

# Seahawk SICAV

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

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

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

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Prospectus

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21 November 2025

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## 1. INTRODUCTION

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

The Fund is a public limited liability company (*société anonyme*) incorporated on 30 April 2019 under the laws of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

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

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

The Fund is registered with the Luxembourg Trade and Companies Register under number B 234.434. The latest version of the Articles of Association reflecting the name change decided by the Extraordinary General Meeting of Shareholders on 7 August 2024, have been published on the *Recueil électronique des sociétés et associations* (RESA), the central electronic platform of the Grand-Duchy of Luxembourg on 10 September 2024.

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

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

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

The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may be restricted or prohibited by law. The Prospectus does not constitute an offer to

sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale. It is the responsibility of any persons wishing to make an application for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. No Shares may be acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. In particular, the Board of Directors has decided that US Persons will, subject to certain exceptions, be considered as Prohibited Persons.

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

The Fund must comply with applicable international and Luxembourg laws and regulations regarding anti-money laundering and counter-terrorist financing (“**AML/CFT**”). In particular, AML/CFT measures in force in Luxembourg require the Fund (or its agent acting on its behalf) to establish and verify, amongst others, the identity of subscribers for Shares (as further described below in section 7.11 of the Prospectus) and to monitor the relationship on an ongoing basis. Failure to provide information or documentation may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

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

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

## 2. DIRECTORY

### Registered office of the Fund

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

### Board of Directors

Hubertus Clausius  
Seahawk Investments GmbH  
Managing Director

Lay San Kwa  
TRANSCAP Transport Capital (Europe) GmbH  
Partner

Dimitri Brunwasser  
FundSight S.A.

### Management Company

FundSight S.A.  
106, Route d'Arlon  
L-8210 Mamer  
Grand Duchy of Luxembourg

### Investment Manager

Seahawk Investments GmbH  
Bettinastrasse 62  
60325 Frankfurt am Main  
Federal Republic of Germany

### Auditor

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

### Depositary

CACEIS BANK, LUXEMBOURG BRANCH  
5 Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### Administrator

CACEIS BANK, LUXEMBOURG BRANCH  
5 Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### Paying Agent

CACEIS BANK, LUXEMBOURG BRANCH  
5 Allée Scheffer  
L-2520 Luxembourg  
  
Grand Duchy of Luxembourg

### 3. DEFINITIONS

1915 Law	the Luxembourg law of 10 August 1915 on commercial companies, as amended.
1993 Law	the Luxembourg law of 5 April 1993 on the financial sector, as amended.
2004 Law	the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended.
2010 Law	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended.
Administration Agency Agreement	the agreement entered into between the Fund, the Management Company and the Administrator governing the appointment of the Administrator, as may be amended or supplemented from time to time.
Administrator	the central administration, registrar and transfer, appointed by the Management Company and the Fund in accordance with the provisions of the 2010 Law and the Administration Agency Agreement, as identified in the Directory.
AML/CFT Regulations	is defined in section 7.11 of this Prospectus.
Anti-Dilution Levy	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Anti-Dilution Threshold	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Annual Report	the report issued by the Fund as of the end of the latest financial year in accordance with the 2010 Law.
Articles of Association	the articles of association of the Fund, as amended.
ATAD I	the Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market.
ATAD II	the Council Directive (EU) 2017/952 of 29 May 2017 amending ATAD I as regards hybrid mismatches with third countries.
BEPS	Base Erosion and Profit Shifting.
Board of Directors	the board of directors of the Fund.
Brussels Ibis Regulation	Regulation (EU) No 1215/2015 of the European Parliament and of the Council of 12 December 2015 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).



Business Day	any day on which banks are open the whole day for business in Luxembourg, Germany and Singapore and in such other countries or cities as may be specified for a Sub-Fund or Share Class in a Supplement.
Capitalisation Shares	Shares with respect to which the Fund does not intend to distribute dividends.
Conversion Day	the day or days on which Original Shares may be converted into New Shares, being a day which is a Redemption Day for the Original Shares and, if that day is not a Subscription Day for the New Shares, the day which is the immediately following Subscription Day for the New Shares, provided that the Cut-Off Time for a Conversion Day shall be the earlier of the Cut-Off Time for redemption of the Original Shares on that Redemption Day and the Cut-Off Time for subscription to the New Shares on that Subscription Day. For the avoidance of doubt, the Conversion Day may be a different day for the Original Shares and the New Shares.
Conversion Fee	a fee which the Fund may charge upon conversion of Shares and which is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.
Conversion Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the conversion of all or part of his Shares. The term "Conversion Form" shall be deemed to include conversion applications placed on electronic or other online trading platforms authorised by the Fund for such purposes.
Covered Bonds Directive	Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU
CRS	the Common Reporting Standard for Automatic Exchange of Financial Account Information in Tax Matters as set out in the CRS Law.
CRS Information	personal and financial information as exhaustively set out in Annex I of the CRS Law.
CRS Law	the Luxembourg law of 18 December 2015 on the CRS, as amended, implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory exchange of information in the field of taxation and setting forth to the OECD's multilateral competent authority agreement on automatic exchange of financial account information signed on 29 October 2014 in Berlin, with effect as of 1 January 2016.

CSSF	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector.
Currency Hedged Share Classes	Share Classes for which a currency hedging strategy is implemented, as further described in the Prospectus. Currency Hedged Share Classes are identified in the Supplements.
Cut-Off Time	for any Subscription Day, Redemption Day or Conversion Day, the day and time by which an application for subscription, redemption or conversion, as applicable, must in principle be received by the Fund in order for the application to be processed, if accepted, by reference to the Net Asset Value per Share calculated as of that Subscription Day, Redemption Day or Conversion Day, as applicable. The Cut-Off Time is specified for each Sub-Fund or Share Class in the Supplement.
DAC 6	the Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU ("DAC") as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements, as may be amended from time to time.
DAC 6 Law	the Luxembourg law of 25 March 2020, as amended, implementing DAC 6.
Data Protection Laws	means the EU Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR") and any applicable national data protection laws (including but not limited to the Luxembourg law of 1st August 2018 organising the National Commission for Data Protection ( <i>Commission Nationale pour la Protection des Données</i> , the "CNPD") and the general system on data protection, as amended from time to time), as amended
Depository	the depository bank appointed by the Fund in accordance with the provisions of the 2010 Law and the Depository Agreement, as identified in the Directory.
Depository Agreement	the agreement entered into between the Fund and the Depository governing the appointment of the Depository, as may be amended or supplemented from time to time.
Directive 2009/65/EC or the UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast), as amended.

Directive 2013/34/EU	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as amended.
Directive 2014/65/EU	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as amended.
Distribution Shares	Shares with respect to which the Fund intends to distribute dividends and which confer on their holder the right to receive such dividends, if and when declared by the Fund.
Distributors	intermediaries appointed by the Management Company to distribute the Shares.
Eligible Investor	an investor who satisfies all eligibility requirements for a specific Sub-Fund or Share Class, as specified for the Sub-Fund or Share Class in the Supplement.
Emerging Market	any country determined by each Investment Manager to have an emerging market economy, considering a number of factors largely analogous to the logic of Standard and Poor's. These factors may include whether the country has a low- to middle-income economy according to World Bank, the country's foreign currency debt rating, its location and neighboring countries, its political and economic stability and the development of its financial and capital markets. These countries may include those located in Latin America and the Caribbean, Asia, Africa, the former Soviet Union, the Middle East and the developing countries of Europe (primarily Central and Eastern Europe). Additionally, the country needs to be at least "partly free" per definition of Freedom House.
ESMA	the European Securities and Markets Authority.
EU	the European Union.
EUR	the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
FATCA	the Foreign Account Tax Compliance Act provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010, set out in sections 1471 to 1474 of the US Internal Revenue Code, and any US Treasury regulations issued thereunder, Internal Revenue Service rulings or other official guidance pertaining thereto.

FATCA Law	the Luxembourg law of 24 July 2015, as amended, implementing the Model 1 Intergovernmental Agreement between the Government of the Grand Duchy of Luxembourg and the Government of the United States of America to Improve International Tax Compliance and with respect to the United States information reporting provisions commonly known as FATCA.
Feeder Fund	as the context indicates, a Sub-Fund or another UCITS or sub-fund thereof qualifying as a feeder fund in the meaning of the 2010 Law.
Fund	Seahawk SICAV
Initial Offer	the first day or period on or during which Shares of a Share Class will be or were available for subscription.
Initial Offer Price	the price at which Shares may be subscribed for on or during the Initial Offer.
Institutional Investor	an institutional investor as defined for the purposes of the 2010 Law and by the administrative practice of the CSSF.
Investment Management Agreement	the agreement entered into between the Management Company, the Investment Manager and the Fund, governing the appointment of the Investment Manager, as may be amended or supplemented from time to time.
Investment Manager	the investment manager appointed by the Management Company with the acknowledgement of the Fund in accordance with the provisions of the 2010 Law and the Investment Management Agreement, as identified in the Directory.
Investment Manager Fee	the fee payable by the Fund to the Investment Manager under the Investment Management Agreement, as described in section 9.3 (Investment Manager Fee) of this Prospectus.
Lugano Convention	the Convention of Lugano of 30 October 2007 on jurisdiction and the enforcement of judgments in civil and commercial matters.
Management Company	the management company appointed by the Fund in accordance with the provisions of the 2010 Law and the Management Company Services Agreement, as identified in the Directory.
Management Company Services Agreement	the agreement entered into between the Fund and the Management Company governing the appointment of the Management Company, as may be amended or supplemented from time to time.

Management Fee	the fee payable by the Fund to the Management Company under the Management Company Services Agreement, as described in section 9.2 (Management Fee) of this Prospectus.
Master Fund	as the context indicates, a Sub-Fund or another UCITS or sub-fund thereof qualifying as a master fund in the meaning of the 2010 Law.
Member State	a State that is a contracting party to the Agreement creating the European Union. The States that are contracting parties to the Agreement creating the European Economic Area, other than the Member States of the European Union, within the limits set forth by such Agreement and related acts, are considered as equivalent to Member States of the European Union.
Money Market Instrument	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
Net Asset Value	as the context indicates, the net asset value of the Fund, a Sub-Fund, or a Share Class determined in accordance with the provisions of this Prospectus.
Net Asset Value per Share	the Net Asset Value of a Share Class in a Sub-Fund divided by the total number of Shares of that Share Class which are in issue as of the Valuation Day for which the Net Asset Value per Share is calculated.
New Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
NFE	Non-Financial Entity within the meaning of the CRS Law.
NFFE	Non-Financial Foreign Entity within the meaning of the FATCA Law.
Non-Member State	any State, other than a Member State, in Europe, America, Africa, Asia or Oceania.
OECD	the Organisation for Economic Cooperation and Development.
Original Shares	Shares described in section 7.6 (Conversion of Shares) of this Prospectus.
Paying Agent	the paying agent appointed by the Fund, as identified in the Directory.
Performance Fee	the fee which may be payable to the Management Company and/or Investment Manager depending on the performance of certain Sub-Funds or Share Classes, where applicable, as described in section 9.4 (Performance Fee) of this Prospectus.

