in this paragraph are not accounted for when applying the 40% limit mentioned in point (b), above.

(e) The limits defined in the previous points (a), (b), (c) and (d) are not cumulative and therefore, the investments in transferable securities or money market instruments of a single issuer, in deposits or derivative instruments involving this entity, in conformity with these points (a), (b), (c) and (d) may not exceed a total of 35% of the net assets of the Sub-Fund in question;

(f) The companies that are grouped together in the consolidated accounts, within the meaning of Directive 83/349/EEC or in conformity with recognized international accounting rules, are considered as a single entity for the calculation of the limits described in points (a) to (e) of this section 6.2.

A single UCI may invest cumulatively up to 20% of its net assets in the transferable securities or money market instruments of a single group.

(g) Notwithstanding the above, the Fund may invest up to 100% of the net assets of the respective Sub-Fund in transferable securities and money market instruments issued or guaranteed by an EU or OECD Member state, by local authorities of an EU Member state or by international public bodies of which one or more EU Member states are members, provided that these securities belong to at least six different issues and that the securities belonging to a single issue do not exceed 30% of the net assets of the Sub-Fund in question.

(h) The Fund may not invest more than 20% of the net assets of each Sub-Fund in a single UCITS or other UCI as defined in Section 6.1.1. The investment in UCI units other than UCITS, may not exceed a total of 30% of the net assets of the respective Sub-Fund. In the application of this limit, each compartment of a UCI with multiple sub-funds is considered as a separate issuer provided that the liabilities of the different sub-funds with regard to third parties are segregated.

## **6.3**

### **6.3.1**

The Fund may not acquire for any of the Sub-Funds:

(a) shares granting voting rights in sufficient number to allow it to exert a significant influence on the management of the issuer;

(b) more than:

- 10% of units or shares without voting rights of a single issuer;
- 10% of the bonds of a single issuer;
- 25% of the units or shares of a single undertaking for collective investment;

– 10% of money market instruments of a single issuer.

The limits defined in the second, third and fourth indents above need not be respected at the time of acquisition if, at that time, the gross value of the bonds or money market instruments or the net value of securities issued cannot be calculated;

The restrictions mentioned above are not applicable:

- to the transferable securities and money market instruments issued or guaranteed by a European Union Member State, by its local authorities, or by a State that is not a member of the European Union;
- to the transferable securities and money market instruments issued by international public bodies of which one or more European Union Member States are members;
- to shares held in the capital of a corporation of a third state to the EU that invests its assets mainly in the securities of issuers of that state, where under the legislation of that state such a holding represents the only way in which the UCITS can invest in the securities of issuers of that state. This exception is, however, only applicable when the third State to the EU respects in its investment policy the limits established by Articles 43 and 46 and Article 48, paragraphs (1) and (2), of the 2010 Law. In the case that the limits defined in Articles 43 and 46 of this law are exceeded, Article 49 applies with necessary modifications;
- to shares held by one or more investment companies in the capital of subsidiary companies exercising management, advising, or sales activities solely for the benefit of the subsidiary companies in the country where the subsidiary is located in regard to the redemption of shares at the shareholder's request.

### 6.3.2

(a) The Fund may for each Sub-Fund temporarily contract loans in a proportion not to exceed 10% of the net assets of that Sub-Fund.

(b) The Fund may not grant credits or act as guarantor on behalf of third parties.

The paragraph above does not prevent the acquisition by the Fund of transferable securities, money market instruments or other financial instruments allowed under Section 6.1.1, points e), g) and h) not fully paid up.

(c) The Fund may not, for any Sub-Fund, undertake transactions involving the short sale of transferable securities, money market instruments or other financial instruments specified in Section 6.1.1, points e), g) and h).

### 6.3.3

(a) The Fund shall not necessarily be required to comply with the limits set in this section during the exercise of subscription rights connected to transferable securities or money market instruments that form part of its assets.

Provided they ensure compliance with the principle of diversification of risks, each new Sub-Fund created subsequent to the Fund's approval may be exempted from points 6.2 for a period of six months from the date of their launch.

(b) In the events of any of the limits referred to in point 6.3.3 (a) being breached for reasons beyond the Fund's control, as a result of the exercising of subscription rights, the Fund must aim, as a priority, through its sales transactions, to rectify the situation while taking unitholders' interests into account.

#### 6.3.4

A Sub-Fund (the "**Cross-investing Sub-Fund**") may invest in one or more other Sub-Funds. Any acquisitions of units of another Sub-Fund (the "**Target Sub-Fund**") by the Cross-investing Sub-Fund is subject to the following conditions:

- (a) the Target Sub-Fund may not invest in the Cross-investing Sub-Fund;
- (b) the Target Sub-Fund may not invest more than 10% of its net assets in UCITS (including other Sub-Funds) or other UCIs;
- (c) the voting rights attached to the units of the Target Sub-Fund are suspended during the investment by the Cross-investing Sub-Fund;
- (d) the value of the units of the Target Sub-Fund held by the Cross-investing Sub-Fund are not taken into account for the purpose of assessing the compliance with the EUR 1,250,000.- minimum capital requirement; and
- (e) duplication of management, subscription or redemption fees is prohibited.

#### 6.4 Investments in financial derivative instruments and use of EPM Techniques

The Management Company must employ (i) 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 portfolio and (ii) a process for accurate and independent assessment of the value of OTC Derivatives.

Each Sub-Fund will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This will also apply to the following subparagraphs.

A Sub-Fund may invest, as a part of its investment policy, in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 6.2. Under no circumstances will these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus. When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined

to the limits laid down in section 6.2.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this section 6.4.

The Fund's annual reports will contain, in respect of each Sub-Fund that has entered into financial derivative instruments over the relevant reporting period, details of:

- (i) the underlying exposure obtained through financial derivative instruments;
- (ii) the identity of the counterparty(ies) to these financial derivative instruments;
- (iii) the type and amount of collateral received to reduce counterparty risk exposure.

The Sub-Funds are authorised to employ techniques and instruments relating to transferable securities or money market instruments ("**EPM Techniques**") subject to the following conditions:

- (i) they are economically appropriate in that they are realised in a cost-effective way;
- (ii) they are entered into for one or more of the following specific aims:
  - reduction of risk;
  - reduction of cost;
  - generation of additional capital or income for the relevant Sub-Fund with a level of risk which is consistent with its risk profile and applicable risk diversification rules;
- (iii) their risks are adequately captured by the Fund's risk management process.

The Fund and any of its Sub-Funds may in particular enter into swap contracts relating to any financial instruments or indices, including total return swaps within the meaning of point (7) of article 2 of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories ("**TRS**"). TRS involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRS or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets.

The Fund and any of its Sub-Funds may employ securities financing transactions (each a "**SFT**") within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions

and of reuse and amending Regulation (EU) No 648/2012 (“**SFTR**”) for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFTs and TRS for investment purposes will be in line with the risk profile and risk diversification rules applicable to any Sub-Funds. Investors should refer to the risk factors in section 7 of this Prospectus for special risk considerations applicable to the use of SFT and TRS.

The EPM Techniques that may be employed by the Sub-Funds in accordance with the Prospectus include SFT that are subject to the conditions below:

(i) when entering into a securities lending agreement within the meaning of SFTR, the Fund will ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement.

(ii) when entering into a reverse repurchase transaction agreement within the meaning of SFTR, the Fund will ensure that it is able at any time to recall:

- the full amount of cash or to terminate the reverse repurchase transaction agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase transaction agreement should be used for the calculation of the net asset value of the relevant Sub-Fund; and/or

- any securities subject to the Repurchase Transaction agreement or to terminate the repurchase transaction agreement into which it has entered.

(iii) fixed-term repurchase transaction and reverse repurchase transaction agreements that do not exceed seven (7) days will be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

The Management Company takes into account these EPM Techniques when developing its liquidity risk management process in order to ensure that the Fund is able to comply at any time with its redemption obligations.

The maximum and expected proportion of assets that may be subject to SFT or TRS, as well as the types of assets that are subject to SFT or TRS will be set out for each Sub-Fund in the section of the Prospectus describing its Investment Policy.

Except as otherwise set out in the section of the Prospectus describing the investment policy of the relevant Sub-Fund, all revenues resulting from the EPM Techniques will be returned in full to the Fund after deduction of the direct and indirect operational costs/fees of the depositary and the Investment Manager and disclosed in the annual reports of the Fund. The revenues (if any) linked to the TRS will be fully allocated to the relevant Sub-Fund and will be included in the valuation

of the TRS. There will neither be any costs nor fees specific to TRS charged to any Sub-Fund that would constitute revenue for the Management Company. The fees of any agent involved in EPM Techniques or TRS may not exceed 20% of the total income generated by these EPM Techniques or TRS. The remaining income will accrue to the relevant Sub-Fund. SFT agents or counterparties to the OTC Derivatives (including TRS) will not be affiliated with the Company, the Management Company or the relevant Investment Manager.

The counterparties to SFT and TRS will be selected and approved through a robust selection process in accordance with the Management Company's best selection policy and will be established in OECD Member States. Approved counterparties to SFT and TRS are required to have a minimum rating of investment grade for OTC derivative counterparties provided however that credit quality assessment of counterparties does not rely only on external credit ratings. Alternative quality parameters will be taken into account. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, the Management Company's risk management team will assess the creditworthiness of the proposed counterparties, their expertise in the relevant transactions, the costs of service and others factors related to best execution in line with the Management Company's execution policy. The following criteria will be used to select the counterparties: leading financial institutions, sound financial situation, ability to offer a range of products and services corresponding to the requirements of the Management Company, ability to offer reactivity for operational and legal points, ability to offer competitive price and quality of the execution.

Assets subject to SFT and TRS will be safe-kept by the Depositary as set out under section 6.5 below.

The Fund's annual report will include the following information:

- (i) the exposure obtained through EPM Techniques;
- (ii) the identity of the counterparty(ies) to these EPM Techniques;
- (iii) the type and amount of collateral received by the Fund to reduce counterparty exposure;
- (iv) the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred;
- (v) where collateral received from an issuer has exceeded 20% of the Net Asset Value of a Sub-Fund, the identity of that issuer; and
- (vi) whether a Sub-Fund has been fully collateralised in securities issued or guaranteed by a Member State.

The Fund's semi-annual and annual reports will further contain additional information on the use of SFT and TRS in line with Section A of the Annex of the SFTR.

The counterparty risk arising from OTC Derivatives and EPM Techniques may not exceed 10% of the assets of a Sub-Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.

The counterparty risk of a Sub-Fund vis-à-vis a counterparty is equal to the positive mark-to-market value of all OTC Derivatives and EPM Techniques transactions with that counterparty, provided that:

- (i) if there are legally enforceable netting arrangements in place, the risk exposure arising from OTC Derivative and EPM Techniques transactions with the same counterparty may be netted; and
- (ii) if collateral is posted in favour of a Sub-Fund and such collateral complies at all times with the criteria set out in section 6.5 below, the counterparty risk of such Sub-fund is reduced by the amount of such collateral.

Unless otherwise set out in the section describing the investment policy of the relevant Sub-Fund, none of the counterparties in OTC Derivative transactions will have discretion over the composition or management of the relevant Sub-Fund's investment portfolio or over the assets underlying the relevant OTC Derivative.

The risks linked to the use of SFT and TRS as well as risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in section 7.

Unless otherwise specified in the section describing the investment policy of a specific Sub-Fund, the Sub-Funds will not use SFT or TRS. If a Sub-Fund intends to make use of SFTs or TRS, the relevant section of the Prospectus will be updated prior such use and will include the disclosures requirements required under SFTR and in particular, the maximum and expected portion of assets that may be subject to SFTs or TRS, as well as the types of assets that are subject to SFTs or TRS.

## **6.5 Collateral policy for OTC Derivatives transactions, TRS and EPM Techniques**

Collateral received by a Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral must comply with the following conditions:

- (i) Liquidity – any collateral received other than cash should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order to be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the acquisition limits set out in section 6.3.1 of this Prospectus;

(ii) Valuation – 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 its haircut policy set out under this section below;

(iii) Issuer credit quality – collateral received should be of high quality and must present a rating of at least BBB- (or equivalent) attributed by at least one rating agency for collateral received in bond form;

(iv) Correlation – the collateral received by the Sub-Fund 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;

(v) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of OTC Derivative or EPM Techniques transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong, provided the Sub-Fund receives securities from at least six different issues and any single issue does not account for more than 30% of the Sub-fund's NAV. If a Sub-Fund intends to make use of this possibility, this will be set out in the section of the Prospectus describing its investment policy;

(vi) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process of the Management Company; and

(vii) Collateral received should be capable of being fully enforced by the Fund for the account of the Sub-Fund at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Fund may consist of:

(i) Cash and cash equivalents, including short-term bank certificates and money market instruments;

(ii) Bonds issued or guaranteed by a OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;

(iii) Shares or units issued by money market UCIs calculating a daily

net asset value and being assigned a rating of AAA or its equivalent;

(iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (v) and (vi) below;

(v) Bonds issued or guaranteed by first class issuers offering adequate liquidity; and

(vi) Shares admitted to or dealt in on a regulated market of a EU Member State or on a stock exchange of a OECD Member State, on the condition that these shares are included in a main index, subject to the haircut policy set out under this section below.

For the purpose of this section, all assets received by a Sub-Fund in the context of EPM Techniques should be considered as collateral.

Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged.

Cash collateral received by a Sub-Fund can only be:

(i) placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

(ii) invested in high-quality government bonds;

(iii) used for the purpose of reverse repo 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;

(iv) invested in Short-Term Money Market Funds as defined in the CCSR Guidelines 10-049 on a Common Definition of European Money Market Funds.

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

Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depositary or one of its correspondents or sub-custodians. Such collateral may be held by one of the Depositary's correspondents or sub-custodians provided that the Depositary has delegated the custody of the collateral to such correspondent or sub-custodian. Collateral posted in favour of a Sub-Fund under a security interest arrangement (e.g., a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

The level of collateral required across all EPM Techniques or OTC Derivatives will be at least 100% of the exposure to the relevant counterparty, calculated daily on a mark-to-market basis and variation margin will be applied, subject to the haircut policy set out below:

<b>Type of collateral</b>	<b>Haircut applied for the transferable securities denominated in the reference currency of the Sub-Fund</b>	<b>Haircut applied for the transferable securities denominated in a currency different than the reference currency of the Sub-Fund</b>
Cash deposit	0%	Up to 10%
Investment grade bonds, money market instruments and guaranteed bonds	Up to 5%	Up to 10%
Guaranteed bonds without rating	Up to 5%	Up to 10%
Shares comprised in a main index or whose issuer has an investment grade rating	Up to 5%	Up to 10%
Money market funds	Up to 10%	Up to 15%
Shares or units of other UCIs	Up to 75%	Up to 85%
Other transferable securities	Up to 20%	Up to 25%

However, for some types of OTC Derivatives transaction, the Fund may agree to deal with some counterparties without receiving collateral. In these cases, the Fund may agree to deal without receiving collateral as long as the counterparty risk at the level of the concerned Sub-Fund does not exceed 10 % of its net assets if the counterparty is a credit institution as defined by article 41(1)f of the 2010 Law or 5% of its net assets in any other case.

## 6.6 Structured Finance Securities

The Fund may invest in Structured Finance Securities; however, when Sub-Funds invest in structured finance securities of the credit linked notes-type, this will be clearly indicated within the compartment's investment policy.

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

assets is transferred via derivative instruments to an ad hoc structure that issues the asset-backed securities.

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

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

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

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

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

## 7 RISK FACTORS

Prudent use of derivative and other special investment techniques and financial instruments and investments in Emerging Markets may bring advantages, but does also entail risks which differ from those of the more conventional forms of investment and in some cases may be even greater. Below follows a general outline of important risk factors and other aspects relating to the use of derivative and other special investment techniques and financial instruments and investing in Emerging Markets, about which the investor should be informed before investing in the respective Sub-Fund.