Prohibited Person	any person considered as a Prohibited Person in the opinion of the Board of Directors according to the criteria set out in the Articles of Association and section 7.10 (Prohibited Persons) of the Prospectus.
Prospectus	this prospectus including all Supplements, as may be amended from time to time.
Redemption Day	a Valuation Day on which Shares may be redeemed by the Fund at a Redemption Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Redemption Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit redemptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.
Redemption Fee	a fee which the Fund may charge upon redemption of Shares, equal to a percentage of the Redemption Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Redemption Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the redemption of all or part of his Shares. The term "Redemption Form" shall be deemed to include redemption applications placed on electronic or other online trading platforms authorized by the Fund for such purposes.
Redemption Price	the price at which the Fund may redeem Shares on a Redemption Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Redemption Day and in accordance with the provisions of this Prospectus.
Redemption Settlement Period	the period of time, as specified for each Sub-Fund or Share Class in the Supplement, by the end of which the Fund will normally pay the Redemption Price (less any Redemption Fee) to redeeming investors, subject to the provisions of this Prospectus.
Reference Currency	as the context indicates, (i) in relation to the Fund, the US Dollar, or (ii) in relation to a Sub-Fund, the currency in which the assets and liabilities of the Sub-Fund are valued and reported, as specified in each Supplement, or (iii) in relation to a Sub-Fund or Share Class, the currency in which the Shares of that Sub-Fund or Share Class are denominated, as specified in each Supplement.
Regulated Market	a regulated market within the meaning of Directive 2014/65/EU.
Semi-Annual Report	the report issued by the Fund as of the first half of the current financial year in accordance with the 2010 Law.

SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
SFTR	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
Share Class	a class of Shares of a Sub-Fund created by the Board of Directors, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus. For the purposes of this Prospectus, each Sub-Fund shall be deemed to comprise at least one Share Class.
Shareholder	a holder of Shares.
Shares	shares of a Sub-Fund or Share Class issued by the Fund.
Sub-Fund	a sub-fund of the Fund, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Prospectus.
Subscription Day	a Valuation Day on which investors may subscribe for Shares at a Subscription Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Subscription Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit subscriptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.
Subscription Fee	a fee which the Fund may charge upon subscription for Shares, equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Subscription Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to make an initial and/or additional application for subscription to Shares. The term "Subscription Form" shall be deemed to include subscription applications placed on electronic or other online trading platforms authorised by the Fund for such purposes.
Subscription Price	the price at which investors may subscribe for Shares on a Subscription Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Subscription Day and in accordance with the provisions of this Prospectus.

Subscription Settlement Period	the period of time by the end of which the subscriber is required to pay the Subscription Price (plus any Subscription Fee) to the Fund. The Subscription Settlement Period is specified for each Sub-Fund or Share Class in the Supplement.
Supplement	the supplement(s) to this Prospectus for each specific Sub-Fund, which form part of this Prospectus.
Sustainability Factors	is defined in section 5.8 of this Prospectus.
Sustainability Risk	is defined in section 5.8 of this Prospectus.
Swing Factor	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Swing Threshold	is defined in section 8.2 (Valuation procedure) of this Prospectus.
Target Sub-Fund	a Sub-Fund into which another Sub-Fund has invested in accordance with the provisions of this Prospectus.
Taxonomy Regulation	Regulation (EU) 2020/852 of the European Parliament and Council Regulation of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending the SFDR.
Transferable Security	shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.
TRS	means total return swap, i.e., a derivative contract as defined in point (7) of article 2 of the SFTR in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty
UCI	undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in transferable securities and other liquid financial assets.
UCITS	undertaking for collective investment in transferable securities
Unfunded TRS	Means a TRS where no upfront payment is made by the total return receiver at inception.
USD	the lawful currency of the United States of America.



US Person or United States Person	<p>unless otherwise specified in this Prospectus, any United States Person as defined in Regulation S under the United States Securities Act of 1933, as amended</p> <p>"United States Persons" or "US Persons" shall be construed accordingly. For the purposes of further clarity, the term US Person shall not include any person whose application has been approved by the Board of Directors in its sole discretion.</p>
Valuation Day	a Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.
VAT	Value Added Tax.

#### 4. INVESTMENT STRATEGY AND RESTRICTIONS

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

##### 4.1 Authorised investments

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

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

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

to (h)(iii) of this section and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

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

## 4.2 Prohibited investments

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

to, or backed by the performance of, real estate or any right or interest therein, or shares or debt instruments issued by companies which invest in real estate or interests therein, do not fall under this restriction.

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

#### 4.3 Risk diversification limits

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

#### Transferable Securities and Money Market Instruments

- 4.3.2 No Sub-Fund may purchase additional Transferable Securities or Money Market Instruments of any single issuer if, upon such purchase:
- (a) more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of such issuer; or
  - (b) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of its net assets.
- 4.3.3 The limit of 10% set out in section 4.3.2, paragraph (a) is increased to 25% in respect of covered bonds as defined in Article 3(1) of the Covered Bonds Directive, and for certain bonds where they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect the bondholders ("**Covered Bonds**"). In particular, sums deriving from the issue of Covered Bonds issued before 8 July 2022 must be invested in accordance with the law, in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of principal and payment of accrued interest. To the extent a Sub-Fund invests more than 5% of its net assets in Covered Bonds, which are issued by

a single issuer, the total value of such investments may not exceed 80% of its net assets. Covered Bonds are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (b).

- 4.3.4 The limit of 10% set out in section 4.3.2, paragraph (a) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any non-Member State or by a public international body of which one or more Member States are members. Such securities are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (b).
- 4.3.5 Notwithstanding the limits set out above, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one or more of its local authorities, by a member State of the OECD or the Group of Twenty (G20) such as the United States of America, by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China, or by a public international body of which one or more Member States are members, provided that the Sub-Fund holds in its portfolio securities from at least six different issues and that securities from any issue do not account for more than 30% of the net assets of the Sub-Fund.

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

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

#### **Bank deposits**

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

#### **Combined limits**

- 4.3.8 Notwithstanding the individual limits set out in sections 4.3.2, 4.3.6 and 4.3.7, a Sub-Fund may not combine, where this would lead to an exposure of more than 20% of its net assets to a single body:
- (a) investments in Transferable Securities or Money Market Instruments issued by that body;
  - (b) bank deposits made with that body; and

- (c) counterparty exposure arising from OTC financial derivative instruments and efficient portfolio management techniques (as described below) undertaken with that body.
- 4.3.9 The limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not be combined: investments in Transferable Securities or Money Market Instruments, bank deposits, counterparty exposure arising from OTC financial derivative instruments and efficient portfolio management techniques, issued by or undertaken with, a single issuer or body, each in accordance with the limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not exceed a total of 35% of the net assets of the Sub-Fund.
- 4.3.10 For the purposes of the combined limits set out in sections 4.3.8 and 4.3.9, issuers or bodies that are part of the same group of companies are considered as a single issuer or body. A group of companies comprises all companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules.

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

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

## **Derogation**

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

## **4.4 Control limits**

- 4.4.1 The Fund may not acquire such amount of shares carrying voting rights which would enable the Fund to exercise legal or management control or to exercise a significant influence over the management of the issuer.
- 4.4.2 No Sub-Fund may acquire more than:
- (a) 10% of the non-voting shares of the same issuer;
  - (b) 10% of the debt securities of the same issuer;
  - (c) 10% of the Money Market Instruments of any single issuer; or
  - (d) 25% of the shares or units of the same UCITS or other UCI.
- 4.4.3 The limits set out in section 4.4.2, paragraphs (b) to (d) may be disregarded at the time of acquisition if, at that time, the gross amount of the debt securities or Money Market Instruments or the net amount of the instruments in issue cannot be calculated.
- 4.4.4 The limits set out in sections 4.4.1 to 4.4.2 do not apply in respect of:
- (a) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
  - (b) Transferable Securities and Money Market Instruments issued or guaranteed by any non-Member State;
  - (c) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member States are members;
  - (d) shares in the capital of a company which is incorporated under or organised pursuant to the laws of a non-Member State, provided that:
    - (i) such company invests its assets principally in securities issued by issuers having their registered office in that State;
    - (ii) pursuant to the laws of that State, a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State; and



- (iii) such company observes in its investments policy the restrictions set out in section 4.3 (Risk diversification limits) above (with the exceptions of sections 4.3.5 and 4.3.11 to 4.3.13) and sections 4.4.1 to 4.4.2;
- (e) shares held by the Fund in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of shareholders exclusively on its or their behalf.

## 4.5 Financial derivative instruments

### 4.5.1 General

Each Sub-Fund may use financial derivative instruments such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging or investment purposes, in accordance with the conditions set out in this section 0 and the investment objective and policy of the Sub-Fund, as set out in its Supplement. The use of financial derivative instruments may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

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

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

- (g) Total return swaps: a total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.
- (h) Contracts for differences: a contract for differences or CFD is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends.

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

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

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

Where a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account in complying with the risk diversification rules, global exposure limits and information requirements of this section 44applicable to financial derivative instruments.

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

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

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

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

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

Each Sub-Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any

increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in each Supplement.

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

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

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

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

Where provided for in its Supplement, a Sub-Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments, such as securities lending transactions, repurchase agreements and buy-sell back transactions, provided that such techniques and instruments are used for the purposes of efficient portfolio management, in accordance with the conditions set out in this section 4.6 and the investment objective and policy of the Sub-Fund, as set out in such Supplement. The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivatives must be combined when calculating counterparty risk limits.

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

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

from efficient portfolio management techniques and total return swap agreements, net of direct and indirect operational costs and fees, will be returned to the relevant Sub-Fund.

#### 4.6.1 **Securities lending**

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

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

- (a) the counterparty must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (b) the borrower in a securities lending transaction must be a financial institution specialised in this type of transaction and located in an OECD member state. The borrower will be approved by the Management Company under the Management Company's approved list of borrowers and its rating will not be the main selection criteria;
- (c) a Sub-Fund may only lend securities or instruments to a borrower either directly through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction; and
- (d) a Sub-Fund may only enter into securities lending transactions provided that it is entitled at any time, under the terms of the agreement, to request the return of the securities or instruments lent or to terminate the agreement.

The Fund will ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Fund's assets in accordance with its investment policy.

Assets used in the context of securities lending transactions will be limited to the assets that the Sub-Fund is authorised to invest in pursuant to its investment policy. Information on the effective use of securities lending by each Sub-Fund, will be provided in the Sub-Fund's Supplement, if implemented by such Sub-Fund.

The securities lending agent on behalf of the Sub-Fund will ensure that its counterparty delivers collateral either in the form of cash, or in the form of securities compliant with the applicable Luxembourg regulations.

For further details on the risks linked to such transactions, please refer to the Section “General Risk Factors” to the Prospectus.

At the date of this Prospectus, none of the Sub-Funds enters into securities lending transactions. Should this evolve in the future, the Prospectus will be amended accordingly.

#### **4.6.2 Repurchase agreements and buy-sell back transactions**

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

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

Assets used in the context of reverse repurchase and repurchase agreement transactions and buy-sell transactions will be limited to the assets that the Sub-Fund is authorised to invest in pursuant to its investment policy.

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

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

All gross revenues arising from reverse repurchase and repurchase agreement transactions and buy-sell transactions will be allocated to the relevant Sub-Fund as no specific cost or fees will be retained by or paid to any intermediary in connection therewith.

Information on the effective involvement of the Sub-Fund in reverse repurchase and repurchase agreement transactions and buy-sell transactions and specific details on these transactions will be provided in the Sub-Fund Supplement, if implemented by such Sub-Fund. At the date of this Prospectus,

none of the Sub-Funds enters into reverse repurchase and repurchase agreement transactions and buy-sell transactions. Should this evolve in the future, the Prospectus will be amended accordingly.

#### 4.6.3 **Total Return Swap Agreements**

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

Total return swaps may be funded and/or unfunded. An unfunded swap is a swap where no upfront payment is made by the total return receiver at inception. A funded swap is a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset. Funded swaps tend to be costlier due to the upfront payment requirement.

Except otherwise stated in the relevant Sub-Fund's Supplement, under normal circumstances, it is generally expected that the actual percentage of the assets held by a Sub-Fund that may be subject to total return swap agreements at any time will be within the Sub-Fund's range of expected level of leverage based on the sum of notionals of financial derivative instruments approach and as set out in the relevant Sub-Fund's Supplement, where applicable. Except as otherwise stated in the relevant Sub-Fund's Supplement, in exceptional circumstances such percentages are not expected to exceed the maximum value of the Sub-Fund's range of expected level of leverage.

The aim of using total return swaps and derivatives with similar characteristics by a Sub-Fund to gain exposure to underlying assets that the Sub-Fund is otherwise permitted to gain exposure to by its investment policy – a basket of specific securities or an index, for example. The Sub-Fund may use these types of instrument to gain a long or short exposure to make a profit or avoid a loss on eligible assets when it is efficient to do so from an accessibility and/or cost perspective or where it is not intended that the Sub-Fund buys or holds the asset itself. The expected proportion of the assets under management of a Sub-Fund that could be subject to total return swaps (including contracts for difference) is set out in the Sub-Fund's Supplement.

A Sub-Fund may more specifically enter into total return swap agreements provided that the following rules are complied with:

- (a) The counterparty in a total return swap agreement must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (b) The counterparty in a total return swap agreement must be a financial institution specialised in this type of transaction and located in an OECD member state. The counterparty will be approved by the Management Company under the Management Company's approved list of counterparties and its rating will not be the main selection criteria.

While there are no predetermined legal status or geographic criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. The counterparties will have no discretion over the composition or management of the relevant Sub-Fund's

portfolio or over the underlying of the total return swap. The identity of the counterparties will be disclosed in the Annual Report.

Only the assets used pursuant to the investment policy of a Sub-Fund may be further used for the purpose of total return swaps agreements of such Sub-Fund.

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

All revenues arising from total return swaps, net of direct and indirect operational costs and fees, will be for the account of the respective Sub-Fund.

Information on the effective use of total return swap agreements and specific details on these transactions will be provided in the relevant Sub-Fund's Supplement, if implemented by such Sub-Fund. Total return swaps entered into by a Sub-Fund may be in the form of funded and/or unfunded swaps. At the date of this Prospectus, the Sub-Fund enters into total return swap agreements. More Information is provided in the Sub-Fund's Supplement.

#### **4.7 Collateral policy**

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

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

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

- (a) collateral other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) collateral should be valued at least on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further specified below;
- (c) collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

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

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

- (a) cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) bonds issued or guaranteed by a Member State, any other member state of the OECD or their local public authorities, by supranational institutions and undertakings with an EU, regional or worldwide scope;
- (c) shares or units issued by money market UCI calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (d) shares or units issued by other UCITS investing mainly in bonds and/or shares identified in items (e) and (f) below;
- (e) bonds issued or guaranteed by first class issuers offering adequate liquidity; and
- (f) shares admitted to or dealt in on a Regulated Market or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.



#### 4.7.2 Level of collateral

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

It is expected that OTC financial derivative instruments will generally be collateralised at a minimum of 5% of their positive mark-to-market value. Repurchase agreements and buys-sell back transactions will generally be collateralised at a minimum of 5% of their notional amount. With respect to securities lending, the borrower will generally be required to post collateral representing, at any time during the lifetime of the agreement, at least 102% of the total value of the securities lent.

#### 4.7.3 Haircut policy

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

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

Category of collateral	Minimum Haircut percentage
Cash (Fund currency)	0%
Cash (foreign currencies)	8% minimum, to be determined based on the remaining maturity
Government bonds	0.50% minimum, to be determined on a case-by-case basis
Bonds issued by public international bodies to which one or more EU Member States belong and covered bonds	0.50% minimum, to be determined on a case-by-case basis
Corporate bonds, investment grade	5% minimum
Equities and equivalent	5% minimum

#### **4.7.4 Stress tests**

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

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

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

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

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

#### **4.7.6 Centrally cleared OTC derivatives**

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Generally, centrally-cleared OTC derivatives may be cleared under the agency model or the principal-to-principal model. Under the principal-to-principal model there is usually one transaction between the Fund and its clearing broker and another back-to-back transaction between the clearing broker and the central counterparty, whereas under the agency model there is one transaction between the Fund and the central counterparty. For these trades, the Fund will post and/or receive collateral for the benefit of a Sub-Fund in the form of margin payments, as agreed with the clearing broker in accordance with the rules of the applicable clearinghouse, including rules on acceptable forms of collateral, collateral level, valuation and haircuts. The Fund will ensure that variation margin receivable from the clearing broker is consistent with its collateral policy. Central clearing is designed to reduce counterparty credit risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely, as described in section 5.6.1 (OTC financial derivative instruments) below.

## **4.8 Global exposure limits**

### **4.8.1 General**

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

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

### **4.8.2 Commitment approach**

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

### **4.8.3 VaR approach**

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

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

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

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

The VaR benchmark or reference portfolio of the Sub-Fund, which may be different from the benchmark used for other purposes, is specified in its Supplement.

#### **4.9 Leverage**

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

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

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

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

The Sub-Funds need not comply with the limits set out above in this section 0 when exercising subscription rights attached to Transferable Securities and Money Market Instruments which form part of its assets.

If the limits set out above in this section 0 are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective in its sales transactions the remedying of that situation, taking due account of the interest of investors.

## 5. GENERAL RISK FACTORS

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

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

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

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

### 5.1 Market risk

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

#### 5.1.1 Economic risk

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

general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict. When the economy performs well, there can be no assurance that investments held by a Sub-Fund will benefit from the advance.

#### **5.1.2 Interest rate risk**

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

#### **5.1.3 Foreign exchange risk**

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

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

#### **5.1.4 Credit risk**

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

#### **5.1.5 Commodities risk**

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

#### **5.1.6 Volatility**

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

#### **5.1.7 Leverage**

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

#### **5.1.8 Short positions**

Certain Sub-Funds may use financial derivative instruments such as swaps, futures and forwards in order to obtain a short exposure to certain securities or other assets. A synthetic short position replicates the economic effect of a transaction in which a fund sells a security or asset it does not own but has borrowed, in anticipation that the market price of that security or asset will decline. When a Sub-Fund initiates such a synthetic short position in a security or asset that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. If the price of the security or asset on which the synthetic short position is written increases

between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-fund will incur a loss; conversely, if the price declines, the Sub-Fund will realise a gain. Any gain will be decreased and any loss increased by transactional costs and fees. Although a Sub-Fund's gain is limited to the price at which it opened the synthetic short position, its potential loss may be substantially higher. Stop loss policies are typically employed to limit losses. Each Sub-Fund is required to maintain sufficiently liquid assets to cover any obligations arising from its short positions at any time.

## **5.2 Liquidity risk**

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

## **5.3 Counterparty risk**

Counterparty risk refers to the risk of loss for a Sub-Fund resulting from the fact that the counterparty to a transaction entered into by the Sub-Fund may default on its contractual obligations. There can be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Sub-Fund. This risk may arise at any time the assets of a Sub-Fund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a Sub-Fund has deposited cash with a financial institution or invests into debt securities and other fixed income instruments. Counterparty risk may also arise when a Sub-Fund enters into OTC financial derivative instruments, or enters into securities lending transactions, repurchase agreements and buy-sell back transactions, as further described below.

## **5.4 Custody risk**

The Fund's assets are safekept by the Depositary or its sub-custodians (which may not be part of the same group of companies as the Depositary) and Shareholders are exposed to the risk of the Depositary or its sub-custodian not being able to fully meet its obligation to return in a short time frame all of the assets of the Fund held at the Depositary or a sub-custodian in the case of its insolvency. Securities of the Fund will normally be identified in the Depositary's or sub-custodian's books as belonging to the Fund and will be segregated from the Depositary or the sub-custodian's assets. This provides protection for the Fund's assets in the event of the insolvency of either the Depositary or its sub-custodian but does not exclude the risk that the assets will not be returned promptly in the event of insolvency.



The Fund's assets may also be pooled with the securities of other clients of the Depositary or sub-custodian. In this circumstance, if there were problems with the settlement or custody of any security in the pool then, subject to the 2010 Law, the loss would be spread across all clients in the pool and would not be restricted to the client whose securities were subject to loss.

Where securities are held with a sub-custodian of the Depositary or by a securities depositary or clearing system, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Fund may have to share that shortfall on a pro-rata basis. Securities may be deposited with clearing brokers which the Depositary is not obliged to appoint as its sub-custodians and in respect of the acts or defaults of which the Depositary shall have no liability.

In addition, a Sub-Fund may be required to place assets outside of the Depositary and the sub-custodian's safekeeping network in order for the Fund to trade in certain markets. In such circumstances the Depositary remains responsible for the proper selection and supervision of the persons safekeeping such assets in the relevant markets in accordance with the 2010 Law. In such markets, Shareholders should note that there may be delays in settlement and/or uncertainty in relation to the ownership of a Sub-Fund's investments which could affect the Sub-Fund's liquidity and which could lead to investment losses.

Cash held on deposit with a Depositary or its sub-custodian is not segregated from the assets of the Depositary or its sub-custodian and is held at the risk of the Sub-Funds.

## **5.5 Operational risk**

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

### **5.5.1 Valuation**

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

### **5.5.2 Laws and regulations**

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

### 5.5.3 Segregation of Sub-Funds

The Fund is a single legal entity incorporated as an "umbrella fund" comprised of separate Sub-Funds. Under Luxembourg law, each Sub-Fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Fund arising in respect of the creation, operation or liquidation of a Sub-Fund will be limited to the assets allocated to that Sub-Fund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-Funds.

### 5.5.4 No segregation of Share Classes

Under Luxembourg law, there is no legal segregation of assets and liabilities between Share Classes of the same Sub-Fund. In the event that, for any reason, assets allocated to a Share Class become insufficient to pay for the liabilities allocated to that Share Class, the assets allocated to other Share Classes of the Sub-Fund will be used to pay for those liabilities. As a result, the Net Asset Value of the other Share Classes may also be reduced.

## 5.6 Certain financial instruments and investment techniques

### 5.6.1 OTC financial derivative instruments

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

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

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

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

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

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

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

#### **5.6.2 Securities lending, repurchase agreements and buy-sell back transactions**

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

##### **(a) Counterparty risk**

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, securities lending, repurchase or reverse

repurchase transactions may not be fully collateralised. Fees and returns due to the Sub-Fund under securities lending, repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline in between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the Sub-Fund.

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 to the Sub-Fund.

(b) Operational risk

Securities lending, repurchase or reverse repurchase transactions entail operational risks such as the non-settlement or delay in settlement of instructions. The risks arising from the use of these 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 these transactions will generally not have a material impact on the Sub-Funds' performance.

(c) Liquidity risk

The use of such techniques may have a significant effect, either negative or positive, on the Sub-Funds' Net Asset Value. The use of such techniques may although have an impact on the ability of the Fund to meet redemption requests, security purchases or, more generally, re-investment.

(d) Legal risk

The use of securities lending, repurchase or reverse repurchase transactions and their consequences for the relevant Sub-Funds, are substantially affected by legal requirements. No assurance can be given that future legislation, administrative rulings or court decisions will not adversely affect the Sub-Funds. Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

(e) Custody risk

The Sub-Funds' assets are held in custody by the Depositary which exposes the Sub-Funds to custodian risk. This means that the Sub-Funds are exposed to the risk of loss of assets placed in custody as a result of insolvency, negligence or fraudulent trading by the Depositary.

(f) Conflicts of interest

A Sub-Fund may enter into securities lending, repurchase or reverse repurchase transactions with other companies in the same group of companies as the Management Company. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Sub-Fund in a commercially reasonable manner. In addition, the Management Company or will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the Sub-Fund and its investors. However, investors should be aware that the Management Company may face conflicts between its role and its own interests or that of affiliated counterparties.

**5.6.3 Total Return Swaps**

Total return swaps (TRS) represent a financial derivative combining market risk and credit risk which are affected by interest rate fluctuations, as well as events and credit prospects. These transactions can be less liquid than interest rate swaps, as there is no standardisation of the underlying index and this situation can have a negative impact on the ability to settle the TRS position, or on the price at which the settlement is performed. Some of these risks are mitigated by requiring that the counterparties to such TRS are high-standing financial institutions specialised in this type of transaction and subject to prudential supervision. Please refer to the sections on “Market risk”, “Credit risk” and “Counterparty risk” above for further information.