- A) Market risks: these risks are of general nature and are present in all types of investments; the value of a particular financial instrument may change in a way that can be detrimental to the interests of a Sub-Fund.
- B) Monitoring and control: derivatives and other special investment techniques and financial instruments are specialized products which require different investment techniques and risk analyses than equities or bonds. The use of derivatives requires not just knowledge of the underlying instrument, but also of the derivative itself, although the performance of the derivative cannot be monitored under all the possible market conditions. The complexity of such products and their use in particular require suitable control mechanisms for monitoring the transactions and the ability to assess the risks of such products for a Sub-Fund and estimate the developments of prices, interest rates and exchange rates.
- C) Liquidity risks: liquidity risks arise when a certain security is difficult to acquire or dispose of. In large-scale transactions or when markets are partially illiquid it may not be possible to execute a transaction or close out a position at an advantageous price.
- D) Counterparty risks: with OTC Derivatives there is a risk that a counterparty will not be able to fulfil its obligations and/or that a contract will be cancelled, e.g. due to bankruptcy, subsequent illegality or a change in the tax or accounting regulations since the conclusion of the OTC Derivative contract.
- E) Risks associated with credit default (“CDS”) transactions: the purchase of CDS protection allows the Sub-Fund, on payment of a premium, to protect itself against the risk of default by an issuer. In the event of default by an issuer, settlement can be effected in cash or in kind. In the case of a cash settlement, the purchaser of the CDS protection receives from the seller of the CDS protection the difference between the nominal value and the attainable redemption amount. Where settlement is made in kind, the purchaser of the CDS protection receives the full nominal amount value from the seller of the CDS protection and in exchange delivers to him the security which is the subject of the default, or an exchange shall be made for a basket of

securities. The detailed composition of the basket of securities shall be determined at the time the CDS contract is concluded. The events which constitute a default and the terms of the delivery of bonds and debt certificates shall be defined in the CDS contract. The Sub-Fund can if necessary sell the CDS protection or restore the credit risk by purchasing call options. Besides the general counterparty risk (see D) above), upon the concluding of CDS transactions there is also in particular a risk of the counterparty being unable to establish one of the payment obligations which it must fulfil. The Sub-Funds which use credit default swaps will ensure that the counterparties involved in these transactions are selected carefully and that the risk associated with the counterparty is limited and closely monitored.

- F) Risk associated with credit spread swaps (“CSS”) transactions: concluding a CSS allows the Sub-Fund, on payment of a premium, to share the risk of a default by an issuer with the counterparty of the transaction concerned. A CSS is based on two different securities with differently rated default risks and normally a different interest rate structure. At maturity, the payment obligation of one or other party to the transaction depends on the differing interest rate structures of the underlying securities.

Besides the general counterparty risk, upon the concluding CSS transaction there is also in particular a risk of the counterparty being unable to establish one of the payment obligations which it must fulfil.

- G) Risks associated with inflation swap transactions: the purchase of inflation swap protection helps the Sub-Fund to hedge a portfolio either entirely or partially from an unexpectedly sharp rise in inflation or to draw a relative performance advantage there from. For this purpose, a nominal, non-inflation-indexed debt is exchanged for a real claim that is linked to an inflation index. When the transaction is arranged, the inflation expected at this point is accounted for in the price of the contract. If the actual inflation is higher than that expected at the time the transaction was entered into and accounted for in the price of the contract, the purchase of the inflation swap protection results in higher performance; in the opposite instance it results in lower performance than if the protection had not been purchased. The functioning of the inflation swap protection thus corresponds to that of inflation-indexed bonds in relation to normal nominal bonds. It follows that by combining a normal nominal bond with inflation swap protection it is possible to construct synthetically an inflation-indexed bond. Besides the general counterparty risk, upon the conclusion of inflation swaps transactions there is also in particular a risk of the counterparty being unable to establish one of the payment obligations which it must fulfil.

H) Other risks: The use of derivative and other special investment techniques and financial instruments also entails the risk that the valuations of financial products will differ as a result of different approved valuation methods (model risk) and the fact that there is no absolute correlation between derivative products and the underlying securities, interest rates, exchange rates and indexes. Numerous derivatives, particularly the OTC derivatives, are complex and are frequently open to subjective valuation. Inaccurate valuations can result in higher cash payment obligations to the counterparty or a loss in value for the Sub-Fund. Derivatives do not always fully reproduce the performance of the securities, interest rates, exchange rates or indexes which they are designed to reflect. The use of derivative or other special investment techniques and financial instruments by a Sub-Fund may therefore in certain circumstances not always be an effective means of achieving the Sub-Fund's investment objective.

I) Risks associated with investments in Emerging Markets: investments in emerging markets securities involve a higher degree of risk due to their usually greater volatility. In particular, such investments are subject to the following risks:

- a. trading volumes in relation to the securities may be low or absent on the securities market involved, which can lead to liquidity problems and serious price fluctuations;
- b. uncertainties surrounding political, economic and social circumstances, with the associated dangers of expropriation or seizure, of unusually high inflation rates, prohibitive tax measures and other negative developments;
- c. potentially serious fluctuations in the foreign exchange rate, different legal frameworks, existing or potential foreign exchange export restrictions, customs or other restrictions, and any laws and other restrictions applicable to investments;
- d. political and other circumstances which restrict the investment opportunities of the Sub-Fund, for example restrictions with regard to issuers which are regarded as sensitive from the national point of view, and
- e. the absence of sufficiently developed legal structures for private or foreign investments and the risk of potentially inadequate safeguards with respect to the ownership of private property.

Foreign currency export restrictions and other related regulations in these countries may also lead to the delayed repatriation of all or some of the investments or may prevent them being repatriated in full or in part.

J) Risks associated with the high yield bonds: Such bonds are subject to high levels of credit or default risk. The high yield bonds are more dependent on the macro-economic situation and may be less liquid and more difficult to sell or to value than higher-rated bonds. Due to these risks, investors should understand that such bonds are generally not appropriated for

short term investing. The above underlined risks will be however mitigated by the high level of diversification.

- K) Risk associated with TRS: Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication. Synthetic replication however involves counterparty risk. If the Sub-Fund engages in OTC derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full. Where the Fund and any of its Sub-Funds enters into TRS on a net basis, the two payment streams are netted out, with the Fund or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. TRS entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRS is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund's or relevant Sub-Fund's risk of loss consists of the net amount of total return payments that the Fund or Sub-Fund is contractually entitled to receive.
- L) Risks associated with SFTs: The Sub-Fund may enter into repurchase transaction agreements and reverse repurchase transaction agreements as a buyer or as a seller subject to the conditions and limits set out sections 6.4 and 6.5. If the other party to a repurchase transaction agreement or reverse repurchase transaction agreement should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Sub-Fund in connection with the repurchase transaction agreement or reverse repurchase transaction agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase transaction agreement or reverse repurchase transaction agreement or its failure otherwise to perform its obligations on the repurchase date, the Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase transaction agreement or reverse repurchase transaction agreement.

A Sub-Fund may enter into securities lending transactions subject to the conditions and limits set out in sections 6.4 and 6.5. If the other party to a securities lending transaction should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Sub-Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

The Sub-Funds will only use repurchase transaction agreements, reverse repurchase transaction agreements or securities lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant Sub-Fund. When using such techniques, the Sub-Fund will comply at all times with the provisions set out in sections 6.4 and 6.5. The risks arising from the use of repurchase transaction agreements, reverse repurchase transaction agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of repurchase transaction agreements, reverse repurchase transaction agreements and securities lending transactions will generally not have a material impact on a Sub-Fund's performance, the use of such techniques may have a significant effect, either negative or positive, on a Sub-Fund's NAV. A Sub-Fund may also incur a loss in reinvesting cash collateral received. 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 for the Sub-Fund. Securities lending, repurchase transactions or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

The Fund may enter into securities lending, repurchase transactions or reverse repurchase transactions with other companies. Affiliated counterparties, if any, will perform their obligations under any securities lending, reverse repurchase

transactions or reverse repurchase transactions concluded with the Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the respective Sub-Fund and its Unitholders. However, Unitholders should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

The use of EPM Techniques, in particular with respect to the quality of the collateral received and/or reinvested, may lead to several risks such as liquidity risk, counterparty risk, issuer risk, valuation risk and settlement risk, which can have an impact on the performance of the Sub-Fund concerned.

In respect of margin lending transactions, the Fund and any of its Sub-Funds cannot extend credit and may only receive credit subject to the restrictions in the UCITS Directive and the Prospectus.

The use of repurchase transaction agreements, reverse repurchase transaction agreements and securities lending transactions is generally not expected to have a material adverse impact on a Sub-Fund's performance or risk profile, subject to the above described risk factors.

- M) Risks associated with contingent convertible bonds (“**CoCos**” or “**Contingent Convertible Bonds**”) - Certain Sub-Funds may invest in Contingent Convertible Bonds. Under the terms of a Contingent Convertible Bond, certain triggering events, including events under the control of the management of the Contingent Convertible Bond’s issuer, could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. These triggering events may include (i) a deduction in the issuing bank’s Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio (or other capital ratios) below a pre-set limit, (ii) a regulatory authority, at any time, making a subjective determination that an institution is “nonviable”, i.e., a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or otherwise carry on its business and requiring or causing the conversion of the Contingent Convertibles Bonds into equity in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital.

The attention of investors investing in Sub-funds that are allowed to invest in Contingent Convertible Bonds is drawn to the following risks linked to an investment in this type of instruments.

*Conversion risk*

Investment in Contingent Convertible Bonds may result in material losses based on certain trigger events. The existence of these trigger events creates a different type of risk from traditional bonds and may more likely result in a partial or total loss of value or alternatively they may be converted into shares of the issuing company which may also have suffered a loss in value.

*Coupon cancellation*

For Additional Tier 1 (AT1) Contingent Convertible Bonds, coupons may be cancelled in a going concern situation. Coupon payments on such Contingent Convertible Bonds are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on AT1 Contingent Convertible Bonds does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of these Contingent Convertible Bonds and may lead to mispricing of risk.

*Capital structure inversion risk*

Contrary to classic capital hierarchy, holders of Contingent Convertible Bonds may suffer a loss of capital when equity holders do not. In certain scenarios, holders of Contingent Convertible Bonds will suffer losses ahead of equity holders. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.

*Call extension risk*

Most Contingent Convertible Bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual Contingent Convertible Bonds will be called on call date. Perpetual Contingent Convertible Bonds are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

*Unknown risk*

The structure of Contingent Convertible Bonds is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer

activates a trigger or suspends coupons, will the market view the issue as an idiosyncratic event or systemic? In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore in an illiquid market, price formation may be increasingly stressed.

#### *Sector concentration risk*

Contingent Convertible Bonds are issued by banking/insurance institutions. If a Sub-fund invests significantly in Contingent Convertible Bonds its performance will depend to a greater extent on the overall condition of the financial services industry than a Sub-fund following a more diversified strategy.

#### *Liquidity risk*

In certain circumstances finding a ready buyer for Contingent Convertible Bonds may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

### N) Sustainability Risks

It cannot be excluded that among other counterparties or sectors in which Sub-Funds will invest may have bigger exposure to Sustainability Risks than others. It can hence not be excluded that Sustainability Risks may have a negative impact on the return of such Sub-Funds.

An environmental, social and/or governance event or condition, if it occurs, could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability Risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Assessment of Sustainability Risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Such data gaps could result in the incorrect assessment of a sustainability practice and/or related sustainability risks and opportunities. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of Sustainability Risk can be many and varied according to a specific risk, region or asset class. Generally, when Sustainability Risk occurs for an asset, there will be a negative impact.

While Sustainability Risks are only some of the many factors the Management Company or, where applicable, the Investment Manager will consider in making an investment, there is no

guarantee that the Management Company or, where applicable, the Investment Manager will (a) implement or make investments that create positive sustainability impact while it seeks to enhance long-term shareholder value and achieving financial returns and/or (b) will successfully identify and mitigate all material Sustainability Risks. To the extent that the Management Company or, where applicable, the Investment Manager engages with underlying investments on sustainability-related practices, potential enhancements and risk mitigants, such steps may not achieve the desired financial results, or the market or society may not view any such changes as desirable. Successful engagement on the part of the Management Company or, where applicable, the Investment Manager will depend on the Management Company's or, where applicable, the Investment Manager's skill in properly identifying and analysing material sustainability and other factors (which may involve qualitative and subjective judgements) and their related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering sustainability qualities when evaluating an investment may result in the selection or exclusion of certain investments based on the Management Company's or, where applicable, the Investment Manager's view of certain sustainability-related and other factors and carries the risk that the Sub-Fund may underperform compared to other funds that do not take sustainability-related factors into account. Sustainability-related practices differ by region, industry and asset class and are evolving accordingly, and an investment's sustainability-related practices or the Management Company's or, where applicable, the Investment Manager's assessment of such practices may change over time. Similarly, new sustainability requirements imposed by jurisdictions in which the Management Company or, where applicable, the Investment Manager does business and/or in which a Sub-Fund is marketed may result in additional compliance costs, disclosure obligations or other implications or restrictions on such Sub-Fund or on the Management Company or, where applicable, the Investment Manager. Under such requirements, the Management Company or, where applicable, the Investment Manager may be required to classify itself or the Sub-Fund against certain criteria, some of which can be open to subjective interpretation. The Management Company's or, where applicable, the Investment Manager's view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach to classification. A change to the relevant classification may require further actions to be taken, for example it may require further disclosures by the Management Company or, where applicable, the Investment Manager or the Sub-Fund or it may require new processes to be set up to capture data about the Sub-Fund or its investments, which may lead to additional cost.

## **8 RIGHTS OF THE UNITHOLDERS**

The Fund is open-ended, that is to say, existing unitholders may leave it at any time.

By acquiring units, the unitholder accepts all the terms and conditions of the Management Regulations.

The assets of each Sub-Fund constitute the joint and undivided property of the unitholders of that Sub-Fund.

Each unitholder has in the portion of assets relating to a Sub-Fund, an undivided interest in proportion to the units he owns in that Sub-Fund. The unitholder's entitlement only extends to the assets and income of the Sub-Fund in which he holds an interest.

As stated in the "Redemption" paragraph, and in accordance with the Management Regulations, the unitholder has the right to obtain repayment of his units at the redemption price on each Valuation Day.

The Management Regulations do not provide for the holding of general meetings of unitholders.

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 if the investor is registered himself and in his own name in the unitholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing in the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain unitholder rights directly against the Fund. Investors are advised to take advice on their rights.

## **9 MANAGEMENT - ORGANISATION**

DMC FUND is managed on behalf of the unitholders by "GERIFONDS (Luxembourg) SA" which was incorporated on March 15<sup>th</sup>, 2000 in the form of a "Société Anonyme" under Luxembourg Law. It has its registered office at 43, Boulevard Prince Henri, L-1724 Luxembourg.

The Articles of Association of the Management Company were published in the Memorial C as of May 18<sup>th</sup>, 2000. The Articles were last changed by decision of the extraordinary general shareholders' meeting on May 28<sup>th</sup>, 2014.

The object of the Company is the collective portfolio management, of one or several Luxembourg and/or foreign collective investment funds according to the Directive 2014/91/EU, as amended («UCITS») and of other Luxembourg and foreign collective investment funds not covered by this Directive, on behalf of their unitholders or shareholders. Its capital is EUR 130,000.- fully paid up, represented by 130 nominal shares, held by GERIFONDS SA, Rue du Maupas 2, CH-1004 Lausanne.

The Management Company can pay reimbursements of the front-end sales charge to institutional investors and to distributors and grant trailer fees to a wider circle of sales agents/partners.

The Management Company has been set up for an unlimited time. Its financial year starts on the 1st of January and ends on the 31st of December. The annual general meeting of shareholders of the Management Company is held each year on the second Friday in May in Luxembourg.

The Board of Directors of the Management Company has the broadest powers to act in the Company's name and to carry out all acts of administration and management relating to the Company's objective, without prejudice to the limitations imposed by Luxembourg Law, the Articles of Association of the Management Company and the Management Regulations.

The Board of Directors of the Management Company may be assisted by an Expert Committee, the expenses of which shall be borne by the Management Company.

The accounts of the Management Company are audited by an authorized independent auditor. This task has been entrusted to PricewaterhouseCoopers, *Société coopérative*, 2, Rue Gerhard Mercator, L-2182 Luxembourg.

The Management Company has, under its control and responsibility, appointed ONE swiss bank SA, a corporation incorporated under the laws of Switzerland (hereinafter referred to as "Investment Manager"), to act as investment manager for the Sub-Funds: DMC FUND - WORLD HY CORPORATE BONDS.

The Investment Manager shall make, subject to compliance with this prospectus and the management regulation, investment decisions with respect to the investment and reinvestment of the assets of the Fund.

Separate Investment Management Agreement has been entered into with the Investment Manager and shall contain all rights and obligations of the parties, and a copy is available for inspection at the offices of the Management Company.