Synthetic replication through total return (or unfunded swaps), excess return swaps and fully-funded swaps may allow to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. As this does not involve physically holding the securities, synthetic replication therefore involves lower costs for investors. Synthetic replication however involves counterparty risk: the counterparty may default or may not be able to meet its obligations in full, as further described under “Counterparty risk”.

**5.6.4 Collateral management**

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

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

## 5.7 Taxation

### 5.7.1 Tax treatment of the Shareholders

The tax position of the Shareholders may vary according to their particular financial and tax situation. The tax structuring of the Fund and/or its investments may not be tax-efficient for a particular prospective Shareholder. No undertaking is given that amounts distributed or allocated to the Shareholders will have any particular characteristics or that any specific tax treatment will apply. Further, no assurance is given that any particular investment structure in which the Fund has a direct or indirect interest will be suitable for all Shareholders and, in certain circumstances, such structures may lead to additional costs or reporting obligations for some or all of the Shareholders.

Prospective Shareholders should consider their own tax position in relation to subscribing for, purchasing, owning and disposing of Shares, and consult their own tax advisors as appropriate. None of the Fund and its affiliates, or any officer, director, member, partner, employee, advisor or agent thereof can take responsibility in this regard.

### 5.7.2 Base Erosion and Profit Shifting and Anti-Tax Avoidance Directives

The pace of evolution of fiscal policy and practice has recently been accelerated due to a number of developments. In particular, the OECD together with the G20 countries have committed to addressing abusive global tax avoidance, referred to as BEPS through 15 actions detailed in reports released on 5 October 2015 and through the Inclusive Framework on a global consensus solution to reform the international corporate tax system via a two-pillar plan in 2021 known as Pillar I and Pillar II (“**BEPS 2.0**”). Subject to the development and implementation of these new rules, the return of the Shareholders may be adversely affected.

As part of the BEPS project, new rules dealing with *inter alia* the abuse of double tax treaties, the definition of permanent establishments, controlled foreign companies, restriction on the deductibility of excessive interest payments and hybrid mismatch arrangements, have been or will be introduced into the respective domestic laws of members of the BEPS project (*i.a.* by means of European directives and a multilateral instrument).

The Council of the EU adopted two Anti-Tax Avoidance Directives, namely ATAD I and ATAD II, that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II have been implemented by the law of 21 December 2018 and the law of 20 December 2019 into Luxembourg domestic law. Most of the measures have been applicable since 1 January 2019 and 1 January 2020, the remaining being applicable as from tax year 2022.

These measures may affect returns to the Fund and thus to the Shareholders.

### 5.7.3 FATCA and CRS

Under the terms of the FATCA Law and CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned regulations.

Should the Fund become subject to a withholding tax and/or penalties as a result of non-compliance under the FATCA Law and/or penalties as a result of non-compliance under the CRS Law, the value of the Shares held by all Shareholders may be materially affected.

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

## **5.8 Sustainability Risks**

“Sustainability Risk” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by a Sub-Fund. Such risk is principally linked to climate-related events resulting from climate change (*i.e.*, Physical Risks) or to the society's response to climate change (*i.e.* Transition Risks), which may result in unanticipated losses that could affect a Sub-Fund's investments and financial condition. Social events (*e.g.*, inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (*e.g.*, recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

Pursuant to the SFDR, a Sub-Fund is required to disclose the manner in which Sustainability Risks are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of such Sub-Fund.

A Sub-Fund is exposed to Sustainability Risks. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximising the long-term risk-adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a sustainability risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

Such assessment of the likely impact must therefore be conducted at portfolio level, further detail and specific information is given in each relevant Supplement.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities as per the Taxonomy Regulation.

As per the article 7 of the SFDR, this Fund does not consider the adverse impacts of its investment decisions on Sustainability Factors (*i.e.*, environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters) as there is no sufficient data available in satisfactory quality to allow the Management Company to adequately assess the potential adverse impact of its investment decisions on Sustainability Factors.

## **5.9 High Yield Securities Risk**

High yield securities (sometimes referred to as “junk bonds”) are debt securities that are rated below investment grade by internationally recognized credit rating organizations, are unrated or deemed by the Investment Manager to be below investment grade. These securities may be regarded as being

predominately speculative as to the issuer's ability to make payments of principal and interest and have a much greater risk of default (or in the case of bonds currently in default, of not returning principal) and may be more volatile than higher-rated securities of similar maturity. The risk of loss due to default by these issuers is significantly greater because high yield securities generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality investment-grade rated bonds. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing.

An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the relevant Sub-Fund may experience losses and incur costs. The value of these securities can be affected by overall economic conditions, interest rates, and the creditworthiness of the individual issuers. Additionally, these securities may be less liquid and more difficult to value than higher-rated securities. If an issuer of high yield securities calls the obligation for redemption, a Sub-Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. Also, as the principal value of bonds moves inversely with movements in interest rates, in the event of rising interest rates the value of the securities held by a Sub-Fund may decline more than a portfolio consisting of investment-grade securities of similar duration. If a Sub-Fund experiences unexpected net redemptions, it may be forced to sell its higher quality bonds, resulting in a decline in the overall credit quality of the securities held by the Sub-Fund and increasing the exposure of the Sub-Fund to the risks of lower quality securities. Investments in non-US dollar denominated high yield debt securities that are issued and governed by the law of jurisdictions outside the United States are subject to the bankruptcy and restructuring laws and procedures of those jurisdictions, which likely will differ, sometimes substantially, from the bankruptcy and restructuring practices in the United States. In the event of an issuer default, bankruptcy or restructuring in a non-US jurisdiction, there is a risk of undue delay in resolving creditor claims or an impaired ability to recoup losses or both.

Although a diversified portfolio may include a certain level of exposure to high yield bonds, an investment in any one high yield bond Sub-Fund should not constitute a substantial portion of any investor's portfolio and may not be appropriate for all investors.

#### **5.10 Distressed Investments Risk**

A Sub-Fund may invest opportunistically in the securities and obligations, including debt obligations that are in uncured covenant or payment default, of companies experiencing prolonged significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in prolonged significant financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the Investment Manager will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company.



Therefore, in the event that an Investment does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Sub-Fund may lose some or all of its investment in that issuer's securities or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Sub-Fund invested.

## **6. MANAGEMENT AND ADMINISTRATION**

### **6.1 The Board of Directors**

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

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

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

### **6.2 The Management Company**

The Board of Directors of the Fund has designated FundSight S.A. to act as its management company under the terms of the Management Company Services Agreement entered into as of 1<sup>st</sup> March 2023 for an indefinite period of time.

The Management Company is a company incorporated under Luxembourg laws with registered office at 106, Route d'Arlon – L-8210 Mamer, registered with the *Registre de Commerce et des Sociétés* under number B-44.870. The Management Company was incorporated for an indeterminate period on 1st September 1993, under a former name, in the form of a joint stock company (*société anonyme*).

The articles of incorporation of the Management Company were published in the Mémorial, Recueil des Sociétés et Associations for the first time on 5<sup>th</sup> October 1993.

The latest amendments to the articles of incorporation reflecting the change of name of the Management Company became effective on 16 June 2025 and were published in the Recueil Electronique des Sociétés et Associations on 26 June 2025.

The subscribed and fully paid-up capital of the Management Company as at 28<sup>th</sup> February 2025 amounts to EUR 3,196,700.00 and is in accordance with the provisions of the 2010 Law.

The Management Company is authorised as a management company in accordance with the provisions of Chapter 15 of the 2010 Law and is supervised by the CSSF. It is registered on the official list of Luxembourg management companies governed by Chapter 15 of the 2010 Law.

Under the supervision of the Board of Directors of the Fund, the Management Company is responsible on a day-to-day basis for providing investment management, administration and marketing services in respect of all Sub-Funds of the Fund.

Subject to the requirements set forth by the 2010 Law, the Management Company is authorised to delegate under its responsibility and supervision part or all of its functions and duties to third parties.

#### **6.2.1 Other funds managed by Management Company**

As of the date of the Prospectus, the Management Company manages in addition to the Fund other undertakings for collective investment, including alternative investment funds, the list of which is available at the registered office of the Management Company.

#### **6.2.2 Remuneration Policy**

The Management Company applies a remuneration policy and practice that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile and Articles of Incorporation.

Furthermore, the remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in such UCITS and includes measures to avoid conflicts of interest.

The remuneration policy reflects the Management Company's objectives for good corporate governance as well as sustainable and long-term value creation for investors. Fixed and variable components of total remuneration are appropriately balanced, and the fixed remuneration component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

Where, and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

The Management Company complies with the remuneration principles described above in a way and to the extent that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

The principles of the remuneration policy are reviewed on a regular basis and adapted to the evolving regulatory framework.

Further information on the remuneration policy of the Management Company is available at <https://www.fundsight.com/corporate-governance/> which includes in particular a description of the calculation methods of remuneration and benefits for specific employee categories as well as the identification of the persons responsible for the allocation, including if applicable the members of the remuneration committee. Upon request, the Management Company will provide such information free of charge in paper form to Shareholders of the Fund.

#### **6.2.3 Conflict of Interest Policy**

The Management Company has established, implemented an effective conflict of interest policy which is maintained and available on its website <https://www.fundsight.com/corporate-governance/>.

### 6.3 The Investment Manager

The Board of Directors has designated the Management Company to perform the investment management function.

The Management Company may, however, under its responsibility, control and supervision, and subject to the approval of its competent authority appoint one or more Investment Managers to perform the investment management function and implement the investment policy of one or several Sub-Funds. In this respect, any appointed Investment Manager will perform the day-to-day management of the assets of one or more Sub-Funds and take the related investment and divestment decisions.

### 6.4 The Depositary and Paying Agent

CACEIS Bank, Luxembourg Branch is acting as the Fund' depositary (the "**Depositary**") in accordance with a depositary agreement dated as of 1<sup>st</sup> March 2023 as amended from time to time (the "**Depositary Agreement**") and the relevant provisions of the Law and the UCITS Rules.

CACEIS Bank, Luxembourg branch is acting as a branch of CACEIS Bank, a public limited liability company (société anonyme) incorporated under the laws of France with a share capital of 1 280 677 691,03 Euros having its registered office located at 89-91, rue Gabriel Peri, 92120 Montrouge, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Nanterre. Caceis Bank is an authorised credit institution supervised by the European Central Bank ("ECB") and the Autorité de contrôle prudentiel et de résolution ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

Investors may consult upon request at the registered office of the Fund, the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary.

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

In due compliance with the UCITS Rules the Depositary shall:

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

- (v) ensure that an Fund's income is applied in accordance with the UCITS Rules and the Articles of Association.

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

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

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

- (i) identifying and analysing potential situations of conflicts of interest;

- (ii) recording, managing and monitoring the conflict of interest situations either in:

- relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or

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

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

The Fund and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. The Fund may, however, dismiss the Depositary only if a new depositary bank is appointed within two (2) months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Compartments have been transferred to the new depositary bank.

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

#### **6.5 The Administrator**

The Administrator of the Fund is CACEIS Bank, Luxembourg Branch, with its registered office at 5, allée Scheffer, L-2520 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 209.310.

CACEIS Bank, Luxembourg Branch may outsource, for the performance of its activities, IT and operational functions related to its activities as UCI administrator, in particular as registrar and transfer agent activities including shareholders and investor services, with other entities of the group CACEIS, located in Europe or in third countries, and notably in United Kingdom, Canada and Malaysia. In this context, CACEIS Bank, Luxembourg Branch may be required to transfer to the outsourcing provider data related to the investor, such as name, address, date and place of birth, nationality, domicile, tax number, identity document number (in case of legal entities: name, date of creation, head office, legal form, registration numbers on the company register and/or with the tax authorities and persons related to the legal entity such as investors, economic beneficiaries and representatives), etc.. In accordance with Luxembourg law, CACEIS Bank, Luxembourg Branch has to disclose a certain level of information regarding the outsourced activities to the the Fund, which will communicate these information to the investors. The Fund will communicate to the investors any material changes to the information disclosed in this paragraph prior to their implementation.