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 nor impair compliance with the Management Company's obligation to act in the best interest of the Company (the Remuneration Policy).

The Remuneration Policy includes fixed and variable components of salaries not linked to the managed fund performances 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. An appropriate balance is established between the fixed and variable components of total compensation. The fixed component represents a sufficiently high part of the total compensation for a fully flexible policy to be applied to variable compensation components, including the possibility of not paying variable component.

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

## 10 DEPOSITARY

The Management Company has appointed Banque et Caisse d'Épargne de l'Etat, Luxembourg (hereinafter referred to as "Spuerkeess"), as its Depositary within the meaning of the 2010 Law pursuant to the depositary agreement.

Spuerkeess is an autonomous public establishment (*établissement public autonome*) under the laws of Luxembourg. It has been on the official list of Luxembourg credit institutions since 1856. It is authorised by the CSSF in Luxembourg in accordance with directive 2006/48/EC as implemented in Luxembourg by the 1993 law on the financial sector, as amended.

The key duties of the Depositary are to perform on behalf of the Fund the depositary duties referred to in the Luxembourg law essentially consisting of:

- a) monitoring and verifying the Fund's cash flows;
- b) safekeeping of the Fund's assets, including *inter alia* holding in custody financial instruments that may be held in custody and verification of ownership of other assets;
- c) ensuring that the sale, issue, repurchase, redemption and cancellation of the units on behalf of the Fund are carried out in accordance with the management regulations of the Fund and applicable Luxembourg law, rules and regulations;
- d) ensuring that the value of the units is calculated in accordance with the management regulations of the Fund and applicable Luxembourg law, rules and regulations;
- e) ensuring that in transactions involving the Fund's assets, any consideration is remitted to the Fund within the usual time limits;
- f) ensuring that the Fund's income is applied in accordance with the management regulations of the Fund and applicable Luxembourg law, rules and regulations;
- g) carrying out instructions from the Management Company unless they conflict with the management regulations of the Fund or applicable Luxembourg law, rules and regulations.

The Depositary may delegate its safekeeping functions subject to the terms of the depositary agreement. The list of the Depositary's delegates is available on the Depositary's website (<http://www.spuerkeess.lu/en/Downloads/Publications>).

In the execution of its duties, the depositary acts in the sole interests of the Fund and the Fund's unitholders.

From time to time conflicts of interest may however arise between the

depository and the delegates or sub-delegates. In the event of any potential conflict of interest which may arise during the normal course of business, the depository will have regard to the applicable laws and will respect at any time the duties and obligations of the depository agreement.

Further, potential conflicts of interest may arise from time to time from the provision by the Depository and/or its affiliates of other services to the Fund, the Management Company and/or other parties. For example, the Depository and/or its affiliates may act as the depository, sub-custodian and/or administrator of other funds. It is therefore possible that the Depository (or any of its affiliates) may in the course of its business have potential conflicts of interest with those of the Fund, the Management Company and/or other funds for which the Depository (or any of its affiliates) act. Some situations likely to generate potential conflicts of interest have been identified at the date of the present prospectus:

- Conflicts of interest resulting from the delegation of safekeeping functions: none of the delegates or sub-delegates form part of Spuerkeess-Group, minimizing the risk of conflicts of interest in this area;
- The Depository acts as depository bank for other funds: the Depository is doing everything possible to act objectively in order to treat all of its clients fairly;
- The Depository, in addition to its safekeeping functions, offers various other banking services to the Fund: the Depository is doing everything possible to act objectively and fairly.

Should the regulatory framework respectively the organizational structure of the relevant entities change, the potential list of conflicts of interest may change consequently. In this case, the present prospectus will be updated accordingly.

Up-to-date information on the duties of the Depository, delegations and sub-delegations and related potential conflicts of interest may be requested from the depository by the unitholders.

The Depository is liable to the Fund and the unitholders for the loss by the Depository or a third party to whom the custody of financial instruments that can be held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the depository shall return a financial instrument of identical type or the corresponding amount to the Fund without undue delay. The Depository is not liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depository is also liable to the Fund and the unitholders for all other losses suffered by them as a result of the Depository's negligent or intentional failure to properly fulfill its obligations.

The liability of the Depository will not be affected by the fact that it has delegated safekeeping to a third party.

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

## 11 ADMINISTRATIVE AGENT

UI efa S.A. has been appointed as the Fund's administrative agent, transfer agent and registrar. The administrative agent is responsible for the Fund's accounting and calculates the net asset value in accordance with the management regulations and the sales prospectus.

## 12 SEGREGATED ACCOUNTS AND MARGIN ACCOUNTS

The Management Company may, with the approval and under the supervision of the Depositary, open segregated accounts and margin accounts in the name of the respective Sub-Fund with highly rated financial institutions specialised in this type of transactions in order to deal future contracts on Stock Exchange indices, on interest rates instruments and currency instruments, as well as options on the same instruments within the limits set in the investment restrictions.

All transactions of the above instruments dealt for the account of any of the Sub-Funds of the Fund will be recorded on these segregated accounts. Margin deposits and margin payments will also be booked over these accounts as well as any fees and expenses related to the transactions. Margin payments must be made in cash or covered by appropriate long term government securities. Margin deposits will be blocked once the margin transaction or transactions in respect of which it was accepted are undertaken with or for the Fund.

## 13 COSTS AND EXPENSES

### 13.1 Costs to be borne by certain Sub-Funds

As compensation for its services for the following Sub-Funds, the Management Company shall receive an annual all-in fee, except for brokerage fees and bank charges normally payable on transactions relating to the portfolio of the relevant Sub-Fund, calculated on the average net assets of the relevant month, payable monthly:

<b>DMC FUND - WORLD HY CORPORATE BONDS</b>	<b>Maximal annual fee</b>
class unit -R- in USD	0.90%
class unit -R- in EUR (hedged)	0.90%
class unit -R- in CHF (hedged)	0.90%
class unit -I- in USD	0.60%
class unit -I- in EUR (hedged)	0.60%
class unit -I- in CHF (hedged)	0.60%
class unit -R Distr.- in USD	0.90%
class unit -R Distr.- in EUR (hedged)	0.90%
class unit -R Distr.- in CHF (hedged)	0.90%
class unit -I Distr.- in USD	0.60%
class unit -I Distr.- in EUR (hedged)	0.60%
class unit -I Distr.- in CHF (hedged)	0.60%

No management fee may be charged to the Sub-Funds for investments made in units of funds managed by the Management Company or any company associated with it. In such cases, the funds whose units are bought may not charge an upfront or a redemption fee.

The Management Company will bear the following costs for all the above-mentioned Sub-Funds:

- all taxes owed on the fund's asset and income,
- sub-contractor fees,
- Investment Manager's fees,
- operating expenses (fees of the Depositary, transfer and registrar agent, administrative agent),
- auditors fee,
- printing and distribution of the annual and semi-annual report,
- fees related to indexes or benchmark,
- costs for the preparation, translation printing for the publication,
- costs for the information of unitholders,
- legal fees and/or other legal expenses related to unitholder protection,,
- costs for the official representative in Switzerland,
- the annual "taxe d'abonnement" calculated on the NAV of each Sub-Fund and payable quarterly on each unit class (0.05 % for the unit class R and 0.01 % for the unit class I),
- cost relating to subscription taxes, records, deposit and other requirements concerning the Fund by all foreign authorities or stock exchanges,
- advertising costs or other expenses directly connected with the offering of distribution of units, including the costs of printing and copying of the documents mentioned above or reports used by distributors of units in their commercial activity.

## **14 SUBSCRIPTION**

Units are exclusively issued in registered form. Units may also be exchanged via Clearstream, or any other international clearing platform. Fractions of Units will be issued up to four decimals. There will be no issuance of registered certificate, the inscription of the unitholder name in the Registrar of the fund will prove the ownership. The unitholder may request a holding statement.

Units of the Sub-Fund DMC FUND – WORLD HY CORPORATE BONDS are issued on each Business Day or "Valuation Day" (as described in the "NAV" paragraph below). If a subscription order is to be carried out on a Valuation Day, written instructions ("Subscription Form") together with the requested papers must have reached the Transfer Agent and Registrar, in a form immediately available, three Business Days before the corresponding Valuation Day before 2.00 pm (Luxembourg time); otherwise the order will be executed on the next following Valuation Day after everything has been duly received. Payment for subscriptions must be made in the currency of the relevant Sub-Fund class of units. However, the Management Company may also accept payments in other major currencies. The

value of these payments in the base currency of the Sub-Fund will then be determined on basis of the prevailing market exchange rates.

Payment of the subscription amount must have reached the subscription account with Banque et Caisse d'Épargne de l'État, Luxembourg.:

- For the Sub-Fund DMC FUND - WORLD HY CORPORATE BONDS:

the following Business Day following the relevant Valuation Day.

Units of all Sub-Funds, are issued at an Issue Price based on the NAV per unit on the relevant Issue Day.

All subscriptions of units of DMC FUND - WORLD HY CORPORATE BONDS shall be submitted in addition to an anti-dilution levy applied on the subscribed amount in order to offset spreads on bonds prices. This anti-dilution levy will be paid into the Sub-Fund and will become part of the Sub-Fund's assets. This anti-dilution levy shall not exceed **1.50%** of the subscribed amount. However under exceptional circumstances such as periods of crisis which render necessary a higher percentage, and always when it is in the best interest of the unitholders of the Sub-Fund, the Board of Directors shall be entitled to fix the anti-dilution levy at a percentage higher than **1.50%** of the subscribed amount. In any case, the effective anti-dilution levy charged on any Valuation Day shall be identical for all issues effected on such day.

This issue price does not include the charges taken by intervening correspondent banks for the execution of money transfers or for the cashing of cheques. To this issue price are added all taxes and stamp duties that might be payable in the various countries of purchase or subscription. In no case may a unitholder be forced to make a payment exceeding the issue price of units as defined in this paragraph or to assume an obligation going beyond payment of this price.

The units of DMC FUND - WORLD HY CORPORATE BONDS were offered to the investors at an initial issue price of USD 1,000.- respectively CHF 1,000.- and EUR 1,000.- per unit from September 17th, 2018 up to October 11th, 2018, 2.00 p.m. The first NAV at par value has been dated October 15th, 2018. The first net asset value calculation of the Sub-Fund has been calculated on October 17th, 2018 and dated October 16th, 2018.

## **15 REDEMPTION**

Owners of units may request redemption of their units at any time. To do so, they must send an irrevocable request in writing for redemption to the Transfer Agent and Registrar for execution.

For units of the Sub-Fund DMC FUND – WORLD HY CORPORATE BONDS, if a redemption order is to be executed at the Redemption Price ruling on a Valuation Day, the application for the redemption of units (Redemption Form) must reach the Transfer Agent and Registrar three Business Days before the corresponding Valuation Day before 2.00 pm (Luxembourg time) (as described in the "NAV" paragraph below).

All redemptions of units of the Sub-Fund DMC FUND - WORLD HY CORPORATE BONDS shall be submitted in addition to an anti-dilution levy applied on the redeemed amount in order to offset spreads on bonds prices. This anti-dilution levy will be paid into the Sub-Fund and will become part of the Sub-Fund's assets. The anti-dilution levy shall not exceed **1.50%** of the redeemed amount. However under exceptional circumstances such as periods of crisis which render necessary a higher percentage, and always when it is in the best interest of the unitholders of the Sub-Fund, the Board of Directors shall be entitled to fix the anti-dilution levy at a percentage higher than **1.50%** of the redeemed amount. In any case, the effective anti-dilution levy charged on any Valuation Day shall be identical for all issues effected on such day.

All redemption orders reaching the Transfer Agent and Registrar after the deadline will be executed on the next following Valuation Day at the Redemption Price then ruling.

The price to be paid in respect of each unit tendered for redemption (the "Redemption Price") will be the NAV per unit.

The Management Company reserves the right to reduce proportionally all requests for redemption in a Sub-Fund to be executed on one Valuation Day whenever the total proceeds to be paid for the units so tendered for redemption exceeds 10% of the total net assets of that specific Sub-Fund. The portion of the redemptions not executed on that Valuation Day will then be executed by priority on the next Valuation Day.

Confirmation of the execution of redemption will be made by the dispatch to the unitholder of an advice, specifying the number and class of units redeemed and the name of the relevant Sub-Fund. Payment will be made by bank transfer in the currency of the relevant Sub-Fund class of units, with a value date:

- For the Sub-Fund WORLD HY CORPORATE BONDS:

the following Business Day following the relevant Valuation Day.

The Depositary is only obliged to make payments for redemptions where legal provisions, particularly exchange control regulations or other cases of force majeure do not prohibit it from transferring or paying the redemption proceeds in the country where the redemption is requested.

## 16 CONVERSION

Unless otherwise specified below, a unitholder may convert all or part of the units he holds in a Sub-Fund into units of one or more other Sub-Funds or units of one class into units of another class.

Conversions are made between Sub-Funds, they are executed at the NAV per unit.

If conversions are made from a Sub-Fund to another Sub-Fund, they are executed at the NAV per unit. Conversions to the Sub-Fund WORLD HY CORPORATE BONDS will be submitted to an anti-dilution levy as described in the "Subscription" and "Redemption" paragraphs. Furthermore, requests for conversion will only be accepted if they represent a minimum value of units as defined in section 5 UNITS.

To apply for conversion, the unitholders of the Sub-Funds DMC FUND - WORLD HY CORPORATE BONDS must send an irrevocable request in writing ("Conversion Form"), to the Transfer Agent and Registrar. If received the day before a Valuation Day before 2.00 pm (Luxembourg time) requests for conversion are executed on the basis of the NAV per unit of the relevant Sub-Funds and the relevant class, ruling on that Valuation Day. Requests for conversion received after that deadline will be executed on the next following Valuation Day at the prices ruling on that day.

Conversions may not be executed if the calculation of the NAV, or subscriptions or redemptions are suspended in one of the concerned Sub-Funds.

The number of units allotted in the new Sub-Fund is determined by means of the following formula:

$$\frac{A \times [B \times 100\%] \times C}{D \times 100\%} = N$$

where:

"A" is the number of units presented for conversion

"B" is the NAV of one unit in that Sub-Fund of which the units are presented for conversion, on the day the conversion is executed

"C" is the translation rate between the base currencies of the Sub-Funds on the day of execution. If the Sub-Funds have the same base currency, this rate is one

"D" is the NAV per unit of the new Sub-Fund on the day of execution

"N" is the number of units allotted in the new Sub-Fund (to the nearest 10,000th of a unit)

## 17 LATE TRADING AND MARKET TIMING

The Management Company will take all the necessary measures in order to prevent unlawful trading practices such as market timing and late trading. To that effect the deadlines and cut-off times for subscriptions and redemptions described in the Prospectus will be strictly enforced. The Management Company will make sure that each transaction in units of the Fund is processed in accordance with the Prospectus and at the applicable net asset value per unit. The Management Company may refuse to process subscriptions if there is a suspicion that the transactions are illegal or abusive and will pursue the perpetrators to the fullest extent of the law.

## 18 NET ASSET VALUE (NAV)

The NAV of units in a Sub-Fund, expressed in the currency of the relevant unit class, is calculated by the Administrative Agent.

Throughout this prospectus, a Business Day is any day of the week other than (a) Saturday; (b) Sunday; (c) a legal holiday under the laws of Luxembourg; (d) a bank holiday where banks in Luxembourg are closed; (e) January 2<sup>nd</sup>, December 24<sup>th</sup> (morning) and December 31<sup>st</sup>; (f) August 1<sup>st</sup> and le Jeûne genevois (legal holiday of Swiss canton Geneva).

For the units of the Sub-Fund DMC FUND – WORLD HY CORPORATE BONDS, the calculation is done each Business Day, this day is called the Valuation Day. The NAV is dated of the Business Day preceding the Valuation Day.

For a Sub-Fund which has issued only one class of units, the NAV of a unit is determined by dividing the net assets of the relevant Sub-Fund by the total number of units in that Sub-Fund outstanding at that time.

For a Sub-Fund which has issued several classes of units, the NAV of one unit for each class of units will be determined by dividing the net assets of the Sub-Fund attributed to this class of units by the total number of units of that same class outstanding at that time.

The assets of each Sub-Fund shall be deemed to include:

- (a) all cash in hand or receivable or on deposit, including accrued interest;
- (b) all bills and notes payable on demand and any amounts due (including the proceeds of securities sold but not yet collected);
- (c) all securities, shares, bonds, debentures, options or subscription rights and any other investments and securities belonging to the Sub-Fund;
- (d) all dividends and distributions due to the Sub-Fund in cash or in kind to the extent known to the Sub-Fund, provided that the Sub-Fund may adjust the valuation for fluctuations in the market value of securities due to trading practices such as trading ex-dividends or ex-rights;

- (e) all accrued interest on any interest bearing securities held by the Sub-Fund except to the extent that such interest is comprised in the principal thereof;
- (f) all other permitted assets of any kind and nature including prepaid expenses.

The liabilities of each Sub-Fund shall be deemed to include:

- (a) all bills and other amounts due;
- (b) the preliminary expenses, all administrative expenses due or accrued including the costs of annual registration with the regulatory authority, legal, audit, management, custodial, paying agency and corporate and central administration agency fees and expenses, the cost of legal publications, Prospectuses, financial reports and other documents made available to unitholders, translation expenses and generally any other expenses arising from the administration of the Sub-Fund;
- (c) all known liabilities, due or not yet due including all matured contractual obligations for payments of money or property;
- (d) an appropriate amount set aside for taxes due on the date of the valuation and any other provisions or reserves;
- (e) any other liabilities of the Sub-Fund of whatever kind towards third parties. For the purposes of valuation of its liabilities, the Sub-Fund may duly take into account all administrative and other expenses of regular or periodical character by valuing them for the entire year or any other period and by dividing the amount concerned proportionally for the relevant fractions of such period.

For the valuation of each Sub-Fund's assets, the following principles are observed:

- (a) calculation is done on the basis of the closing stock exchange prices on the Business Day preceding the Valuation Day i.e securities or derivatives instruments quoted on an official Stock Exchange or any other market, are valued on the basis of the closing price as of the Business Day preceding the Valuation Day, and, if there are several markets, the closing price of the Stock Exchange which is the principal market for the security/derivative in question, unless these prices are not representative;
- (b) for unlisted securities, and for quoted securities or derivatives instruments for which the closing price on the Business Day preceding the Valuation Day is not representative, valuation is based on the reasonable foreseeable sales price estimated prudently and in good faith by the Management Company;
- (c) liquid assets are assessed at their nominal value plus accrued interest;
- (d) financial derivative instruments which are not listed on any official stock exchange or traded on any organized market will be valued in accordance with market practice as of the Business Day preceding the Valuation Day;
- (e) shares or units in open-ended investment funds will be valued at their last available net asset value or closing price as of the Business Day preceding the Valuation Day;

(f) assets denominated in other currencies than the base currency of the Sub-Fund will be translated into that base currency at the mid rates of these currencies on the Business Day preceding the Valuation Day (snapshot Reuters at 5:00 PM Luxembourg time);  
(g) the Management Company is authorised to adopt other realistic valuation principles for assets of the Fund where circumstances make the determination of values according to the criteria specified above non-realistic, impossible or inadequate. Especially in case of major changes in market conditions, the valuation basis of the different investments may be adjusted to the new market yields.

The annual and semi-annual financial reports of the Fund will include a consolidation of all the Sub-Funds. These consolidated figures will be expressed in EUR. For this purpose, all figures expressed in another currency than the EUR will be translated into EUR.

To third parties, the Fund represents a single legal entity, and any commitments apply to the Fund as a whole, notwithstanding the fact that the debts following from these commitments may be attributed to separate Sub-Funds. The property, commitments, fees and expenses, that are not attributed to a certain Sub-Fund, will be ascribed equally to the different Sub-Funds, or if the amounts and cause justify doing so, will be prorated according to the Net Asset Value of each Sub-Fund.

## 19 RISKS CONSIDERATIONS

**The global risk exposure of the Sub-Funds is determined under the commitment approach.** This measures the incremental exposure and leverage through the use of derivative instruments by converting the derivative instrument position to the equivalent underlying asset position.

## 20 SUSPENSION OF THE CALCULATION OF THE NAV, AND SUSPENSION OF SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS

The Management Company is authorised to suspend temporarily the calculation of the NAV and the subscription, redemption and conversion of units in one or several Sub-Funds in the following cases:

(a) where one or several securities or exchange markets forming the basis of the valuation of a major part of a Sub-Fund's assets are closed for periods other than legal holidays, or where transactions are suspended thereon or subject to restrictions;

(b) where political, economic, military, monetary or social circumstances or any cases of force majeure, beyond the responsibility or power of the Management Company, make it impossible to dispose of a Sub-Fund's assets by reasonable and normal means, without causing serious prejudice to unitholders;

(c) in case of an interruption of the means of communication normally used to determine the value of any investment of a Sub-Fund or where, for any reason, the value of any investment of the Fund cannot be known with sufficient speed or accuracy;

(d) where restrictions on exchange or capital movements prevent the execution of transactions on behalf of a Sub-Fund or where purchase or sale transactions of the Fund's assets cannot be carried out at normal exchange rates;

(e) if the Management Company recommends the winding up of the Fund or the termination of a Sub-Fund;

(f) where, in the opinion of the Management Company, circumstances which are beyond the control of the Management Company make it impracticable or unfair vis-à-vis the unitholders to continue trading the units.

The Management Company may, at any time, if it considers it necessary, temporarily suspend or finally halt or limit issuing of units of one or several Sub-Funds to individuals or companies residing or domiciled in certain countries and territories, or exclude them from acquiring units, if such measure is necessary to protect existing unitholders and the Fund.

In case of a suspension for reasons as stated above for a period of more than six days, a notice to unitholders will be published in conformity with the stipulations of the "Publications" paragraph hereafter.

In addition, the Management Company is entitled:

- to refuse, at its discretion, a request for acquisition of units;
- to redeem, at any time, units that might have been acquired in violation of an exclusion measure adopted in virtue of this section.

## **21 PUBLICATIONS**

The NAV, issue and redemption prices of each Sub-Fund and of each class of units, are made public in Luxembourg at the offices of the Management Company, the Administrative Agent and the Depositary.

A notice to all amendments to the Management Regulations will be published in the RESA (*Recueil Electronique des Sociétés et Associations*). At the same time, a notice to unitholders may be published in a Luxembourg newspaper and in newspapers in countries where the Fund's units are publicly sold and the text of the amendments will be available for inspection by the unitholders at the offices of the Management Company and the Depositary. Registered unitholders will be informed in writing.

Amendments and notices to unitholders may also be published in newspapers in the countries where the Fund's units are publicly sold.

## 22 FINANCIAL SERVICING

The financial servicing for the Fund is provided by UI efa S.A., where information concerning the Fund may be obtained, including the documents "Subscription Form" and "Redemption and/or Conversion Form".

## 23 DISTRIBUTION OF THE FUND

The Management Company may appoint distributors to distribute the units of different Sub-Funds from time to time.

Copies of the various agreements between the Management Company, the Fund, and the distributors are available at the registered office of the Fund as well as at the registered office of the Management Company and of the distributor during the normal business hours on any business day.

Distributors are the intermediaries who are part of the distribution process set up by the Management Company and who actively participate in the marketing of the units of the Fund. They are appointed herein and in any other document as being authorised to receive subscription and redemption/conversion orders on behalf of Fund units.

For the purpose of the processing of the subscription and redemption/conversion orders collected by them, the distributors must forthwith transmit to the Transfer and Registrar Agent the data necessary for the timely accomplishment of the entirety of the tasks connected to the processing of such orders.

The distributors provide the Transfer and Registrar Agent with the registration data necessary to accomplish on an individual basis the tasks referred to above.

It is not necessary for the distributors from FATF countries to forward to the Transfer and Registrar Agent the documentation relating to subscription and redemption/conversion orders from the investors. However, where such documentation is not forwarded to Luxembourg, the distributors must allow the Transfer and Registrar Agent to have access thereto without any restriction in case of need.

The distributors are authorised to receive and make settlement payments in respect of the subscription and redemption/conversion orders collected by them, they may aggregate and set off individual payments in order to deal on a net basis with the Transfer and Registrar Agent. This possibility is available for orders relating to registered units.

The Management Company and any Investment Manager may from time to time and at their sole discretion, pay all or part of the fees and charges they receives as a commission, retrocession, rebate or discount to some or all investors, financial intermediaries or the distributors on the basis of (but not limited to) the size, nature,

timing or commitment of their investment within the limits laid down in applicable laws including, without limitation Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as may be amended or supplemented from time to time.

## **24 TAX STATUS**

The Fund is subject to Luxembourg legislation. With regard to their citizenship, residence or nationality, buyers of the Fund's units should consult a local adviser to inform themselves of the legislation and taxation, relating to the rules applicable to the purchase, holding and redemption of units as well as to fund mergers.

In accordance with current legislation in Luxembourg neither the Fund nor the unitholders, except those whose domicile, residence or permanent establishment is Luxembourg, are subject to any tax on income, capital gains or wealth. The Fund's income may however be subject to withholding tax in the countries where the Fund's assets are invested. In such cases neither the Depositary nor the Management Company is required to obtain tax certificates.

Interest, dividend and other income realised by the Fund on the sale of securities of non-Luxembourg issuers, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Fund will bear since the amount of the assets to be invested in various countries and the ability of the Fund to reduce such taxes is not known.

It is expected that Unitholders may be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarise the tax consequences for each prospective investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of units in the Fund. These consequences will vary in accordance with the law and practice currently in force in a Unitholder's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances.

## **25 FINANCIAL YEAR**

The accounts of the Fund are closed on December 31st of each year.

## **26 REGULAR REPORTS**

The Fund will publish an annual report drawn up as per December 31st and a semi-annual report as per June 30th.

The annual report includes the accounts of the Fund audited by an auditor. The semi-annual report includes the accounts of the Fund, unaudited. Both these reports will be sent free of charge to unitholders making a request in writing and are available to unitholders at the offices of the Management Company and the Administrative Agent.

## 27 DURATION AND LIQUIDATION OF THE FUND

The Fund has been set up for an unlimited time, and the Management Company may at any time, with the agreement of the Depositary, decide upon the liquidation of one or more Sub-Funds.

The Fund will also be liquidated when the Depositary or the Management Company cease their functions without having been replaced within two months, in case of failure of the Management Regulations, and when the total NAV of the Fund has for a period of more than six months become inferior to one fourth of the minimum of EUR 1,250,000.- required by Luxembourg Law.

The event leading to the Fund's dissolution and liquidation must be announced by a notice published in the RESA (*Recueil Electronique des Sociétés et Associations*) and in two newspapers with sufficient circulation, one of which at least must be a Luxembourg newspaper. No application for subscription or conversion of units and no application for redemption will be accepted after the date of the event leading to the dissolution and the decision to liquidate the Fund. The Management Company will appoint a liquidator who can be an individual or a legal entity. The liquidator will liquidate each Sub-Fund's assets in the best interests of the unitholders and will give instructions to the Depositary to apportion the proceeds of the liquidation, after deduction of liquidation costs, amongst the unitholders of the relevant Sub-Fund according to the respective prorata.

In case the net assets of a Sub-Fund drop down to zero due to redemptions, the Management Company may decide that this Sub-Fund is closed.

If the Management Company considers that the assets of a Sub-Fund are not sufficient anymore to allow an efficient and rational management, it may decide that this Sub-Fund will be liquidated. The decisions of the Management Company to liquidate a Sub-Fund must be announced by a notice published in at least two newspapers with sufficient circulation, one of which at least must be a Luxembourg newspaper. The registered unitholders will be informed by registered mail.

A Sub-Fund may be merged with one or more Sub-Funds or with another or part of another collective investment undertaking by resolution of the Management Company. In such event, notice will be given in writing to registered unitholders and will be published in the Official Gazette of the Grand Duchy of Luxembourg ("RESA") as well as in newspapers such as determined from time to time by the Management Company. A merger with another or part of another collective investment undertaking is possible only if it is a collective investment undertaking governed by Part I of the 2010 Law. Each unitholder of the relevant Sub-Fund shall be given the possibility, within a period of at least one month, to request either the redemption or the conversion of his units against units of the absorbing Sub-Fund at no cost for the unitholder.



In case of a merger with another collective investment undertaking or any other Sub-Fund of the Fund, the subscription price may be paid by contribution in kind of all assets and liabilities of the absorbed Fund or Sub-Fund, valued pursuant to the rules described in the paragraph "Net Asset Value" below. Units of the respective classes will be issued at their respective NAV against the contribution in kind valued this way.

In order to avoid the repayment to subscribers of small surplus amounts, the Administrative Agent will issue fractions to the nearest 10,000th of a unit on registered units.

Any amounts unclaimed by the unitholders at the closing of the liquidation of the Fund or a Sub-Fund will be deposited with the Caisse de Consignation in Luxembourg for a duration of thirty (30) years. If amounts deposited remain unclaimed beyond the prescribed time limit, they will be forfeited.

Liquidation and distribution of the Fund cannot be requested by an owner of units, his heirs or beneficiaries.

Unitholders' claims against the Management Company or the Depositary cannot be enforced after the expiry of five years after the claim has arisen. The regulations as determined under section Mergers above are not affected by this.

The statute of limitations for coupons is five years from the time of publication of the respective statement of distribution. Amounts to be distributed which are not claimed within this period of time; expire in favour of the respective fund.

## **28 STATUTE OF LIMITATIONS**

Claims of unitholders against the Management Company or the Depositary lapse five years after the date of the event giving rise to the rights invoked.

## **29 APPLICABLE LAW, JURISDICTION AND GOVERNING LANGUAGE**

Disputes arising between the unitholders, the Management Company and the Depositary shall be settled according to Luxembourg Law and subject to the jurisdiction of the District Court of Luxembourg, provided, however, that the Management Company and Banque et Caisse d'Épargne de l'État, Luxembourg (Spuerkeess) may subject themselves and the Fund to the laws and jurisdiction of the courts of such countries in which the units of the Fund are offered and sold, with respect to claims by investors resident in such countries and, with respect to matters relating to subscriptions and redemptions and conversions by unitholders resident in such countries.

English shall be the governing language for the Fund's Management Regulations and the Prospectus, provided, however, that the Management Company and the Depositary may, on behalf of themselves and the Fund, consider as binding the translation in languages of the countries in which the units of the Fund are offered and sold.

### **30 ANTI-MONEY LAUNDERING PROCEDURES**

The applicants wanting to subscribe units of the Fund must provide the Management Company with all necessary information, which the Management Company may reasonably require to verify the identity of the applicant. Failure to do so may result in the Management Company refusing to accept the subscription for units in the Fund. Applicants must indicate whether they invest on their own account or on behalf of a third party. Except for applicants applying through companies who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg, any applicant applying in its own name or applying through companies established in non GAFI countries, is obliged to submit to the Management Company in Luxembourg all necessary information, which the Management Company may reasonably require to verify. The Management Company must verify the identity of the applicant. In the case of an applicant on behalf of a third party, the Management Company must also verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Management Company prior to the occurrence of any change in the identity of any such beneficial owner.

### **31 DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents can be inspected by the unitholders at the offices of the Management Company and the Depositary:

- the most up to date Management Regulations; and
- the most up to date Depositary Agreement.

## **32 INFORMATION FOR INVESTORS IN SWITZERLAND**

### **REPRESENTATIVE**

The representative of the Fund in Switzerland is GERIFONDS SA, Rue du Maupas 2, CH-1004 Lausanne ([www.gerifonds.ch](http://www.gerifonds.ch)).

### **PAYING AGENT**

The paying agent of the Fund in Switzerland is Banque Cantonale Vaudoise, Place Saint-François 14, CH-1003 Lausanne ([www.bcv.ch](http://www.bcv.ch)).

### **LOCATION WHERE THE RELEVANT DOCUMENTS OF THE FUND MAY BE OBTAINED**

The prospectus, the PRIIPS key information document ("KID"), the contract as well as the annual and semi-annual reports of the Fund are available free of charge from the representative of the Fund.

### **PUBLICATIONS**

Publications concerning the Fund are made in Switzerland on the electronic platform [www.swissfunddata.ch](http://www.swissfunddata.ch).

Each time units are issued or redeemed, the issue and the redemption prices or the net asset value with a reference stating "excluding commissions" must be published for all unit classes on the electronic platform [www.swissfunddata.ch](http://www.swissfunddata.ch). Prices must be published each working day.