The Administrator is also in charge of the client communication function which is comprised of the production and delivery of the confidential documents intended for investors.

The list of countries where the group CACEIS is located is available on the Internet site [www.caceis.com](http://www.caceis.com). We draw your attention to the fact that this list could change over time.

#### **6.6 The Auditor**

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

#### **6.7 Conflicts of interest**

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

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

required in order to validly deliberate is not met, the board of directors may submit the decision on this specific item to the general meeting of shareholders.

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

#### **6.8 Execution of transactions**

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

## **7. SHARES**

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

#### **7.1.1 Shares**

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

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

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

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

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

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

Fractions of Shares will be issued up to four (4) decimal places. Such fractional Shares will be entitled to participate on a *pro rata* basis in the net assets attributable to the Sub-Fund or Share Class to which they belong in accordance with their terms, as set out in this Prospectus. Fractions of Shares do not confer any voting rights on their holders. However, if the sum of the fractional Shares held by the same shareholder in the same Share Class represents one or more entire Shares, such shareholder will benefit from the corresponding voting right attached to the number of entire Shares.

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

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



### 7.1.2 Sub-Funds

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

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

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

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

### 7.1.3 Share Classes

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

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

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

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

Class, the Fund will redeem all the Shares in that Share Class. The Supplement will indicate the duration of each Share Class and its extension, where applicable.

Additional Share Classes may be established in any Sub-Fund from time to time without the approval of investors. New Share Classes will be added to the relevant Supplement. Such new Share Classes may be issued on terms and conditions that differ from the existing Share Classes. The list and details of the Share Classes established within each Sub-Fund, if any, are set out in the Supplements. For each Sub-Fund launched, the list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company, Administrator or a Distributor upon request.

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

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

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

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

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

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

For tax and accounting purpose, and to avoid any dilution in respect of Distribution Shares, the Fund may use an accounting practice known as equalisation, by which a portion of the Subscription Price or Redemption Price, equivalent on a per Share basis to the amount of undistributed earnings of the Share Class on the Subscription Day or Redemption Day, is credited or charged to undistributed earnings of such Share Class. As a result, undistributed earnings per Share are unaffected by subscriptions or redemptions of Shares on any Subscription Day or Redemption Day.

The Fund shall determine how the earnings of Distribution Shares shall be distributed and may declare distributions from time to time, at such time and in relation to such periods as the Fund shall determine, in the form of cash or Shares, in accordance with the dividend distribution policy adopted for such Distribution Shares as will be described in the relevant Supplement. The dividend distribution policy may

vary between Distribution Shares within the same or different Sub-Funds. Dividend distributions are not guaranteed with respect to any Share Class. In any event, no distribution may be made if, as a result, the total Net Asset Value of the Fund would fall below the minimum share capital required by the 2010 Law which is the equivalent in the Reference Currency of the Fund of EUR 1,250,000.

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

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

### **7.3 Eligible Investors**

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

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

### **7.4 Subscription for Shares**

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

#### **7.4.1 Subscription application**

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

Shares will be available for subscription on each Subscription Day at a Subscription Price equal to the Net Asset Value per Share for that Subscription Day. The Net Asset Value per Share for the Subscription

Day at which an application will be processed is unknown to the investors when they place their subscription applications.

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

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

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

Applications must be submitted to the Administrator or a Distributor by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day. Different Cut-Off Times may apply for applications submitted to certain Distributors and/or by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction or contact their local Distributor to find out which Cut-Off Time is applicable to them.

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

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

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

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

The Subscription Price (plus any Subscription Fee) must be paid in the Reference Currency of the Share Class.

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

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

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

#### **7.4.3 Subscription in kind**

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

### **7.5 Redemption of Shares**

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

### **7.5.1 Redemption application**

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

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

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

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

Applications must be submitted to the Administrator or a Distributor by the Cut-Off Time for the Redemption Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Redemption Price applicable to that Redemption Day. Different Cut-Off Times may apply for applications submitted to certain Distributors and/or by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction or contact their local Distributor to find out which Cut-Off Time is applicable to them.

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

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

### **7.5.2 Settlement of redemption**

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

Payment of redemption proceeds will be made by wire transfer on the bank account of the redeeming investor and at its risks and costs. Redemption proceeds will be paid in the Reference Currency of the Sub-Fund or the Share Class.

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

#### **7.5.3 Redemption in kind**

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

### **7.6 Conversion of Shares**

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

#### **7.6.1 Conversion application**

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

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

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

Investors wishing to convert their Shares must submit a Conversion Form. The Conversion Form must be submitted to the Administrator or a Distributor following the instructions on such form. The Conversion Form is available from the Administrator or a Distributor on request

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

Applications must be submitted to the Administrator or a Distributor by the Cut-Off Time for the Conversion Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at a conversion rate based on the respective Net Asset Values of the Original Shares and the New Shares on the Conversion Day. Different Cut-Off Times may apply for applications submitted to certain Distributors and/or by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction or contact their local Distributor to find out which Cut-Off Time is applicable to them.

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

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

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



### 7.6.2 Conversion rate

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

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

where:

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

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

## 7.7 Transfer of Shares

### 7.7.1 Conditions and limitations on transfer of Shares

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

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

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

liability for any loss suffered by transferors and/or transferees as a result of unclear or incomplete transfer orders.

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

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

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

Listed Shares will be eligible for clearing and settlement by Clearstream or Euroclear.

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

### **7.8 Special considerations**

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

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

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

The Fund may further deny giving effect to any transfer of Shares if, as a result of such transfer, the Net Asset Value of the Shares retained by the transferor in a Share Class would fall below the minimum holding amount for that Share Class, or if the Net Asset Value of the Shares acquired by the transferee in a Share Class would be less than the minimum initial or additional subscription amounts, as

applicable. In such cases, the Fund will notify the transferor that it will not give effect to the transfer of the Shares.

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

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

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

Where applications for redemptions or conversions out of a Sub-Fund or Share Class on a particular Redemption Day or Conversion Day represent the total number of Shares in issue in that Sub-Fund or Share Class, or the remaining number of Shares in issue after such redemptions or conversions would represent a total Net Asset Value below the minimum level of assets under management required for such Sub-Fund or Share Class to be operated in an efficient manner, the Fund may decide to terminate and liquidate the Sub-Fund or Share Class in accordance with the procedure set out in section 10.9 (Liquidation) below. In such a case, all remaining Shares of the Sub-Fund or Share Class will be redeemed.

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

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

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

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

#### **7.8.4 Deferral of redemption or conversion of Shares**

If on any given Redemption Day or Conversion Day, applications for redemption or conversion of Shares out of a Sub-Fund or Share Class represent in aggregate more than ten percent (10%) of the Net Asset

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

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

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

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

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

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

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

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

#### **7.10 Prohibited Persons**

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

The Board of Directors has decided that US Persons will subject to certain exceptions be considered as Prohibited Persons. By signing a Subscription Form, an applicant will certify, represent, warrant and agree that he is not a US Person or that the Shares applied for are not being acquired directly or indirectly by, on behalf or for the account or benefit of, a US Person. An applicant will further certify, represent, warrant and agree that the applicant will notify the Fund in the event that either the applicant becomes a US Person or holds the Shares on behalf of, or for the account or benefit of, a US Person. If an applicant's status changes and it becomes a US Person, it must notify the relevant party as mentioned above within thirty (30) days.

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

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

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

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

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

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

#### **7.11 Prevention of money laundering and terrorist financing**

The Fund must comply with applicable international and Luxembourg laws and regulations regarding AML/CFT, including in particular with the 2004 Law, the Grand-ducal regulation of 1 February 2010 providing details on certain provisions of the 2004 Law, the CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended, ("**CSSF Regulation 12-02**") and further implementing regulations and CSSF circulars in the field of AML/CFT, adopted from time to time (collectively referred to as the "**AML/CFT Regulations**"). In particular, AML/CFT Regulations in force in Luxembourg require the Fund, on a risk sensitive basis, to establish and verify the identity of subscribers for Shares (and of any person purporting to act on behalf of or for such subscriber is so authorised as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) on the basis of documents, data or information obtained from a reliable and independent source and, amongst others, to gather information on the origin of subscription proceeds and to monitor the business relationship on an ongoing basis.

In this context, the Fund, and, as the case may be, the Administrator on the Fund's behalf, are required to establish AML/CFT controls and may require from subscribers for Shares all information and supporting documentation deemed necessary to establish and verify the identity of a subscriber (as well as of any of the above-mentioned persons) as well as the nature and the intended purposes of the business relationship.

Subscribers for Shares will be required to provide to the Fund at least the information and supporting documentation set out in the Subscription Form, depending on their legal form (individual, corporate or other category of subscriber (noting that the information and documents set out therein may not in all cases be regarded as exhaustive and thus can be changed from time to time, including inter alia in case of any legal and regulatory changes related to AML/CFT or changes of the business practices of the Fund)).

In any case, the Fund and/or its delegate have the right to request additional information until being reasonably satisfied that it understands the identity and economic purpose of the subscriber and in order to being able to comply with the AML/CFT Regulations. Furthermore, any investor is required to notify the Fund or its delegate of any change of its information as set out in the Subscription Form and, as the case may be, prior to the occurrence of any change in the identity of any beneficial owner of Shares. In addition, the 2004 Law requires the Fund to conduct an ongoing monitoring of the business relationship with existing investors which includes, inter alia, the obligation to verify and, where appropriate, to

update, within an appropriate timeframe, the documents, data or information gathered while fulfilling the customer due diligence obligations. In this context, the Fund may require from existing investors, at any time, additional information together with all supporting documentation deemed necessary for the Fund to comply with AML/CFT Regulations in force in Luxembourg.

Agreements may be entered into with intermediaries pursuant to which these agree to act as or appoint nominees subscribing for Shares in their own name through their facilities (e.g. distribution- and/or nominee agreements) but on behalf of their own underlying investors (and thus the nominee-investor being directly registered in the Fund's shareholder register). As a result, in particular, the due diligence with regard to such intermediary/nominee generally takes place at two levels, including inter alia:

- (i) A risk-based customer due diligence on the intermediary (by using reliable, independent source documents, data or information) as well as on its beneficial owners, such that notably the Fund is satisfied that it knows who the beneficial owner(s) of the intermediary are.
- (ii) In addition, the Administrator will perform enhanced due diligence measures with respect to such intermediary pursuant to article 3 of the CSSF Regulation 12-02 as well as article 3-2 (3) of the 2004 Law.

Failure to provide information or documentation deemed necessary for the Fund to comply with AML/CFT Regulations in force in Luxembourg may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application. No liability for any interest, costs or compensation will be accepted. Similarly, when Shares are issued, they cannot be redeemed or converted until full details of registration and AML/CFT documents of the shareholder have been completed. Furthermore, in such case, the Fund and/or the Administrator may take the measures that it considers to be appropriate, including but not limited to, the blocking of such shareholder's account until the receipt of the information and documents required. Any costs (including account maintenance costs) which are related to non-cooperation of such Shareholder will be borne by the respective Shareholder.

In addition to the due diligence measures on investors, pursuant to articles 3 (7) and 4 (1) of the 2004 Law, the Fund is also required to apply precautionary measures regarding the assets of the Fund. The Fund should assess, using its risk-based approach, the extent to which the offering of its products and services presents potential vulnerabilities to placement, layering or integration of criminal proceeds into the financial system.

Pursuant to the law of 19 December 2020 on the implementation of restrictive measures in financial matters, the application of international financial sanctions must be enforced by any Luxembourg natural or legal person, as well as any other natural or legal person operating in or from the Luxembourg territory. As a result, prior to investing in assets, the Fund must, as a minimum, screen the name of such assets or of the issuer against the target financial sanctions lists.

Pursuant to the Luxembourg law of 13 January 2019 on the register of beneficial owners (the "RBO Law"), the Fund is required to collect, hold accurate and up-to-date and make available certain information on its "beneficial owner(s)" (as defined in the 2004 Law) and relevant supporting evidence. Such information includes, as further specified in the RBO Law, among others, first and last name, nationality, country of residence, personal or professional address, national identification number and information on the nature and the scope of the beneficial ownership interest held by each beneficial

owner in the Fund. The Fund is further required, among others, (i) to make such information available upon request to certain Luxembourg national authorities (including the CSSF, the *Commissariat aux Assurances*, the *Cellule de Renseignement Financier*, Luxembourg tax and other national authorities as defined in the RBO Law) and upon motivated request of other professionals of the financial sector subject to the AML/CFT Regulations, and (ii) to register such information and supporting evidence in a publicly available central register of beneficial owners (the "**RBO**").

The attention of investors is drawn to the fact that certain information contained in the RBO is available to the public. That being said, the Fund or a beneficial owner may however, on a case by case basis and in accordance with the provisions of the RBO Law, formulate a motivated request with the administrator of the RBO to limit the access to certain information relating to them, e.g. in cases where such access could cause a disproportionate risk to the beneficial owner, a risk of fraud, kidnapping, blackmail, extortion, harassment or intimidation towards the beneficial owner, or where the beneficial owner is a minor or otherwise incapacitated. The decision to restrict access to the RBO does, however, not apply to the Luxembourg national authorities, nor to credit institutions, financial institutions, bailiffs and notaries acting in their capacity as public officers, which can thus always consult the RBO. Under the RBO Law, criminal sanctions may be imposed on the Fund in case of its failure to comply with the obligations to collect and make available the required information, but also on any beneficial owner(s) that fail to make all relevant necessary information available to the Fund. Any shareholder that fails to comply with the Fund's information or documentation requests may be held liable for penalties imposed on the Fund as a result of such Shareholder's failure to provide the information or subject to disclosure of the information by the Fund to the Luxembourg national authorities and the Fund may, in its sole discretion, redeem the Shares of such Shareholders.



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

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

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

The Net Asset Value per Share shall be determined by the Administrator as of each Valuation Day (as specified for each Sub-Fund in the Supplement) and at least twice a month. It shall be calculated by dividing the Net Asset Value of the Share Class of a Sub-Fund by the total number of Shares of such Share Class in issue as of that Valuation Day. The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded up or down to four (4) decimal places.

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

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

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

### **8.2 Valuation procedure**

#### **8.2.1 General**

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

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

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

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

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

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

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

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

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

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

- (a) all cash on hand or on deposit, including any outstanding accrued interest;
- (b) all bills and any types of notes or accounts receivable, including outstanding proceeds of any disposal of financial instruments;
- (c) all securities and financial instruments, including shares, bonds, notes, certificates of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the Fund;
- (d) all dividends and distributions payable to the Fund either in cash or in the form of stocks and shares (which will normally be recorded in the Fund's books as of the ex-dividend date, provided that the Fund may adjust the value of the security accordingly);
- (e) all outstanding accrued interest on any interest-bearing instruments belonging to the Fund, unless this interest is included in the principal amount of such instruments;

- (f) the formation expenses of the Fund or a Sub-Fund, to the extent that such expenses have not already been written off; and
- (g) all other assets of any kind and nature including expenses paid in advance.

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

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

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

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

The fees and expenses incurred in connection with the formation of the Fund will be borne by the Fund and may be amortised over a period of up to five (5) years. The formation expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five (5) years. New Sub-Funds created after the incorporation and launch of the Fund will not participate in the non-amortised costs of establishment of the Fund.

#### **8.2.4 Valuation principles**

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

- (a) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.

- (b) Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs (c) and (f) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- (c) Notwithstanding paragraph (b) above, where permitted under applicable laws and regulations, Money Market Instruments may be valued using an amortisation method whereby instruments are valued at their acquisition cost as adjusted for amortisation of premium or accrual of discount on a constant basis until maturity, regardless of the impact of fluctuating interest rates on the market value of the instruments. The amortisation method will only be used if it is not expected to result in a material discrepancy between the market value of the instruments and their value calculated according to the amortisation method.
- (d) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- (e) Financial derivative instruments which are traded "over-the-counter" (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the Board of Directors which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.
- (f) Notwithstanding paragraph (b) above, shares or units in target investment funds (including UCITS and UCI) will be valued at their latest available official net asset

value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the Board of Directors is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph (b) above.

- (g) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

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

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

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

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

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

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

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

#### **8.2.7 Adjustments**

In certain circumstances, subscriptions, redemptions, and conversions in a Sub-Fund may have a negative impact on the Net Asset Value per Share. Where subscriptions, redemptions, and conversions in a Sub-Fund cause the Sub-Fund to buy and/or sell underlying investments, the value of these investments may be affected by bid/offer spreads, trading costs and related expenses including transaction charges, brokerage fees, and taxes. This investment activity may have a negative impact on the Net Asset Value per Share called "dilution". In order to protect existing or remaining investors from the potential effect of dilution, the Fund may apply a "swing pricing" methodology and/or an anti-

dilution levy as further explained below. The swing pricing methodology and the anti-dilution levy are not expected to apply at the same time to subscription and/or redemption orders in respect of the same Valuation Day, except in extraordinary market circumstances as determined by the Board of Directors.

The Fund may apply a so-called "swing pricing" methodology which adjusts the Net Asset Value per Share to account for the aggregate costs of buying and/or selling underlying investments. The Net Asset Value per Share will be adjusted by a certain percentage set by the Board of Directors from time to time for each Sub-Fund called the "swing factor" which represents the estimated bid-offer spread of the assets in which the Sub-Fund invests and estimated tax, trading costs, and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments (called the Swing Factor). As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the Swing Factor may be different for net subscriptions and net redemptions in a Sub-Fund. Generally, the Swing Factor will not exceed five percent (5%) of the Net Asset Value per Share unless otherwise set out for each Sub-Fund in the Supplement. A periodical review will be undertaken in order to verify the appropriateness of the Swing Factor in view of market conditions.

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

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

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

An extra charge may also be levied by the Fund on investors subscribing or redeeming Shares to account for the aggregate costs of buying and/or selling underlying investments related to such subscriptions or redemptions (called the "Anti-Dilution Levy"). The rate of the Anti-Dilution Levy will be set by the Board of Directors from time to time for each Sub-Fund so as to represent the estimated bid-offer spread of the assets in which the Sub-Fund invests and estimated tax, trading costs, and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments. Generally, the Anti-Dilution Levy will not exceed five percent (5%) of the Net Asset Value per Share unless otherwise set out for each Sub-Fund in the Supplement. A periodical review will be undertaken in order to verify the appropriateness of the Anti-Dilution Levy in view of market conditions.

The Board of Directors will determine if the Anti-Dilution Levy will apply to all investors subscribing or redeeming Shares on a Valuation Day or if the Anti-Dilution Levy will apply only on a Valuation Day

where net subscriptions or redemptions in a Sub-Fund exceed a certain threshold set by the Board of Directors from time to time for each Sub-Fund (called the Anti-Dilution Threshold). The Anti-Dilution Levy will have the following effect on subscriptions or redemptions:

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

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

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

The publication of the Net Asset Values will take place on the next Business Day after a Valuation Day unless otherwise provided for in the Supplement. The Net Asset Value per Share of each Share Class within each Sub-Fund will be available from the Management Company, Administrator and/or Distributors during normal business hours.

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

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

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



Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;

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

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

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

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

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

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

## 9. FEES AND EXPENSES

### 9.1 Subscription Fee and Redemption Fee

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

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

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

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

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

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

### 9.2 Management Fee

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

*Rebates on fee arrangements:* The Management Company may grant advantages to third parties in relation to its services, in monetary or other form (including, without limitation, advantages, soft commissions, rebates or similar) subject to respecting the laws and regulations applicable to it.

The Management Fee covers the services performed by the Management Company. It does not cover administration, marketing and distribution services performed by the Investment Manager, the Administrator and the Distributors. The Fund pays separate fees to the Investment Manager, the Administrator and the Distributors as described below.

### **9.3 Investment Manager Fee**

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

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

### **9.4 Performance Fee**

The Investment Manager may be entitled to receive a Performance Fee with respect to certain Sub-Funds or Share Classes; the payment and size of the Performance Fee depends on the performance of the Sub-Fund or Share Class over a specified time period. The Performance Fee is calculated and accrued at each Valuation Day on the basis of the Net Asset Value after deducting all fees and expenses, including Investment Manager Fee (but not the Performance Fee) and adjusting for subscriptions and redemptions during the performance period so these will not affect the calculation of the Performance Fee. The Performance Fee is paid out of the assets of the Fund and allocated to the relevant Sub-Funds and Share Classes as described in section 8.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. Details regarding the calculation and payment of Performance Fees are contained in the Supplement.

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

The Depositary will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg, subject to a minimum flat fee per Sub-Fund or Share Class and a maximum rate expected to range from zero point five basis points (0,5 bps) to one point five basis points (1,5bps) per annum. The Depositary fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 8.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by each Sub-Fund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Administrator will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg, subject to a minimum flat fee per Sub-Fund or Share Class and a maximum annual rate expected to range from one point five basis points (1,5 bps) to two point seven five basis points (2,75bps) per annum. The Administrator fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 8.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. The Administrator will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

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

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

The members of the Board of Directors may receive a fee in consideration for their function. The Fund will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of the Board of Directors, and any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question. The Fund may also pay fees and expenses to members of any committee established by the Board of Directors, where applicable.

#### 9.7 **Operating and Administrative Expenses**

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

- (a) preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Fund, a Sub-Fund or Share Class that are required by applicable laws and regulations (such as the Articles of Association, this Prospectus, PRIIPS KID, financial reports and notices to investors) or any other documents and materials made available to investors (such as explanatory memoranda, statements, reports, factsheets and similar documents);
- (b) organising and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders;
- (c) professional advisory services (such legal, tax, accounting, compliance, auditing and other advisory services) taken by the Fund or the Management Company on behalf of the Fund;
- (d) investment services taken and/or data obtained by the Fund or the Management Company on behalf of the Fund (including fees and expenses incurred in obtaining investment research, systems and other services or data utilised for portfolio and risk management purposes);

- (e) the authorisation of the Fund, the Sub-Funds and Share Classes, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Fund and/or the members of the Board of Directors;
- (f) initial and ongoing obligations relating to the registration and/or listing of the Fund, a Sub-Fund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);
- (g) memberships or services provided by international organisations or industry bodies such as the Association of the Luxembourg Fund Industry (ALFI);
- (h) taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (*taxe d'abonnement*) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Fund; and
- (i) the reorganisation or liquidation of the Fund, a Sub-Fund or Share Class.

#### **9.8 Transaction costs**

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

#### **9.9 Extraordinary costs and expenses**

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

#### **9.10 Formation costs and expenses**

The costs and expenses incurred in connection with the formation of the Fund are borne by the Fund and may be amortised over a period of up to five (5) years from the date of incorporation of the Fund. The formation costs and expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five (5) years. New Sub-Funds created after the incorporation and launch of the Fund will not participate in the non-amortised formation costs and expenses of the Fund.

## 10. GENERAL INFORMATION

### 10.1 Reports and financial statements

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

The financial year of the Fund will begin on 1 May of each year and end on 30 April of the following year. Each year, the Fund will issue an Annual Report as of the end of the previous financial year comprising, *inter alia*, the audited financial statements of the Fund and each Sub-Fund and a report of the Board of Directors on the activities of the Fund. The Fund will also issue a Semi-Annual Report as of 31 October of the current financial year.