### **PAYMENT OF RETROCESSIONS AND REBATES**

The management company and its agents may pay retrocessions to remunerate the activity of promoting the sale of units of the Fund in Switzerland. In particular, this fee is used to remunerate the following services:

- Setting up processes for the subscription of shares ;
- Training of client advisors ;
- Production of marketing documents ;
- Investor Needs Analysis ;
- Fulfilment of duties of diligence in areas such as money laundering, clarification of customer needs and sale restrictions (e.g. US persons) and ;
- Assignment and oversight of sub-distributors.

Retrocessions are not considered to be rebates, even if they are ultimately paid out in full or in part to investors.

Information on the payment of retrocessions is governed by the relevant provisions of the Federal act on Financial Services (FinSA).

The Management Company and its agents do not pay any rebates when promoting sales in Switzerland to reduce the commissions and costs accruing to investors and charged to the Fund.

## **PLACE OF PERFORMANCE AND JURISDICTION**

In respect of the units distributed in Switzerland, the place of performance is the registered office of the representative of the Fund.

The jurisdiction is at the registered office of the representative of the Fund or at the domicile or at the seat of the investor.

**GERIFONDS (Luxembourg) SA,  
43, Boulevard Prince Henri  
L-1724 Luxembourg  
For further information,  
please contact :  
GERIFONDS (Luxembourg) SA  
Phone : +352 28 66 48 352  
E-mail : [info@gerifonds.com](mailto:info@gerifonds.com)  
[www.gerifonds.lu](http://www.gerifonds.lu)**

# **DMC Fund**

***FONDS COMMUN DE PLACEMENT***

**MANAGEMENT REGULATIONS**

**Dated  
2 November 2023**

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## 1. DEFINITIONS

In these Management Regulations, the following terms will have the following meanings:

**2010 Act** means the Luxembourg act of 17 December 2010 on undertakings for collective investment, as amended;

**Accumulation Unit** means a unit for which it is not intended to make distributions, as set out in the Prospectus;

**Administrative Agent** means the administrative agent, registrar and transfer agent of the Fund, as set out in the Prospectus;

**Article** means an article of these Management Regulations;

**Auditor** means an approved independent auditor in Luxembourg, appointed as the auditor of the Fund by the Management Company;

**Authorised Payment Currency** means the currencies as set out in the Prospectus in which, in addition to the Reference Currency, subscriptions and redemptions for Units in a particular Class may be made. Unless otherwise specified in respect of a specific Sub-fund in the Prospectus, the Authorised Payment Currency will be the Euro;

**Business Day** means, unless otherwise defined in respect of a specific Sub-fund in the Prospectus, any day of the week other than Saturday, Sunday, a legal holiday under the laws of Luxembourg, a bank holiday where banks in Luxembourg are closed, 2 January, 24 December (morning), 31 December, 1 August and le Jeûne genevois (legal holiday of Swiss canton Geneva).

**Circular 04/146** means CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;

**Class** means a class of Units issued in any Sub-fund;

**CSSF** means the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority for the financial sector, or any successor authority;

**Depository** means Banque et Caisse d'Épargne de l'État, Luxembourg, in its capacity as depository bank of the Fund or such other entity as will be appointed as depository of the Fund;

**Depository Agreement** means the depository agreement between the Depository and the Fund, as may be amended from time to time;

**Distribution Unit** means a Unit for which it is intended to make distributions, as set out in the Prospectus;

**Distributors** means any person from time to time appointed or authorised by the Management Company to distribute the Units of one or more Sub-funds or Classes;

**Eligible Investor** means, in relation to each Class in each Sub-fund, an investor that satisfies the relevant criteria to invest in the relevant Class as set out in the Prospectus and that is not a Restricted Person;

**EU** means the European Union;

**EU Member State** means a member State of the EU;

**EUR** or **€** means the Euro, the single currency of any EU Member State that adopts or has adopted and, in each case, continues to adopt the Euro as its lawful currency in accordance with the legislation of the EU;

**FCP** means a *fonds commun de placement*, an unincorporated contractual co-ownership scheme governed by management regulations under Luxembourg Law in accordance with the 2010 Act;

**Fiscal Year** means the twelve (12) month period ending on 31 December each year;

**Fund** means DMC Fund, a FCP established pursuant to these Management Regulations, as amended from time to time. For the purpose of these Management Regulations, any reference to actions taken by the Fund will be construed as referring to an action taken by the Fund, acting through the Management Company;

**Gazette** means the Luxembourg *Recueil Electronique des Sociétés et Associations* (RESA);

**Initial Offering Period** or **Initial Offering Date** means, with respect to each Sub-fund, the first offering of Units made pursuant to the terms of the Prospectus in that Sub-fund;

**Initial Unit Price** means the price at which Units are issued during the Initial Offering Period or on the Initial Offering Date, as determined for each Sub-fund and Class in the Prospectus;

**Institutional Investor** means an investor who qualifies as such according to article 174 of the 2010 Act, as construed from time to time by the CSSF;

**Investing Sub-fund** has the meaning ascribed to this term in Article 6.8;

**Investment Manager** means an investment manager of a Sub-fund, as may be appointed by the Management Company from time to time;

**Investment Objective** means the predefined investment objective of a Sub-fund as specified in the Prospectus;

**Investment Policy** means the predefined investment policy of a Sub-fund as specified in the Prospectus;

**Investment Restrictions** means the investment restrictions applicable to the Sub-funds, as specified in the Prospectus;

**PRIIPS KID** means a key information document, a regulatory document, according to the Regulation (EU) 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) which provides standardised and comparable information for each Class or Sub-fund, as the case may be ;

**Late Trading** means any market timing practice within the meaning of Circular 04/146, as amended or replaced, i.e., the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day;

**Legal Minimum Net Asset Requirement** has the meaning ascribed to this term in Article 3.1;

**Luxembourg** means the Grand Duchy of Luxembourg;

**Luxembourg Law** means the applicable laws of Luxembourg;

**Management Company** means GERIFONDS (Luxembourg) SA or, where the context so permits, any of its permitted delegates, or such other successor management company that may be appointed under these Management Regulations;

**Management Regulations** means these management regulations governing the Fund, as amended from time to time;

**Market Timing** means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, i.e., an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;

**Merging Sub-fund** has the meaning set out in Article 19.13;

**Minimum Net Asset Value** means the minimum Net Asset Value for a Sub-fund to be operated in an economically efficient manner as set out for each Sub-fund in the Prospectus;

**Minimum Subscription Amount** means the minimum number of Units or amount which a Unitholder or subscriber must subscribe for in a particular Class in a particular Sub-fund in which the Unitholder or subscriber does not hold Unit(s) prior to such subscription as set out for each Class in each Sub-fund in the Prospectus;

**Minimum Subsequent Subscription Amount** means the minimum number of Units or amount which a Unitholder must subscribe for in a particular Class in a particular Sub-fund when subscribing for additional Units of the relevant Class as set out for each Class in each Sub-fund in the Prospectus;

**Money Market Instruments** means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;

**Net Asset Value or NAV** means the net asset value of the Fund, each Sub-fund, each Class and each Unit as determined in accordance with Article 14;

**OECD** means the Organisation for Economic Co-operation and Development;

**OECD Member State** means any of the member States of the OECD;

**OTC** means over-the-counter;

**OTC Derivative** means any financial derivative instrument dealt in over-the-counter;

**Prospectus** means the prospectus of the Fund drawn up pursuant to article 151 of the 2010 Act, as may be amended or supplemented from time to time;

**Redemption Fee** means the fee that may be levied in case of redemption of Units of any Class in any Sub-fund, details of which are set out in the Prospectus;

**Reference Currency** means, in relation to each Sub-fund and Class, the currency in which the Net Asset Value of such Sub-fund or Class is calculated, as stipulated in the Prospectus;

**Regulated Market** means a regulated market as defined in the Council Directive 2004/39/EEC dated 21 April 2004 on markets in financial instruments or any other market established in the EEA which is regulated, operates regularly and is recognised and open to the public;

**Restricted Person** means any United States Person and any person, determined in the sole discretion of the Management Company as being not entitled to subscribe or hold Units in the Fund or any Sub-fund or Class if, in the opinion of the Management Company, (i) such person would not comply with the eligibility criteria of a given Class or Sub-fund, (ii) a holding by such person would cause or is likely to cause the Fund some pecuniary, tax or regulatory disadvantage or burden or (iii) a holding by such person would cause or is likely to cause the Fund to be in breach of the law or requirements of any country or governmental authority applicable to the Fund;

**Retail Investor** means any investor not qualifying as an Institutional or Professional Investor;

**Sub-fund** means any separate portfolio of assets established for one or more Classes of the Fund which is invested in accordance with a specific Investment Objective. The specifications of each Sub-fund are set out in the Prospectus;

**Subscription Fee** means the fee that may be levied in case of subscription of Units of any Class in any Sub-fund, details of which are set out in the Prospectus;

**Subscription Form** means the form to subscribe for Units, as determined at its sole discretion by the Management Company and/or the Administrative Agent.

**Subscription Price** means the Unit Price increased by all applicable fees (including the Subscription Fee) and charges;

**Target Sub-fund** has the meaning ascribed to this term in Article 0;

**Transaction Day** means (unless otherwise defined in respect of a specific Sub-fund in the Prospectus) a Business Day on which subscriptions for, conversions from and redemptions of Units can be made in order to be dealt with by the Administrative Agent on the basis of the Net Asset Value that will be calculated on the relevant Transaction Day, based upon the price as of the relevant Transaction Day;

**Transferable Securities** means:

- (a) shares and other securities equivalent to shares;
- (b) bonds and other debt instruments;
- (c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments;

**UCI** means an undertaking for collective investment within the meaning of the first and second indent of article 1(2) of the UCITS Directive, whether situated in a EU Member State or not, provided that:

- (a) such UCI is authorised under laws which provide that it is subject to supervision that is considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
- (b) the level of guaranteed protection for unitholders in such UCI is equivalent to that provided for unitholders in a UCITS, and in particular that 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 ;
- (c) the business of such UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;

**UCITS** means an undertaking for collective investment in transferable securities under the UCITS Directive;

**UCITS Directive** means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended from time to time ;

**Units** means all units issued by the Fund from time to time, representing the total outstanding units;

**Unit Price** means the price at which Units are issued;

**United States Person** has the meaning ascribed to such term in the Prospectus;

**Unitholder** means any registered holder of Units;

**Valuation Day** means the Business Day at which the NAV is determined individually for each Sub-Fund and Class, as defined in the Prospectus;

## 2. THE FUND, THE SUB-FUNDS AND THE CLASSES

### The Fund

- 2.1 The Fund is a Luxembourg *fonds commun de placement* (an unincorporated joint ownership of assets) governed by Part I of the 2010 Act, these Management Regulations and the Prospectus.
- 2.2 The Fund is managed in the exclusive interest of the Unitholders by the Management Company. The assets of the Fund, which are held in custody by the Depositary, will be segregated from those of the Management Company. The Fund is not liable for obligations of the Management Company or of the Unitholders. The Fund is responsible for obligations and expenses in accordance with the provisions of these Management Regulations and the Prospectus.

### **The Sub-funds**

- 2.3 The Fund is one single entity but is divided into Sub-funds. Each Sub-fund is regarded as being separate from the others and is liable only for its own debts, liabilities and obligations in accordance with article 181(5) of the 2010 Act. Each Sub-fund is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of this Sub-fund. A purchase of Units relating to one particular Sub-fund does not give the holder of such Units any rights with respect to any other Sub-fund. A separate NAV per Unit, which may differ as a consequence of variable factors, will be calculated for each Class in the manner described in Article 14.
- 2.4 The terms of each Sub-fund are specified in the Prospectus and each Sub-fund may be differentiated, inter alia, by its Investment Objective and Investment Policy and other different features (including without limitation, fee structure, minimum investment requirements, type of target investors and/or distribution policy).
- 2.5 The Management Company may decide at any time to create further Sub-funds with different Investment Objective, Investment Policy and Investment Restrictions and specific features.
- 2.6 The Management Company may create each Sub-fund for an unlimited or limited period of time; in the latter case, the Management Company may, at the expiration of the initial period of time, extend the duration of that Sub-fund one or more times, subject to the relevant provisions of the Prospectus. The Prospectus will indicate whether a Sub-fund is incorporated for an unlimited period of time or, alternatively, its duration and, if applicable, any extension of its duration and the terms and conditions for such extension. At the expiration of the duration of a Sub-fund, the Management Company will redeem all the Units in the Class(es) of that Sub-fund, in accordance with Article 11.

### **The Classes of Units**

- 2.7 The Management Company may create, at any time, different Classes within a Sub-fund, which may have different features (including fee structure, minimum investment requirements, type of target investors, reference currency, hedging, distribution policy, etc...) but are attached to the same pool of assets within the Sub-fund. The features of each Class are described in the Prospectus.
- 2.8 Some Sub-funds and/or Classes may not be available to all investors but to a certain group or category of investors. A Sub-fund or Class may for instance be reserved to (i) investors in a particular jurisdiction to comply with local law, customs or business practice or for fiscal or any other reason or (ii) to Institutional Investors.

## **3. CAPITAL**

The net assets of the Fund must reach one million two hundred and fifty thousand euros (EUR 1,250,000) within six (6) months of the date on which the Fund has been registered as an FCP under Part I of the 2010 Act on the official list of Luxembourg UCIs authorised under Part I of the 2010 Act, and thereafter may not be less than this amount, being provided that Units of a Target Sub-fund held by an Investing Sub-fund will not be taken into account for the purpose of the calculation of the EUR 1,250,000 minimum net asset requirement (the **Legal Minimum Net Asset Requirement**).

#### **4. THE MANAGEMENT COMPANY**

4.1 The Management Company is GERIFONDS (Luxembourg) SA, a public limited liability company (*société anonyme*) organised under the laws of Luxembourg.

##### **Duties**

4.2 The Management Company is vested with the broadest powers to administer and manage the Fund, subject to the restrictions set forth in these Management Regulations, including but not limited to, the purchasing, holding, protecting, enhancing, improving, managing, letting, monitoring, exchanging, conversion, selling and receipt of assets, borrowing any and all funds in connection therewith and the exercise of all the rights attaching directly or indirectly to the assets of Fund, each time subject to Article 6. The Management Company will operate the Fund within the terms and comply at all times with its obligations contained in the Prospectus, these Management Regulations, and any other applicable laws and regulations. The Management Company will manage the Fund's assets in the exclusive interest of the Unitholders.

4.3 The Management Company will act in its own name, but will indicate that it is acting for the Fund (in respect of the relevant Sub-fund, as the case may be).

4.4 The Management Company is responsible for determining and implementing the Investment Objective and Investment Policy of each Sub-fund subject to the restrictions set out Article 6 and the terms of the Prospectus.

4.5 The Management Company may delegate certain investment management (and may in particular appoint one or more Investment Managers), marketing and administrative functions for any Sub-fund, without prejudice to its ultimate responsibilities hereunder and subject to any limitations under Luxembourg Law (and in particular, articles 107 to 112 bis of the 2010 Act) and the prior approval of the CSSF, as appropriate. The Management Company may also appoint such other agents including domiciliary agents, corporate agents, registrar and transfer agents and one or several paying agents, to perform such services in connection with its obligations under these Management Regulations, in compliance with Luxembourg law.

##### **Termination of the Management Company's duties**

4.6 The duties of the Management Company in respect of the Fund will cease:

- (a) in the case of removal or withdrawal of the Management Company in accordance and subject to the terms of Article 4.7;
- (b) where the Management Company has been declared bankrupt, has entered into a composition with creditors, has obtained a suspension of payment, has been put under court controlled management, or has been the subject of similar proceedings or has been put into liquidation; and
- (c) where the CSSF withdraws the licence of the Management Company to act as management company.

## **Replacement of the Management Company**

- 4.7 Pursuant to the 2010 Act, the Management Company will only cease to be the management company of the Fund effective at the moment a successor management company takes over the functions of the Management Company and such successor management company has obtained the approval of the CSSF and other applicable authorities. In circumstances where no successor management company can be found within two (2) months of such termination, pursuant to Luxembourg Law, the Fund will be liquidated in accordance with the provisions of Article 19.