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

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

### 10.2 Meetings of shareholders

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

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

Notices of all general meetings may be made through announcements filed with the Luxembourg Trade and Companies Register and be published at least fifteen (15) days before the meeting in *the Recueil électronique des sociétés et associations* (RESA) and a Luxembourg newspaper and sent to all registered shareholders by ordinary mail (*lettre missive*); alternatively, convening notices may be sent to registered shareholders by registered mail at least eight (8) calendar days prior to the meeting or if the addressees have individually accepted to receive the convening notices by another means of communication ensuring access to the information, by such means of communication. Convening notices will also be published and/or communicated to investors as required by applicable laws and regulations in other jurisdictions where the Shares are distributed. Notices will include the agenda and will specify the time and place of the meeting, the conditions of admission, and the quorum and voting requirements.

The requirements as to attendance, quorum, and majorities at all general meetings will be those laid down in the Articles of Association and in the 1915 Law. All shareholders may attend general meetings

in person or by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication accepted by the Fund. A single person may represent several or even all shareholders of the Fund, a Sub-Fund or Share Class. Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund, and at all meetings of the Sub-Fund or Share Class concerned to the extent that such Share is a Share of such Sub-Fund or Share Class.

Shareholders holding together at least ten percent (10%) of the share capital or the voting rights may submit questions in writing to the board of directors relating to transactions in connection with the management of the Fund.

The Board of Directors may suspend the voting rights of any shareholder in breach of his obligations as described in this Offering Document, the Subscription Form or the Articles of Association. A shareholder may individually decide not to exercise, temporarily or permanently, all or part of his voting rights as described in the Articles of Association.

### 10.3 **Investors' rights**

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

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

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

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

The rights of Shareholders who have subscribed to Shares of the Company through a financial intermediary (the "final beneficiaries") may be affected when paying compensation in the event of NAV calculation errors/non-compliance with the Sub-Funds' investment rules occurring at the level of the Company. In the event of an error or non-compliance, all relevant information will be transmitted to the



financial intermediaries who act on behalf of final beneficiaries in order to enable such intermediaries to provide the necessary compensation to the final beneficiaries in accordance with CSSF Circular 24/856 on investor protection in case of NAV calculation errors, non-compliance with investment rules and other types of errors at UCI level, which will come into force as of 1st January 2025.

#### 10.4 Changes to this Prospectus

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

#### 10.5 Documents available

Investors may, upon request, obtain a copy of the Articles of Association, this Prospectus, the applicable PRIIPS KID as well as of the latest Annual Report or Semi-Annual Report at the registered office of the Management Company free of charge during business hours on any full bank business day in Luxembourg.

In accordance with Regulation (EU) 1286/2014, as amended, and the Commission Delegated Regulation (EU) 2017/653, as amended (collectively referred to as the "**PRIIPs Regulation**"), a key information document ("**PRIIPS KID**") will be published for each Share Class where such Share Class is available to retail investors in the European Economic Area ("**EEA**").

A retail investor within the meaning of the preceding paragraph means any person who is a retail client as defined in article 4(1), point (11), of Directive 2014/65/EU ("**MiFID II**") (referred to herein as a "**Retail Investor**").

A PRIIPS KID will be handed over to Retail Investors and professional investors, where Shares are made available, offered or sold in the EEA, in good time prior to their subscription in the Fund. In accordance with the PRIIPs Regulation, the PRIIPS KID will be provided to Retail Investors and professional investors (i) by using a durable medium other than paper or (ii) at <https://seahawk-investments.com/> in which case it can also be obtained, upon request, in paper form from the Management Company free of charge.

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

The Management Company has a strategy for determining when and how voting rights attached to ownership of a Sub-Fund's investments are to be exercised for the exclusive benefit of the Sub-Fund. A summary of this strategy as well as the details of the actions taken on the basis of this strategy in relation to each Sub-Fund may be obtained from the Management Company upon request.

## 10.6 Complaints

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

## 10.7 Data protection

In accordance with the provisions of the EU Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**GDPR**") and any applicable national data protection laws (including but not limited to the Luxembourg law of 1st August 2018 organising the National Commission for Data Protection (*Commission Nationale pour la Protection des Données*, the "**CNPD**") and the general system on data protection, as amended from time to time) (collectively hereinafter the "**Data Protection Laws**"), the Fund acting as data controller (the "**Data Controller**"), collects stores and processes by electronic or other means the data supplied by investors and/or prospective investors (or if the investor and/or the prospective investor is a legal person, any natural person related to it such as its contact person(s), employee(s), trustee(s), nominee(s), agent(s), representative(s) and/or beneficial owner(s)) (the "**Data Subjects**") prior to, or at the time of their subscription for the purposes outlined below.

The data processed includes the Data Subject's name, age, e-mail, address, gender, phone number, fax number, account numbers, date of birth, nationality, citizenship, profession, identity number, passport number, identity card with photo, proof of address, tax identifiers, tax status, tax certificates, source of wealth, source of funds, bank account data, IBAN and BIC codes, PEP status, sanctions status, income, related parties, power of attorney status, client communications and any information regarding the dealing in shares (subscription, conversion, redemption and transfer (the "**Personal Data**"). As part of its compliance with legal obligations such as AML/KYC, the Data Controller may be required to process special categories of Personal Data as defined by the GDPR, including Personal Data relating to political opinions as well as criminal convictions and offences. Personal Data relating to political opinions of Data Subjects having a public political exposure will be processed by the Data Controller on the basis of article 9, (2), e) of the GDPR (i.e. the personal data have manifestly been made public by the data subject).

Data Subjects may, at their discretion, refuse to communicate the Personal Data to the Data Controller. In this event however the Data Controller may reject their request for subscription for Shares in the Fund if the relevant Personal Data is necessary to such subscription and/or holding of Shares.

Investors and/or prospective investors who are legal persons undertake and guarantee to process Personal Data and to supply such Personal Data to the Data Controller in compliance with the Data Protection Laws, including, where appropriate, informing the relevant Data Subjects of the contents of the present section, in accordance with Articles 12, 13 and/or 14 of the GDPR.

Personal Data supplied by Data Subjects are processed in order to enter into and execute the subscription of Shares (i.e. to perform any pre-contractual measures as well as the contract entered into by the Data Subjects), for the legitimate interests of the Data Controller and to comply with the legal obligations imposed on the Data Controller.

In addition, the Personal Data supplied by Data Subjects are processed for the purposes of (i) maintaining the register of investors; (ii) processing subscriptions, redemptions and conversions of

Shares and payments of dividends or interests to investors; (iii) complying with applicable AML/CFT Regulations and any other legal obligations, such as maintaining controls in respect of late trading and market timing practices, CRS/FATCA obligations or mandatory registrations with registers including among other the Luxembourg register of beneficial owners; (iv) account administration; (v) client relationship management and (vi) commercial prospection. In addition, Data Subjects acknowledge their rights to oppose to the use of Personal Data for commercial prospection by writing to the Data Controller.

The "legitimate interests" of the Data Controller referred to above are:

- (a) the processing purposes described in points (v) and (vi) of the above paragraph of this clause;
- (b) the provision of the proof, in the event of a dispute, of a transaction or any commercial communication as well as in connection with any proposed purchase, merger, other reorganisation or acquisition of any part of the Fund's business;
- (c) compliance with foreign laws and regulations and/or any order of a foreign court, government, supervisory, regulatory or tax authority;
- (d) risk management;
- (e) processing Personal Data of employees of investors and/or prospective investors which are legal persons; and
- (f) exercising the business of the Fund in accordance with reasonable market standards.

The Personal Data may also be processed by the Data Controller's data recipients (the "**Recipients**") which, in the context of the above mentioned purposes, refer to the Management Company, the Depositary, the Administrator, the Paying Agent, the Auditor, any legal advisor, other prospective investors, any third party that acquires, or is interested in acquiring or securitising, all or part of the Fund's assets or shares, or that succeeds to it in carrying on all or a part of its businesses, or services provided to it, whether by merger, acquisition, reorganisation or otherwise as well as any other third party supporting the activities of the Data Controller. The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the "**Sub-Recipients**"), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations.

The Recipients may be located either inside or outside the European Economic Area (the "**EEA**"). Where the Recipients are located in a country outside the EEA which benefit from an adequacy decision of the European Commission, the Personal Data are transferred to the Recipients upon such adequacy decision. Where the Recipients are located outside the EEA in a country which does not ensure an adequate level of protection for Personal Data or does not benefit from an adequacy decision of the European Commission, the Data Controller has entered into legally binding transfer agreements with the relevant Recipients in the form of the European Commission approved model clauses or any other appropriate safeguards pursuant to the GDPR. In this respect, the Data Subjects have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data on behalf and upon instructions of the Data Controller and/or the Recipients), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations).

The Personal Data may also be transferred to third-parties such as governmental, judicial, prosecution or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions laid down by the Data Protection Laws, Data Subjects acknowledge their right to:

- access their Personal Data;
- correct their Personal Data where it is inaccurate or incomplete;
- object to the processing of their Personal Data;
- restrict the use of their Personal Data;
- ask for erasure of their Personal Data;
- ask for Personal Data portability.

The Data Subjects may exercise their above rights by writing to the Data Controller at the following address: 106, Route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg.

The Data Subjects also acknowledge the existence of their right to lodge a complaint with the CNPD at the following address: 15, Boulevard du Jazz, L-4370 Belvaux, Grand-Duchy of Luxembourg; or with any competent data protection supervisory authority of their EU Member State of residence.

Personal Data shall not be retained for periods longer than those required for the purpose of their collection and processing subject to any limitation periods imposed by law.

## **10.8 Merger and reorganisation**

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

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

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

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

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

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

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

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

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

#### **10.8.3 Division of Sub-Funds**

Subject to obtaining any prior necessary regulatory non-objection, the Board of Directors may decide on the division of any Sub-Fund into two or more Sub-Funds and/or into other sub-funds, in accordance with applicable laws and regulations. The Board of Directors will be competent to decide on such division and/or partial division as well as on the effective date thereof.

#### **10.8.4 Reorganisation of Share Classes**

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

- (a) the Net Asset Value of a Share Class has decreased to, or has not reached, the minimum level for that Share Class to be operated in an efficient manner;

- (b) changes in the legal, economic or political environment would justify such reorganisation; or
- (c) a product rationalisation would justify such reorganisation.

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

Subject to obtaining any prior necessary regulatory prior non-objection, the Board of Directors may decide on the division or consolidation of any Share Class into two or more Share Classes of any Sub-Fund and/or into other share class(es), in accordance with applicable laws and regulations. The Board of Directors will be competent to decide on such consolidation and/or division as well as on the effective date thereof.

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

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

## **10.9 Liquidation**

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

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

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

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

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

Sub-Funds or Share Classes with a defined term will be automatically terminated and liquidated upon the occurrence of their term, as set out in the Supplement where applicable, unless terminated earlier in accordance with the provisions of this section.

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

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

The termination and liquidation of a Sub-Fund or Share Class will have no influence on the existence of any other Sub-Fund or Share Class. The decision to terminate and liquidate the last Sub-Fund existing in the Fund will result in the dissolution and liquidation of the Fund as described in section 10.9.2 (Dissolution and liquidation of the Fund) below.

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

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

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

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

## 11. LUXEMBOURG TAX CONSIDERATIONS

THE FOLLOWING INFORMATION IS OF A GENERAL NATURE ONLY AND IS BASED ON THE FUND'S UNDERSTANDING OF CERTAIN ASPECTS OF THE LAWS AND PRACTICES IN FORCE IN LUXEMBOURG AS OF THE DATE OF THIS PROSPECTUS. IT DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION OF ALL TAX CONSIDERATIONS THAT MAY BE RELEVANT TO AN INVESTMENT DECISION. IT IS INCLUDED HEREIN SOLELY FOR PRELIMINARY INFORMATION PURPOSES. IT IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE. IT IS A DESCRIPTION OF THE ESSENTIAL MATERIAL LUXEMBOURG TAX CONSEQUENCES WITH RESPECT TO THE SUBSCRIBING FOR, PURCHASING, OWNING AND DISPOSING OF SHARES AND MAY NOT INCLUDE TAX CONSIDERATIONS THAT ARISE FROM RULES OF GENERAL APPLICATION OR THAT ARE GENERALLY ASSUMED TO BE KNOWN TO SHAREHOLDERS. THIS SUMMARY IS BASED ON THE LAWS IN FORCE IN LUXEMBOURG ON THE DATE OF THIS PROSPECTUS AND IS SUBJECT TO ANY CHANGES IN LAW THAT MAY TAKE EFFECT AFTER SUCH DATE, EVEN WITH RETROACTIVE OR RETROSPECTIVE EFFECT.