## **5. THE DEPOSITARY**

- 5.1 The Depositary is Banque et Caisse d'Épargne de l'État, Luxembourg having its registered office in Luxembourg, Grand Duchy of Luxembourg.
- 5.2 In accordance with the Depositary Agreement, these Management Regulations, the 2010 Act, the Prospectus and Luxembourg Law, the Depositary will carry out the usual duties regarding custody of the Fund's assets, cash and securities deposits. The Depositary may only dispose of the assets of the Fund and make payments to third parties on account of the Fund on receipt of instructions of the Management Company and in accordance to applicable laws and these Management Regulations.
- 5.3 The Depositary will in accordance with the 2010 Act:
- (a) ensure that the sale, issue, redemption, exchange and cancellation of all Units of each Sub-fund are carried out in accordance with the 2010 Act and the provisions of these Management Regulations;
  - (b) ensure that the value of the Units is calculated in accordance with the 2010 Act and the provisions of these Management Regulations;
  - (c) carry out the instructions of the Management Company, unless they conflict with the 2010 Act and the provisions of these Management Regulations;
  - (d) ensure that in transactions involving the assets of each Sub-fund, consideration is remitted to it within the customary time limits; and
  - (e) ensure that the income of each Sub-fund is applied in accordance with these Management Regulations.
- 5.4 Subject to Luxembourg Law, the Management Company is authorised, and has the obligation to bring in its own name, claims of the Unitholders against the Depositary.
- 5.5 The Depositary may entrust all or part of the assets of the Fund, in particular securities traded abroad or listed on a foreign stock exchange or admitted to a clearing system, to such clearing or book-entry system or to such correspondent banks as may be determined by the Depositary from time to time, subject to applicable law and the terms of the Depositary Agreement. The Depositary's liability will not be affected by the fact that it has entrusted all or part of the assets in its custody to a third party.

- 5.6 The Depositary may receive an annual fee out of the assets of the Sub-Funds which will be determined from time to time by agreement between the Management Company and the Depositary and calculated in accordance with usual banking practice in Luxembourg. Transaction fees, disbursements and out- of-pocket expenses properly incurred by the Depositary in carrying out its duties under the Depositary Agreement are also payable to the Depositary. Any entity to which the Depositary entrusts the safekeeping of all or part of the assets of the Fund will be entitled to such fees out of the assets of the Fund as will be determined from time to time with the agreement of the Management Company.

#### **Replacement of the Depositary**

- 5.7 The Management Company or the Depositary may terminate the Depositary Agreement at any time by registered letter with three (3) months prior written notice given by one party to the other.
- 5.8 Such termination will only take effect upon the appointment of a replacement depositary (to be approved by the CSSF) which assumes the responsibilities and functions of the Depositary and under these Management Regulations and provided, further, that the appointment of the Depositary will continue thereafter for such period as may be necessary to allow for the complete transfer of all assets of the Fund held by the Depositary to the replacement depositary and subject to the fact that the Depositary is required to use its best endeavours to preserve the interests of Unitholders until the appointment of a new depositary which will take place within two (2) months of such termination.
- 5.9 The Depositary will, in the event of termination of the Depositary Agreement, deliver or cause to be delivered to any succeeding depositary, in duly endorsed in form for transfer, all assets of the Fund with or held by it hereunder and all certified copies and other documents related thereto in its possession which are valid and in force at the date of termination.

These Management Regulations and the Prospectus will be updated to reflect the appointment of a new depositary.

#### **6. INVESTMENT OBJECTIVE AND INVESTMENT RESTRICTIONS**

- 6.1 The Fund may invest (directly or indirectly) in any kind of assets (including derivatives), which are eligible under the 2010 Act. The Investment Objective of each Sub-fund is as set out in respect of that Sub-fund in the Prospectus.
- 6.2 Subject to compliance with all investment restrictions which apply to UCITS under Part I of the 2010 Act and the additional investment restrictions set out in the Prospectus, the Fund may invest in:
- (a) shares in companies and other securities equivalent to shares in companies, bonds and other forms of securities debt and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange (**Transferable Securities**);
  - (b) instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time (**Money Market Instruments**);
  - (c) shares or units of other UCIs, including shares or units of a master fund qualified as a UCITS;
  - (d) deposits with credit institutions, which are repayable on demand or have the right to be withdrawn and which are maturing in no more than twelve (12) months;

- (e) financial derivative instruments;
- (f) shares issued by one or several other Sub-funds under the conditions provided for by the 2010 Act.

- 6.3 Restrictions on ancillary cash. The Fund may hold cash on an ancillary basis. Ancillary liquidity is limited to sight deposits at banks, such as cash available in current accounts opened with a bank that can be accessed at any time, in order to cover current or non-recurring payments, or the time required to reinvest in eligible assets in accordance with Article 41(1) of the Law of 17 December 2010, or for a period strictly necessary in the event of unfavourable market conditions. These liquid assets may not represent more than 20% of the Fund's net assets on an ancillary basis. The limit of 20% mentioned above may be exceeded temporarily only for a strictly necessary period when, due to exceptionally unfavourable market conditions, circumstances so require and such excess is justified in the best interests of investors.
- 6.4 The Fund may purchase Transferable Securities and Money Market Instruments on any Regulated Market of a state of Europe (being or not a member state of the European Union), of America, Africa, Asia, Australia or Oceania. The Fund may also invest in recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and that such admission be secured within one year of issue. Each Sub-fund may also invest up to ten per cent (10%) of its net assets in other Transferable Securities and Money Market Instruments.
- 6.5 A Sub-fund may have as objective to replicate the composition of an index of securities or debt securities recognized by the CSSF.
- 6.6 In accordance with the principle of risk spreading, a Sub-fund may invest up to one hundred per cent (100%) of its net assets in Transferable Securities or Money Market Instruments issued or guaranteed by an EU Member State, by its territorial public authorities, by a member state of the OECD, by a member state of the G20, by certain non-OECD member states (currently Singapore and Hong Kong) or by international organisations of a public nature of which one or more EU Member States are members, upon condition that (i) such securities must belong to at least six (6) different issues, and that (ii) the securities belonging to any single issue do not represent more than thirty per cent (30%) of the net assets of the relevant Sub-fund.
- 6.7 Investments of each Sub-fund may be made either directly or indirectly through wholly-owned subsidiaries, as the Management Company may from time to time decide and as described in the Prospectus. Reference in these Management Regulations to "investments" and "assets" shall mean, as appropriate, either investments made and assets beneficially held directly or investments made and assets beneficially held indirectly through the aforesaid subsidiaries.

### **Pooling**

- 6.8 The Management Company, acting in the best interest of the Fund, may decide, in the manner described in the Prospectus, that: (i) all or part of the assets of the Fund or of any Sub-fund be co-managed on a segregated basis with other assets held by other investors, including other UCIs and/or their sub-funds; or that (ii) all or part of the assets of two (2) or more Sub-funds be co-managed amongst themselves on a segregated or on a pooled basis.

### **Investment by a Sub-fund into another Sub-fund**

- 6.9 A Sub-fund (the **Investing Sub-fund**) may invest in one or more other Sub-funds. Any acquisition of Units of another Sub-fund (the **Target Sub-fund**) by the Investing Sub-fund is subject to the following conditions (and such other conditions as may be applicable in accordance with the terms of the Prospectus):
- (a) the Target Sub-fund may not invest in the Investing Sub-fund;
  - (b) the Target Sub-fund may not invest more than ten per cent (10%) of its net assets in UCITS (including other Sub-funds) or other UCIs;
  - (c) the voting rights attached to the Units of the Target Sub-fund are suspended during the investment by the Investing Sub-fund;
  - (d) the value of the Unit of the Target Sub-fund held by the Investing Sub-fund is not taken into account for the purpose of assessing the compliance with the Legal Minimum Net Asset Requirement.

### **Use of effective portfolio management techniques**

- 6.10 The Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for hedging or efficient portfolio management purposes.

### **Master – Feeder**

- 6.11 Under the conditions set forth under Luxembourg Law, the Management Company may, at any time it deems appropriate and to the widest extent permitted by applicable Luxembourg Law:
- (a) create any Sub-fund and/or Class qualifying either as a feeder UCITS or as a master UCITS;
  - (b) convert any existing Sub-fund and/or Class into a feeder UCITS Sub-fund and/or Class or change the master UCITS of any of its feeder UCITS Sub-fund and/or Class.

## **7. DESCRIPTION OF THE UNITS**

### **General**

- 7.1 Investors in the Fund will subscribe for fully paid-up Units in a Sub-fund that will give them as Unitholders a co-ownership participation in the relevant Sub-fund's assets, subject to the specific rights and obligations of the Units issued. The Management Company may issue Units of different Classes in respect of a Sub-fund. The aggregate liability of a Unitholder will in no event exceed the aggregate of the NAV per Unit of the Units held by that Unitholder from time to time.
- 7.2 The Prospectus will set forth all material terms governing the Units issued by the Fund including, without limitation, priority in which Units will be issued, Minimum Subscription Amounts and Minimum Subsequent Subscription Amounts, as the case may be, details of funding and conversion or redemption rights.

### **Form of the Units**

- 7.3 Units are exclusively issued in registered form. Units may also be exchanged via Clearstream, or any other international clearing platform. Fractions of Units will be issued up to four decimals.
- 7.4 The entry into the register of the Unitholders is a conclusive evidence of ownership. Certificates representing Units will be issued only upon request and at the Management Company's discretion.
- 7.5 The register of the Unitholders will be kept by the Administrative Agent on behalf of the Management Company. The register will contain the name of each owner of registered Units, his/her/its residence or elected domicile as indicated to the Fund and the number and Class(es) of Units held by it and the transfer of Units and the dates of such transfers.

## **8. OWNERSHIP RESTRICTIONS**

### **General**

- 8.1 A person who is a Restricted Person may not invest in the Fund. It is the responsibility of the Administrative Agent to verify that Units are not transferred to a Restricted Person. The Fund reserves the right to redeem any Units which are or become owned, directly or indirectly, by a Restricted Person.

### **Institutional Investors**

- 8.2 Units of certain Sub-funds or Classes may be restricted to Institutional Investors and the Fund will not issue or give effect to any transfer of Units of such Sub-funds or Classes to any investor who is not an Institutional Investor. Any prospective investor will only be issued or transferred Units reserved to Institutional Investors if such person provides a representation that it qualifies as an Institutional Investor pursuant to Luxembourg Law.
- 8.3 If a holder of Units of a Sub-fund or Class restricted to Institutional Investors is not or is no more an Institutional Investor, the Management Company will, at its discretion, either compulsorily redeem the relevant units or convert such Units into Units of a Sub-fund or Class which is not restricted to Institutional Investors (if any) and which is essentially identical to the restricted Sub-fund or Class in terms of its investment object (but, for avoidance of doubt, not necessarily in terms of the fees and expenses payable by such Sub-fund or Class), unless such holding is the result of an error of the Management Company or its agents, and notify the relevant Unitholders of such conversion.
- 8.4 Institutional Investors subscribing in their own name, but on behalf of a third party, may be required to certify that such subscription is made either on behalf of an Institutional Investor or on behalf of a Retail Investor provided in the latter case that the Institutional Investor is acting within the framework of a discretionary management mandate and that the Retail Investor has no right to lay a claim against the Fund for direct ownership of the Units.

## **9. ISSUE OF UNITS**

- 9.1 The Management Company may offer Units in one or several Sub-funds or in one or more Classes in each Sub-fund.
- 9.2 The Management Company is authorised, without limitation, to issue an unlimited number of fully paid up Units at any time without reserving a preferential right to subscribe for the Units to be issued for the existing Unitholders and may determine that different subscription procedures be applicable to the Sub-funds, and set out any subscription conditions for such Sub-fund and/or Class in the Prospectus.
- 9.3 Units are offered to Eligible Investors.
- 9.4 The Fund may decide that for a particular Class or Sub-fund no further Units will be issued after the Initial Offering Period or Initial Offering Date (as will be set forth in the Prospectus).

### **Subscription procedure**

- 9.5 Subscription must be made in written by sending the relevant Subscription Form to the Administrative Agent together with the requested information and documents. Subscription Forms will be processed at the Transaction Day defined in the Prospectus for each Sub-fund.
- 9.6 Subscription request are irrevocable, unless in the period during which the calculation of the Net Asset Value is suspended in accordance with Article 15.
- 9.7 The Management Company may, in its absolute discretion, accept or reject any request for subscription for Units (and any subscription request) in whole or in part. In the event that the Management Company and/or the Administrative Agent decide to reject any application to subscribe for Units the monies transferred by a relevant applicant will be returned to the prospective investor without undue delay (unless otherwise provided for by law or regulations).
- 9.8 By the acquisition of Units of any Class in the Fund, a Unitholder is deemed to have fully accepted these Management Regulations, which determine the contractual relationship both among the Unitholders and between the Unitholders, the Management Company and the Depositary.

### **Subscription Price**

- 9.9 Unitholders or prospective investors may subscribe for a Class in a Sub-fund at a Unit price per Unit equal to:
- (a) the Initial Unit Price as disclosed in the Prospectus where the subscription relates to the Initial Offering Period or Initial Offering Date; or
  - (b) the Net Asset Value per Unit, adjusted as the case may be in accordance with the Prospectus, as of the Transaction Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the Initial Offering Period or Initial Offering Date) of Units of an existing Class in an existing Sub-fund;

both increased by (i) any applicable Subscription Fee (if any), as disclosed in the Prospectus, (ii) taxes, fees and stamp duties that may be payable in the relevant jurisdiction of purchase or subscription and (iii) any charge of correspondent banks for the execution of money transfers or cashing of cheques.

### **Payment in cash**

- 9.10 Prospective or existing investors who subscribe to Units will have to pay for an amount per Unit purchased equal to the Net Asset Value per Unit as of the applicable Transaction Day for the relevant Class in the relevant Sub-fund, adjusted, as the case may be, by the then applicable anti-dilution levy as described in the Prospectus, plus, if applicable, any Subscription Fee and any tax or duty imposed on the subscription of the Units. Additional fees may be incurred if Distributors and paying agents are involved in a transaction. The relevant subscription price may be rounded up or down to the nearest unit of the currency in which it is to be paid, as determined by the Management Company.
- 9.11 The Subscription Price must be paid within a period determined by the Management Company in the Prospectus. If the Depositary does not receive the funds in time the investor will be liable for the costs of late or non-payment in which the case the Management Company will have the power to redeem all or part of the investor's holding of Units in the Fund in order to meet such costs. In circumstances where it is not practical or feasible to recoup a loss from an applicant for Units, any losses incurred by the Fund due to late or non-payment of the Subscription Price in respect of subscription applications received may be borne by the Fund.

- 9.12 Subscribers for Units must make payment in the Reference Currency or an Authorised Payment Currency of the relevant Sub-fund or Class, . Subscription monies received in another currency than the Reference Currency (i.e., an Authorised Payment Currency) will be exchanged by the Depositary on behalf of the investor at normal banking rates. Any such currency transaction will be effected by the Depositary at the investor's risk and cost. Such currency exchange transactions may delay any transaction in Units.

### **Payment in-kind**

- 9.13 Unless otherwise provided for in the relevant Prospectus, the Management Company will also have the right to accept subscriptions through contributions in kind of assets to a Sub-fund in lieu of cash. Any such contributions in kind must comply with the Investment Objective and the Investment Restrictions of the relevant Sub-fund and a valuation report from the Auditor or any other independent auditor, selected from time to time by the Management Company, confirming the value of the contributed assets must be provided. The costs relating to an in kind contribution will be borne by the relevant Unitholder where it is demonstrated that such costs are higher than the costs of investing the corresponding cash amount.

### **Confirmation statement**

Whenever a transaction is registered, the Unitholder will receive a statement of his account, specifying the number of Units, the name of the Class and Sub-Fund in relation to which the Units are issued.

## **10. CONVERSION OF UNITS**

- 10.1 Unitholders may be allowed to convert all, or part, of the Units of a given Class into Units of (i) another Class within the same Sub-Fund or (ii) of another Class of another Sub-fund, in accordance with the terms of the Prospectus which may include additional fees and conditions. Unitholders are not allowed to convert all, or part, of their Units into Units of a Sub-fund which is closed for further subscriptions after the Initial Offering Period or Initial Offering Date (as will be set forth in the Prospectus).

- 10.2 If the criteria to become a Unitholder of such other Class and/or such other Sub-fund are fulfilled, the Unitholder will make an application to convert Units by sending a written request in accordance with the terms of the Prospectus.
- 10.3 The conversion of Units is effected on the first Valuation Day after the relevant Transaction Day by the simultaneous:
- (a) redemption of the number of Units of the relevant Sub-fund or Class in the relevant Sub-fund at the NAV per Unit of the relevant Sub-fund or Class in the relevant Sub-fund, as adjusted as the case may be in accordance with article 14.7; and
  - (b) issue of Units in the new Sub-fund or Class into which the original Units are to be converted at the NAV per Unit for Units of the relevant Sub-fund or Class, adjusted as the case may be in accordance with article 14.7.
- 10.4 The Management Company may determine that balances of less than a reasonable amount to be set by the Management Company, resulting from conversions will not be paid out to Unitholders.
- 10.5 Where Units denominated in one currency are converted into Units denominated in another currency, the number of such Units to be issued will be calculated by converting the proceeds resulting from the redemption of the Units into the currency in which the Units to be issued are denominated. The exchange rate for such currency conversion will be calculated by the Depositary in accordance with the rules laid down in the Prospectus.
- 10.6 All applications for the conversion of Units are irrevocable, except – in each case for the duration of the suspension – in accordance with Article 15, when the calculation of the Net Asset Value of the Units to be redeemed has been suspended or when redemption of the Units to be redeemed has been suspended as provided for in Article 15. If the calculation of the Net Asset Value of the Units to be subscribed is suspended after the Units to be converted have already been redeemed, only the subscription part of the conversion application can be revoked during this suspension.
- 10.7 If as a result of a conversion requests would result in a residual holding in any Sub-fund or Class of less than the Minimum Net Asset Value applicable, the Management Company and the Administrative Agent reserve the right to compulsorily redeem the residual Units in that Sub-fund or Class at the relevant redemption price and make payment of the proceeds thereof to the Unitholders.

## **11. REDEMPTION OF UNITS**

### **Redemption rights**

- 11.1 Any Unitholder can request redemption of all or part of his/her/its Units from the Fund, pursuant to the conditions and procedures set forth in the Prospectus and within the limits provided by law and these Management Regulations.
- 11.2 Requests for redemption must be for either a number of Units or an amount denominated in the Reference Currency or an Authorised Payment Currency of the Class of the Sub-fund.

- 11.3 A Unitholder who redeems his/her/its Units will receive an amount per Unit redeemed equal to the Net Asset Value per Unit as of the applicable Transaction Day for the relevant Class in the relevant Sub-fund, adjusted, as the case may be, by the then applicable anti-dilution levy as described in the Prospectus, less, if applicable, any Redemption Fee and any tax or duty imposed on the redemption of the Units. Additional fees may be incurred if Distributors and paying agents are involved in a transaction. The relevant redemption price may be rounded up or down to the nearest unit of the currency in which it is to be paid, as determined by the Management Company.
- 11.4 Subject to the provisions of Article 11.9, the redemption proceeds will be paid within a period determined by the Management Company in the Prospectus. Where a Unitholder redeems Units that he/she/it has not paid for within the required subscription settlement period, in circumstances where the redemption proceeds would exceed the subscription amount that he owes, the Management Company will be entitled to retain such excess for the benefit of the Fund.
- 11.5 Redemption of Units may be suspended for certain periods of time as described under Article 15.
- 11.6 If redemption requests would result in a residual holding in any one Sub-fund or Class of less than the Minimum Net Asset Value applicable, the Management Company reserves the right to compulsory redeem the residual Units in that Sub-fund or Class at the relevant redemption price and make payment of the proceeds thereof to the Unitholder.
- 11.7 The Fund may redeem Units of any Unitholder if the Fund determines that:
- (a) any of the representations given by the Unitholders to the Management Company were not true and accurate or have ceased to be true and accurate; or
  - (b) the Unitholder is not or ceases to be an Eligible Investor; or
  - (c) the continuing ownership of Units by the Unitholder would cause an undue risk of adverse tax consequences to the Fund or any of its Unitholders; or
  - (d) the continuing ownership of Units by such Unitholder may be prejudicial to the Fund or any of its Unitholders.
- 11.8 If, in addition, on a Transaction Day or at some time during a Transaction Day, redemption applications as defined in this Article and conversion applications as defined in Article 10 exceed a certain level set by the Management Company in relation to the Units of a given Class, the Management Company may resolve to reduce proportionally part or all of the redemption and conversion applications for a certain time period and in the manner deemed necessary by the Management Company, in the best interest of the Fund and its Unitholders. The portion of the non-proceeded redemptions and conversions will then be proceeded by priority on the Transaction Day following this period, these redemption and conversion applications will be given priority and dealt with ahead of other applications (but subject always to the foregoing limit).

- 11.9 The Fund may satisfy payment of the redemption price owed to any Unitholder, subject to such Unitholder's agreement, *in specie* by allocating assets to the Unitholder from the portfolio set up in connection with the Class(es) equal in value to the value of the Units to be redeemed (calculated in the manner described in this Article 11) as of the Transaction Day or the time of valuation when the redemption price is calculated if the Management Company determines that such a transaction would not be detrimental to the best interests of the remaining Unitholders of the relevant Sub-fund. The nature and type of assets to be transferred in such case will be determined on a fair and reasonable basis and without prejudicing the interests of the other Unitholders in the given Class or Classes, as the case may be. The valuation used will be confirmed by a special report of the Auditor. The costs of any such transfers are borne by the transferee.
- 11.10 All applications for redemption of Units are irrevocable, except – in each case for the duration of the suspension – in accordance with Article 15, when the calculation of the Net Asset Value has been suspended or when redemption has been suspended as provided for in this Article and proceeds of the redemption will be remitted to the account indicated by the Unitholder in its redemption request. The Management Company reserves the right not to redeem any Units if it has not been provided with evidence satisfactory to the Management Company that the redemption request was made by a Unitholder of the Fund. Failure to provide appropriate documentation may result in the withholding of redemption proceeds.
- 11.11 If a Unitholder wants to redeem Units of the Fund, a Redemption Fee may be levied on the amount to be paid to the Unitholder. The applicable Redemption Fee will be stipulated in the Prospectus. This fee will be payable to the Management Company, unless otherwise specified in respect of a Sub-fund in the Prospectus.
- 11.12 The Management Company may redeem Units of any Unitholder if the Management Company determines that any of the representations given by the Unitholder were not true and accurate or have ceased to be true and accurate or that the continuing ownership of Units by the Unitholder would cause an undue risk of adverse tax consequences to the Fund or any of its Unitholders. The Management Company may also redeem Units of a Unitholder if it determines, that the continuing ownership of Units by such Unitholder may be prejudicial to the Fund or any of its Unitholders or that the Unitholder is or has become a Restricted Person.

#### **Redemption in kind**

- 11.13 The Management Company may, at the request of a Unitholder, agree to make, in whole or in part, a distribution in-kind of securities of the Sub-fund to that Unitholder in lieu of paying to that Unitholder redemption proceeds in cash. The Management Company will agree to do so if it determines that such a transaction would not be detrimental to the best interests of the remaining Unitholders of the relevant Sub-fund. Such redemption will be effected at the Net Asset Value per Unit of the relevant Class of the Sub-fund which the Unitholder is redeeming, and thus will constitute a pro rata portion of the Sub-fund's assets attributable in that Class in terms of value.
- 11.14 The assets to be transferred to such Unitholder will be determined by the Management Company and the Depositary, with regard to the practicality of transferring the assets and to the interests of the Sub-fund and continuing participants therein and to the Unitholder. Such a Unitholder may incur brokerage and/or local tax charges on any transfer or sale of securities so received in satisfaction of redemption. The net proceeds from this sale by the redeeming Unitholder of such securities may be more or less than the corresponding redemption price of Units in the relevant Sub-fund due to market conditions and/or differences in the prices used for the purposes of such sale or transfer and the calculation of the Net Asset Value of Units of the Sub-fund. The selection, valuation and transfer of assets will be subject to the review and approval of the Auditor.

- 11.15 Any costs incurred in connection with a redemption in-kind will be borne by the relevant Unitholder.
- 11.16 If redemption requests would result in a residual holding in any one Sub-fund or Class of less than the Minimum Net Asset Value applicable, the Management Company reserves the right to compulsorily redeem the residual Units in that Sub-fund or Class at the relevant redemption price and make payment of the proceeds thereof to the Unitholder.
- 11.17 The Fund may redeem Units of any Unitholder if the Fund, whether on its own initiative or at the initiative of a Distributor, determines that:
- (a) any of the representations given by the Unitholders to the Management Company were not true and accurate or have ceased to be true and accurate; or
  - (b) the Unitholder is not or ceases to be an Eligible Investor; or
  - (c) the continuing ownership of Units by the Unitholder would cause an undue risk of adverse tax consequences to the Fund or any of its Unitholders; or
  - (d) the continuing ownership of Units by such Unitholder may be prejudicial to the Fund or any of its Unitholders;
- 11.18 The Fund may also redeem Units of any Unitholder in accordance with Articles 13.2 and 19.11 and in circumstances and under the terms and conditions as indicated in these Management Regulations and/or in the Prospectus.

## **12. TRANSFER OF UNITS**

- 12.1 Units may only be transferred to non-Restricted Persons. A transfer of units will only be effective (i) for registered units upon its registration in the unitholders register and (ii) for dematerialised units upon transfer from account to account.
- 12.2 The Management Company and/or the Administrative Agent may only accept to register a transfer of Units upon receipt of satisfactory documents evidencing such transfer and any other documents or information, as it deems fit such as identification documents of the transferee.
- 12.3 The transferor will be deemed to remain the holder of the Unit until the name of the transferee is entered on the Unit register in respect thereof.
- 12.4 The Management Company and/or the Administrative Agent may decline to register any transfer of Unit if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Unit, Class or Sub-fund as set out in the Prospectus. The registration of transfer may be suspended at such times and for such periods as the Management Company may from time to time determine, provided, however, that such registration will not be suspended for more than five (5) days in any calendar year.

## **13. MARKET TIMING AND LATE TRADING**

- 13.1 The Management Company and/or the Administrative Agent may reject or cancel any subscription or conversion orders for any reason and in particular in order to comply with Circular 04/146.

- 13.2 The Management Company in its sole discretion and/or the Administrative Agent may, compulsorily redeem Units or reject any subscription orders and conversions orders from any investor that the Management Company reasonably believes has engaged in Market Timing activity. For these purposes, the Management Company may consider an investor's trading history in the Sub-funds and accounts under common control or ownership.
- 13.3 In addition to the Subscription or Conversion Fees which may be of application, the Management Company may impose a penalty of maximum two per cent (2%) of the Net Asset Value of the Units subscribed or converted where the Management Company reasonably believes that an investor has engaged in Market Timing activity. The penalty will be credited to the relevant Sub-fund. The Management Company will not be held liable for any loss resulting from rejected orders or mandatory redemption.
- 13.4 The Management Company and/or the Administrative Agent will ensure that the relevant subscription deadline for requests for subscriptions, redemptions or conversions are strictly complied with and will therefore take all adequate measures to prevent practices known as Late Trading.

#### **14. CALCULATION OF NET ASSET VALUE**

- 14.1 The Fund, each Sub-fund and each Class in a Sub-fund have a Net Asset Value determined in accordance with these Management Regulations. The Net Asset Value of each Sub-fund and Class will be calculated in the Reference Currency of the Sub-fund or Class, as it is stipulated in the Prospectus, and will be determined by the Administrative Agent for each Transaction Day on each Valuation Day as stipulated in the Prospectus, by calculating the aggregate of:
- (a) the value of all assets of the Fund which are allocated to the relevant Sub-fund in accordance with the provisions of these Management Regulations; less
  - (b) all the liabilities of the Fund which are allocated to the relevant Sub-fund and Class in accordance with the provisions of these Management Regulations, and all fees attributable to the relevant Sub-fund and Class, which fees have accrued but are unpaid on the relevant Transaction Day.
- 14.2 If certain assets and liabilities are not attributable to a specific Sub-fund and/or Class, they shall be attributable to all Sub-funds and/or Classes on a pro-rata basis or split equally between Sub-funds and/or Classes at the discretion of the Management Company.
- 14.3 The Net Asset Value per Unit for a Transaction Day will be calculated in the Reference Currency of the relevant Sub-fund or Class and will be calculated by the Administrative Agent as at the Valuation Day of the relevant Sub-fund by dividing the Net Asset Value of the relevant Sub-fund by the number of Units which are in issue on such Transaction Day in the relevant Sub-fund (including Units in relation to which a Unitholder has requested redemption on such Transaction Day in relation to such Valuation Day).
- 14.4 If the Sub-fund has more than one Class in issue, the Administrative Agent will calculate the Net Asset Value per Unit of each Class for a Transaction Day by dividing the portion of the Net Asset Value of the relevant Sub-fund attributable to a particular Class by the number of Units of such Class in the relevant Sub-fund which are in issue on such Transaction Day (including Units in relation to which a Unitholder has requested redemption on such Transaction Day in relation to such Valuation Day).
- 14.5 The Net Asset Value per Unit may be rounded up or down to the nearest whole unit of the currency in which the Net Asset Value of the relevant Units are calculated.

14.6 The assets of the Fund will be valued as follows:

- (a) Transferable Securities or Money Market Instruments quoted or traded on an official stock exchange or any other Regulated Market, are valued on the basis of the last known price, and, if the securities or money market instruments are listed on several stock exchanges or Regulated Markets, the last known price of the stock exchange which is the principal market for the security or Money Market Instrument in question, unless these prices are not representative.
- (b) For Transferable Securities or Money Market Instruments not quoted or traded on an official stock exchange or any other Regulated Market, and for quoted Transferable Securities or Money Market Instruments, but for which the last known price is not representative, valuation is based on the probable sales price estimated prudently and in good faith by the Management Company.
- (c) Units and shares issued by UCITS or other UCIs will be valued at their last available net asset value.
- (d) The liquidating value of futures, forward or options contracts that are not traded on exchanges or on other Regulated Markets will be determined pursuant to the policies established in good faith by the Management Company, on a basis consistently applied. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets will be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Business Day with respect to which a Net Asset Value is being determined, then the basis for determining the liquidating value of such contract will be such value as the Management Company may, in good faith and pursuant to verifiable valuation procedures, deem fair and reasonable.
- (e) Liquid assets and Money Market Instruments with a maturity of less than 12 months may be valued at nominal value plus any accrued interest or using an amortised cost method (it being understood that the method which is more likely to represent the fair market value will be retained). This amortised cost method may result in periods during which the value deviates from the price the relevant Fund would receive if it sold the investment. The Management Company may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the Management Company. If the Management Company believes that a deviation from the amortised cost per Unit may result in material dilution or other unfair results to Unitholders, the Management Company will take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.
- (f) The swap transactions will be consistently valued based on a calculation of the net present value of their expected cash flows. For certain Sub-funds using OTC Derivatives as part of their main Investment Policy, the valuation method of the OTC Derivative will be further specified in the Prospectus.
- (g) Accrued interest on securities will be included if it is not reflected in the Unit price.
- (h) Cash will be valued at nominal value, plus accrued interest.

- (i) All assets denominated in a currency other than the Reference Currency of the respective Sub-fund/ Class will be converted at the mid-market conversion rate between the Reference Currency and the currency of denomination.
- (j) All other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their probable realisation value, will be valued at probable realisation value, as determined with care and in good faith pursuant to procedures established by the Management Company.

14.7 If on any Transaction Day the aggregate transactions in Units of all Classes of a Sub-fund result in a net increase or decrease of Units for that Sub-fund (relating to the cost of market dealing for that Sub-fund), the Net Asset Value of the relevant Sub-fund may be adjusted by an amount which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Sub-fund and the estimated bid/offer spread of the assets in which the Sub-fund invests. The adjustment will be an addition when the net movement results in an increase of all Units of the Sub-fund and a deduction when it results in a decrease. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows.