Prospective Shareholders should consult their own professional advisors as to the particular consequences of subscribing for, purchasing, owning and disposing of Shares, including the application and effect of any federal, state or local taxes in Luxembourg and in their countries of citizenship, residence, domicile or incorporation.

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

### 11.1 Taxation of the Fund

#### 11.1.1 Income and net wealth taxes

Under current Luxembourg tax law, the Fund is neither subject to corporate income tax and municipal business tax (including the solidarity surcharge) nor net wealth tax (including the minimum net wealth tax) in Luxembourg.

#### 11.1.2 Subscription tax

The Fund is as a rule subject in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% *per annum*, such tax being payable quarterly. The taxable basis of the subscription tax is the aggregate net assets of the Fund valued on the last day of each quarter of the calendar year.



However, the rate is reduced to 0.01% *per annum* for:

- undertakings whose sole object is the collective investment in money market instruments and in deposits with credit institutions;
- undertakings whose sole object is the collective investment in deposits with credit institutions;
- individual compartments of UCIs with multiple compartments subject to the 2010 Law and individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of these compartments or classes are reserved for one or more institutional investors.

Under certain conditions, reduced rates ranging from 0.04% to 0.01% may also be available for the portion of the net assets of a UCI or of an individual compartment of a UCI with multiple compartments invested in environmentally sustainable economic activities (as defined in Article 3 of the Taxonomy Regulation).

Further, the following are exempt from the subscription tax:

- the value of the assets represented by units held in other UCIs provided that such units have already been subject to the subscription tax provided for by Article 174 of the 2010 Law, Article 68 of the amended law of 13 February 2007 on specialised investment funds or Article 46 of the amended law of 23 July 2016 on reserved alternative investment funds;
- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are reserved for institutional investors, and (ii) whose sole object is the collective investment in money market instruments and in deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency.
- If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes whose securities are reserved for institutional investors;
- UCIs whose securities are reserved for (i) institutions for occupational retirement pension or similar investment vehicles set up at the initiative of one or more employers for the benefit of their employees and (ii) companies of one or more employers investing the funds they hold, to provide retirement benefits to their employees;
- UCIs as well as individual compartments of UCIs with multiple compartments whose main objective is the investment in microfinance institutions;
- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public, and (ii) whose exclusive objective is to replicate the performance of one or more indices.

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

The above-mentioned provisions apply mutatis mutandis to the individual compartments of a UCI with multiple compartments.

#### **11.1.3 Withholding tax**

Under current Luxembourg tax law, there is no withholding tax on distributions, liquidation proceeds and redemption payments made by the Fund to its Shareholders.

However, the Fund may be subject to withholding tax on dividends and interest payments and to tax on capital gains in the country of origin of its investments. As the Fund itself is not subject to Luxembourg corporate income tax, withholding tax levied at source, if any, would normally be a final cost.

Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Fund is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly be applicable to the Fund.

#### **11.1.4 Value added tax**

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

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

#### **11.1.5 Other taxes**

No stamp duty or other tax is generally payable in Luxembourg in connection with the issue of Shares by the Fund against cash.

However, the Fund is subject to a fixed registration duty of EUR 75 in Luxembourg upon incorporation and any subsequent amendment to its articles of association.

### **11.2 Taxation of the Shareholders**

#### **11.2.1 General considerations**

It is expected that the Shareholders will be resident for tax purposes in different countries. Accordingly, no attempt is made in this Prospectus to summarise the tax consequences for each Shareholder of subscribing for, purchasing, owning or disposing of Shares. These consequences will vary depending on the law and practice currently in force in the Shareholders' country of citizenship, residence, domicile or incorporation, as well as their personal circumstances. Shareholders that are residents or citizens of certain countries which have a tax legislation affecting foreign funds may have a current liability to tax on undistributed income and gains of the Fund.

### **11.2.2 Tax residency**

A Shareholder will not become resident (or be deemed resident), in Luxembourg by reason only of holding and/or disposing of the Shares or executing, performing, delivering and/or enforcing its rights thereto.

### **11.2.3 Resident individual Shareholders**

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to personal income tax at the progressive ordinary rates.

Capital gains realised upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her private wealth, are not subject to personal income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to personal income tax at ordinary rates if the Shares are disposed of within six (6) months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual Shareholder holds or has held, either alone or together with his/her spouse or partner and/or minor children, directly or indirectly at any time within the five (5) years preceding the disposal, more than ten percent (10%) of the share capital of the Fund whose Shares are being disposed of. A Shareholder is also deemed to alienate a substantial participation if he/she acquired free of charge, within the five (5) years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realised on a substantial participation more than six (6) months after the acquisition thereof are taxed according to the half-global rate method (*i.e.* the average rate applicable to the total income is calculated according to progressive personal income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realised on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, are subject to personal income tax at ordinary rates. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

### **11.2.4 Resident corporate Shareholders**

Luxembourg resident corporate Shareholders which are fully-taxable companies must include any profits derived and any gains realised on the sale, repurchase or redemption of Shares, in their taxable profits for Luxembourg income tax purposes. Taxable gains are determined as the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

### **11.2.5 Resident Shareholders benefiting from a special tax regime**

Luxembourg resident corporate Shareholders which benefit from a special tax regime, such as (i) specialised investment funds subject to the amended law of 13 February 2007, (ii) family wealth management companies subject to the amended law of 11 May 2007, (iii) UCIs subject to the 2010 Law, or (iv) reserved alternative investment funds treated as a specialised investment fund for Luxembourg

tax purposes and subject to the amended law of 23 July 2016, are exempt from income taxes in Luxembourg and profits derived from the Shares are thus not subject to Luxembourg income taxes.

#### **11.2.6 Non-resident Shareholder**

Non-resident Shareholders that have neither a permanent establishment nor a permanent representative in Luxembourg to which or to whom the Shares are attributable, are generally not liable to any income tax in Luxembourg in respect of the Shares (including on income received and gains realised on the sale, repurchase or redemption of the Shares).

Non-resident corporate Shareholders that have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable, must include any income received and gains realised on the sale, repurchase or redemption of Shares, in their taxable income for Luxembourg income tax assessment purposes.

The same inclusion applies to non-resident individual Shareholders, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable.

Taxable gains are determined as the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### **11.2.7 Net wealth tax**

Luxembourg resident Shareholders as well as non-resident Shareholders that have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, except if such Shareholders are (i) an individual, (ii) a securitisation vehicle subject to the amended law of 22 March 2004, (iii) a venture capital company subject to the amended law of 15 June 2004, (iv) a professional pension institution subject to the amended law of 13 July 2005, (v) a specialised investment fund subject to the amended law of 13 February 2007, (vi) a family wealth management company subject to the amended law of 11 May 2007, (vii) a UCI subject to the 2010 Law, or (viii) a reserved alternative investment fund subject to the amended law of 23 July 2016.

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

#### **11.2.8 Other taxes**

Under current Luxembourg tax law, where an individual Shareholder is resident in Luxembourg for inheritance tax purposes at the time of his/her death, the Shares are included in his/her taxable base for inheritance tax purposes. By contrast, no inheritance tax is levied on the transfer of the Shares upon the death of an individual Shareholder if the deceased was not resident in Luxembourg for inheritance tax purposes at the time of his/her death.

Gift tax may be due on a gift or donation of the Shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

### 11.3 **FATCA**

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

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

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

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

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

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

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

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

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Shares held by the Shareholders may suffer material losses. The failure for the Fund to obtain such

information from each Shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of US source income as well as penalties.

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

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

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

#### **11.4 Common Reporting Standard**

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

The Fund may be subject to the CRS Law as set out in the CRS Law, under the terms of which, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

As such, the Fund is required to annually report to the Luxembourg tax authorities CRS Information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain Shareholders qualifying as Reportable Persons and (ii) Controlling Persons of passive NFEs which are themselves Reportable Persons. The CRS Information will include personal data related to the Reportable Persons.

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

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

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

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

Similarly, the Shareholders undertake to inform the Fund within thirty (30) days of receipt of these statements should any included personal data not be accurate. The Shareholders further undertake to

immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes.

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

Any Shareholder that fails to comply with the Fund's CRS Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such Shareholder's failure to provide the CRS Information and the Fund may, in its sole discretion, redeem the Shares of such Shareholder.

## **APPENDIX A - SUPPLEMENT 1 – SEAHAWK SICAV - SEAHAWK EQUITY LONG SHORT FUND**

### **1. LAUNCH DATE AND TERM**

The Sub-Fund was launched on 30 April 2019 and is set up for an indefinite period.

### **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is USD.

### **3. INVESTMENT OBJECTIVE**

The Sub-Fund pursues a global long/short equity strategy. The Sub-Fund's long-term investment objective is to achieve attractive risk-adjusted returns. The Sub-Fund focuses on the energy and transportation sectors and related industries. Within the sectors, the Management Company implements a fundamental long/short approach. The Sub-Fund invests in equity securities and secured and unsecured bonds on an opportunistic basis. The strategy aims to achieve long-term capital appreciation. The implementation is underpinned by a strict risk management process.

The investment strategy of the Sub-Fund is to exploit performance deviations between sectors, subsectors and corresponding individual stocks. The Sub-Fund will take long and short positions in shares and derivatives within the focus sectors and may be net long or net short. A fundamental industrial and individual stock analysis is carried out with the aim of identifying under- and overvalued securities in the focus sectors.

Top-down perspective:

The attractiveness of the focus sectors and sub-segments of each sector is assessed and then a decision is made on the net exposure of each sector. If a particular sector is considered negative, the Sub-Fund may have a net short exposure in this specific sector.

Bottom-up perspective:

A fundamental analysis of the companies concerned is carried out within each sector. The Sub-Fund will take long or short positions in individual securities, depending on the fundamental valuation derived therefrom. The fundamental analysis is supplemented by technical analysis.

The performance of the individual share classes of the Sub-Fund shall be indicated in the relevant "PRIIPS KID".

Taking into account the ESG strategies of the Management Company, ESG criteria, in particular sustainability risks, are taken into account for this Sub-Fund as a component in the investment decision-making process. In this case, the fund management nevertheless decides which components are ultimately decisive, taking into account overall risk and return aspects and the consideration of exclusions.



The Management Company does not currently consider the adverse impact of investment decisions on sustainability factors for this Sub-Fund. In the market, the relevant data that must be used to determine and weight the adverse sustainability impacts is currently not available to a sufficient extent.

The Sub-Fund does not promote any sustainable features or does not have the objective of a sustainable investment within the meaning of Article 8 or Article 9 of Regulation (EU) 2019/2088. In accordance with the provisions of Article 7 of Regulation (EU) 2020/852 (EU Taxonomy), attention is drawn in this context to the following:

The investments underlying this financial product do not take into account the EU criteria for ecologically sustainable economic activities.

#### 4. INVESTMENT POLICY AND SPECIFIC RESTRICTIONS

The Sub-Fund is an equity fund.

The Sub-Fund invests at least 51% of its net assets in shares.

In principle, the Sub-Fund has the option of investing in bonds, money market instruments, target funds and fixed-term deposits, depending on the market situation and the assessment of the Management Company.

Short positions will only be taken through derivative financial instruments. Long positions can be taken through direct investments as well as through derivatives.

The Sub-Fund is able