14.8 The allocation of assets and liabilities of the Fund between Sub-funds (and within each Sub-fund between the different Classes) will be effected so that:

- (a) the Unit Price received by the Fund on the issue of Units, and reductions in the value of the Fund as a consequence of the redemption of Units, will be attributed to the Sub-fund (and within that Sub-fund, the Class) to which the relevant Units belong;
- (b) assets acquired by the Fund upon the investment of the subscription proceeds and income and capital appreciation in relation to such investments which relate to a specific Sub-fund (and within a Sub-fund, to a specific Class) will be attributed to such Sub-fund (or Class in the Sub-fund);
- (c) assets disposed of by the Fund as a consequence of the redemption of Units and liabilities, expenses and capital depreciation relating to investments made by the Fund and other operations of the Fund, which relate to a specific Sub-fund (and within a Sub-fund, to a specific Class) will be attributed to such Sub-fund (or Class in the Sub-fund);
- (d) where the use of foreign exchange transactions, instruments or financial techniques relates to a specific Sub-fund (and within a Sub-fund, to a specific Class) the consequences of their use will be attributed to such Sub-fund (or Class in the Sub-fund);
- (e) where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques relate to more than one Sub-fund (or within a Sub-fund, to more than one Class), they will be attributed to such Sub-funds (or Classes, as the case may be) in proportion to the extent to which they are attributable to each such Sub-fund (or each such Class);

- (f) where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques cannot be attributed to a particular Sub-fund they will be divided equally between all Sub-funds or, in so far as is justified by the amounts, will be attributed in proportion to the relative Net Asset Value of the Sub-funds (or Classes in the Sub-fund) if the Management Company, in its sole discretion, determines that this is the most appropriate method of attribution; and
- (g) upon payment of dividends to the Unitholders of a Sub-fund (and within a Sub-fund, to a specific Class) the net assets of this Sub-fund (or Class in the Sub-fund) are reduced by the amount of such dividend.

14.9 General rules:

- (a) all valuation regulations and determinations will be interpreted and made in accordance with Luxembourg Law;
- (b) the latest Net Asset Value per Unit may be obtained at the registered office of the Management Company in accordance with the terms of the Prospectus;
- (c) for the avoidance of doubt, the provisions of this Article 14 are rules for determining the Net Asset Value per Unit and are not intended to affect the treatment for accounting or legal purposes of the assets and liabilities of the Fund or any Units issued by the Fund;
- (d) the Net Asset Value per Unit of each Class in each Sub-fund is made public at the offices of the Management Company and Administrative Agent. The Management Company may arrange for the publication of this information in the Reference Currency of each Sub-fund/Class and any other currency at the discretion of the Management Company in leading financial newspapers. The Management Company cannot accept any responsibility for any error or delay in publication or for non-publication of prices;
- (e) different valuation rules may be applicable in respect of a specific Sub-fund as further laid down in the Prospectus.

**15. SUSPENSION OF DETERMINATION OF NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION OF UNITS**

15.1 The Management Company is authorised to suspend temporarily the calculation of the NAV and the subscription, redemption and conversion of units in one or several Sub-Funds in the following cases:

- (a) where one or several securities or exchange markets forming the basis of the valuation of a major part of a Sub-Fund's assets are closed for periods other than legal holidays, or where transactions are suspended thereon or subject to restrictions;
- (b) where political, economic, military, monetary or social circumstances or any cases of force majeure, beyond the responsibility or power of the Management Company, make it impossible to dispose of a Sub-Fund's assets by reasonable and normal means, without causing serious prejudice to unitholders;
- (c) in case of an interruption of the means of communication normally used to determine the value of any investment of a Sub-Fund or where, for any reason, the value of any investment of the Fund cannot be known with sufficient speed or accuracy;

- (d) where restrictions on exchange or capital movements prevent the execution of transactions on behalf of a Sub-Fund or where purchase or sale transactions of the Fund's assets cannot be carried out at normal exchange rates;
  - (e) if the Management Company recommends the winding up of the Fund or the termination of a Sub-Fund;
  - (f) where, in the opinion of the Management Company, circumstances which are beyond the control of the Management Company make it impracticable or unfair vis-à-vis the unitholders to continue trading the units.
- 15.2 The Management Company may, at any time, if it considers it necessary, temporarily suspend or finally halt or limit issuing of units of one or several Sub-Funds to individuals or companies residing or domiciled in certain countries and territories, or exclude them from acquiring units, if such measure is necessary to protect existing unitholders and the Fund.
- 15.3 Any such suspension may be notified by the Fund in such manner as it may deem appropriate to the persons likely to be affected thereby and may be published in accordance with the Prospectus. The Fund will notify Unitholders requesting redemption or conversion of their Units of such suspension.
- 15.4 Such suspension as to any Sub-fund will have no effect on the calculation of the Net Asset Value per Unit, the issue, redemption and conversion of Units of any other Sub-fund.
- 15.5 Any request for subscription, redemption and conversion will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Unit in the relevant Sub-fund. Withdrawal of a subscription or of an application for redemption or conversion will only be effective if written notification is received by the Administrative Agent before termination of the period of suspension, failing which subscription, redemption applications not withdrawn will be processed on the first Transaction Day following the end of the suspension period, on the basis of the Net Asset Value per Unit determined for such Transaction Day.

## **16. FISCAL YEAR, AUDIT AND FINANCIAL REPORTS**

- 16.1 The Fiscal Year will begin on 1 January of each year and end on 31 December of each year.
- 16.2 The Fund will ensure that full and accurate books and records of the Fund will be kept at the registered office of the Administrative Agent.
- 16.3 The annual accounts of the Fund are audited by the Auditor, appointed by the Management Company.
- 16.4 Audited annual reports are established at the end of each Fiscal Year and will be published within four (4) months following the end of the accounting year.
- 16.5 In addition, unaudited semi-annual reports will be established as at 30 June each year, and will be published within two (2) months following the end of period to which they refer. Those financial reports will provide for information on each of the Sub-fund's assets as well as the consolidated accounts of the Fund and be made available to the Unitholders free of charge at the offices of the Administrative Agent.
- 16.6 The financial statements of each Sub-fund will be established in the Reference Currency of the Sub-fund but the consolidated accounts will be in EUR.

## **17. PUBLICATIONS AND COMMUNICATIONS**

- 17.1 The Prospectus, the PRIIPS KIDs and the annual and semi-annual reports of the Fund may be consulted by the Unitholders at the registered office of the Management Company, the Depository and paying agents (if any).
- 17.2 The Net Asset Value per Unit of each Class within in each Sub-fund will be made public at the offices of the Depository and Management Company on each Valuation Day.
- 17.3 Notices to Unitholders will be sent to their registered addresses (or such other address as set out in the register of the Unitholders). All communications by Unitholders with the Fund will be in writing and addressed to the Management Company.

## **18. DISTRIBUTION – ALLOCATION OF INCOME**

- 18.1 Distributions to Unitholders may comprise dividends, interest, capital and capital gains payments. Distributions may only be made if the Net Asset Value of the Fund does not fall below the Legal Minimum Net Asset Requirement.
- 18.2 The Management Company and/or the Fund may issue Accumulation Units and Distribution Units within the Classes of each Sub-fund, as provided for in the Prospectus. Accumulation Units do not make distributions to the Unitholders but capitalise their entire earnings whereas Distribution Units pay dividends to the Unitholders.
- 18.3 For Distribution Units, dividends, if any, will be declared and distributed on an annual basis. Moreover, interim dividends may be declared and distributed from time to time at a frequency determined by the Management Company and/or the Fund within the conditions set forth by law, as further described in the Prospectus.

18.4 Payments will be made in the Reference Currency of the relevant Sub-fund and/or Class. Dividends remaining unclaimed for five (5) years after their declaration will be forfeited and revert to the relevant Sub-fund.

18.5 Unless otherwise stated for a particular Sub-fund in the Prospectus, the Management Company and/or the Fund is authorised to make in-kind distributions/payments of securities or other assets with the consent of the relevant Unitholder(s). Any such payments in kind will be valued in a report established by an auditor qualifying as statutory auditor (*réviseur d'entreprises agréé*) drawn up in accordance with the requirements of Luxembourg Law, the costs of which will be borne by the relevant Unitholder.

## **19. DURATION OF THE FUND – LIQUIDATION – MERGER**

### **Duration of the Fund**

19.1 The Fund is set-up for an unlimited duration.

19.2 Notwithstanding Article 19.1, the Management Company may decide, at any time with the approval of the Depositary to terminate the Fund upon the liquidation of all the Sub-Funds.

### **19.3 Liquidation of the Fund**

19.4 The Fund will be dissolved:

- (a) automatically upon the termination of the latest Sub-fund;
- (b) in the case of cessation of the functions of the Management Company or of the Depositary, if they have not been replaced within two (2) months, as provided for under the 2010 Act;
- (c) in the case of bankruptcy of the Management Company;
- (d) if the total NAV of the Fund has become less, over a period of more than six (6) months, than one-fourth (1/4) of the Legal Minimum Net Asset Requirement.

19.5 The Fund must inform the CSSF without delay if the net assets of the Fund fall below two-thirds (2/3) of the Legal Minimum Net Asset Requirement. If the net assets of the Fund fall below such legal minimum, the CSSF may require the Management Company to wind-up the Fund.

### **Notice of liquidation – Liquidation procedure**

19.6 Notice of the event leading to the dissolution and liquidation of the Fund will be published in the Gazette. It will further be published, in accordance with article 22 of the 2010 Act, in at least two (2) newspapers with adequate circulation, at least one of which must be a Luxembourg newspaper. Failing this, the publication may be arranged by the CSSF at the expense of the Fund.

19.7 No Units may be issued nor conversion of Units may be accepted after the occurrence of the event giving rise to the liquidation of the Fund. The redemption of Units remains possible provided the equal treatment of Unitholders can be ensured.

- 19.8 In the event of a winding-up of the Fund or a Sub-fund, the Fund will dispose of the assets of the Fund or the relevant Sub-fund (as applicable) in the best interests of the Unitholders of the Fund or the Unitholders of the particular Sub-fund (as applicable), and the Depositary, upon instructions given by the Management Company, will distribute the net proceeds of winding-up, after deduction of all winding-up expenses, among the Unitholders, pro rata of the number of Units held by each of them in the relevant Sub-fund and Class of Units, except that the rights of the Default Units in the liquidation proceeds will be limited by the provisions as foreseen in these Management Regulations.
- 19.9 The Fund will seek to complete the winding-up process as soon as practicable in compliance with the provisions set forth under Luxembourg Law. During the liquidation of the Fund, the Fund may in its absolute discretion (but is not obligated to) at the request of a Unitholder in respect of the equal treatment of Unitholders (and provided an independent valuation has been obtained), distribute assets to such Unitholder in kind to satisfy such Unitholder's entitlement, in whole or in part, on the liquidation. The Fund will endeavour to sell all of the assets during the liquidation of the Fund.
- 19.10 At the close of liquidation of the Fund the proceeds thereof, corresponding to Units not surrendered, will be deposited with the Depositary for a period of six (6) months as from the date of the close of the liquidation; after this period, the liquidation proceeds will be deposited with the *Caisse de Consignation* in Luxembourg for a duration as provided for under Luxembourg Law. After that period, amounts deposited remained unclaimed will be forfeited.

#### **Liquidation and mergers of Sub-funds or of Classes**

- 19.11 In the event that, for any reason, the value of the total net assets in any Sub-Fund or Class has decreased to, or has not reached, an amount determined by the Management Company to be the minimum level for such Sub-fund or Class to be operated in an economically efficient manner or in case of substantial modification in the political, economic or monetary situation, or as a matter of economic rationalisation, the Management Company, may decide (i) to offer to the relevant Unitholders the conversion of their Units into Units of another Sub-fund or Class under terms fixed by the Management Company or (ii) to compulsorily redeem all the Units of the relevant Sub-fund or Class at the NAV per Unit (taking into account projected realisation prices of investments and realisation expenses calculated on the Valuation Day immediately preceding the date at which such decision will take effect).
- 19.12 The Management Company will (i) serve a notice to the holders of the relevant Units prior to the effective date for the compulsory redemption, which will indicate the reasons for and the procedure for the redemption operations and (ii) publish in at least two newspapers with sufficient circulation, one of which at least must be a Luxembourg newspaper.

#### **Merger of Sub-funds**

- 19.13 The Management Company may also decide to merge one or more Sub-fund with another Sub-fund or with another Luxembourg or foreign UCITS or sub-fund thereof (the **Merging Sub-fund**).
- 19.14 Unitholders of the Merging Sub-fund will be informed in writing one (1) month before the Valuation Day on which the merger takes effect. The notice will contain information in relation to the other Sub-fund, UCITS and/or sub-fund thereof as the case may be. The notice to Unitholders will also be published in the Gazette as well as in newspapers determined by the Management Company.

- 19.15 During this period, Unitholders of the Merging Sub-fund may request redemption of all or part of their Units free of any redemption charge at the corresponding Net Asset Value of the Units. After such period, Unitholders of the Merging Sub-fund having not requested the redemption of their Units will be bound by the decision of the Management Company.
- 19.16 Any request for subscription will be suspended as from the moment of the announcement of the termination, the merger or the transfer of the relevant Sub-fund.

## **20. EXPENSES OF THE FUND**

### **Operation and administration expenses**

- 20.1 As compensation for its services for the following Sub-Fund, the Management Company shall receive an annual all-in fee, except for brokerage fees and bank charges normally payable on transactions relating to the portfolio of the relevant Sub-Fund, calculated on the average net assets of the relevant month, payable monthly as mentioned in the prospectus.

The Management Company will bear the following costs for the Sub-Fund:

- all taxes owed on the fund's asset and income,
  - sub-contractor fees,
  - Investment Manager's fees,
  - operating expenses (fees of the Depository, transfer and registrar agent, administrative agent),
  - auditors fee,
  - printing and distribution of the annual and semi-annual report,
  - fees related to indexes or benchmark,
  - costs for the preparation, translation printing for the publication,
  - costs for the information of unitholders,
  - legal fees and/or ,other legal expenses related to unitholder protection,,
  - costs for the official representative in Switzerland,
  - the annual "taxe d'abonnement" calculated on the NAV of each Sub-Fund and payable quarterly on each unit class (0.05 % for the unit class R and 0.01 % for the unit class I),
  - cost relating to subscription taxes, records, deposit and other requirements concerning the Fund by all foreign authorities or stock exchanges,
  - advertising costs or other expenses directly connected with the offering of distribution of units, including the costs of printing and copying of the documents mentioned above or reports used by distributors of units in their commercial activity.
- 20.2 Expenses specific to a Sub-fund or Class will be borne by that Sub-fund or Class. Charges that are not specifically attributable to a particular Sub-fund or Class may be allocated among the relevant Sub-funds or Classes in proportion of their respective net assets at that time or on any other reasonable basis given the nature of the charges.

### **Formation and launching expenses**

- 20.3 Expenses incurred in connection with the creation of any additional Sub-fund may be borne by the relevant Sub-fund and be written off over a period not exceeding five (5) years.

## **21. AMENDMENTS TO THE MANAGEMENT REGULATIONS**

- 21.1 The Management Company, together with the Depositary, may amend or restate these Management Regulations in writing at any time. Amendments to these Management Regulations will become effective on the date of their signature by the Management Company and the Depositary.
- 21.2 Any amendments of these Management Regulations, including the dissolution of the Fund, will be deposited with the *Trade Register of the district court in Luxembourg* and be published by the way of a notice in the RESA, Recueil Electronique des Sociétés et Associations (hereafter “RESA”) and, if appropriate, in such newspapers as will be determined by the Management Company in the jurisdictions where the Units are offered.

## **22. STATUTE OF LIMITATIONS**

- 22.1 Unitholders’ claims against the Management Company or the Depositary lapse five years after the date of the event giving rise to the rights invoked.

## **23. JURISDICTION CLAUSE, APPLICABLE LAW AND AUTHORITATIVE LANGUAGE**

- 23.1 Any claim arising between one or more of the Management Company, the Fund, the Unitholders and the Depositary will be settled in accordance with Luxembourg Law and will be subject to the exclusive jurisdiction of the Courts of the District of Luxembourg-City, Grand Duchy of Luxembourg.
- 23.2 Notwithstanding Article 23.1, the Management Company and the Depositary may subject themselves and the Fund to the jurisdiction of courts of the countries in which the Units are offered or sold, with respect to claims by Unitholders resident in such countries and, with respect to matters relating to subscriptions, conversions and redemptions by Unitholders resident in such countries, to the laws of such countries.
- 23.3 The English version of these Management Regulations will be authoritative and binding. The Management Company and the Depositary may nevertheless admit the use of translations approved by them into the languages of countries in which the Units are offered and sold, and such translations will be authoritative and binding in respect of such Units sold to investors in those countries.

**SIGNATORIES**

**EXECUTED** in two (2) originals, with each party receiving one (1) original, on the date appearing on the first page.

For and on behalf of **GERIFONDS (Luxembourg) SA** in its capacity as management company of **DMC Fund**

Name: Daniel PYC  
Title: Conducting Officer

Name: Emmanuel CACAULT  
Title: Conducting Officer

For and on behalf of **Banque et Caisse d'Epargne de l'Etat, Luxembourg** in its capacity as depository of **DMC Fund**

Name:  
Title:

Name:  
Title: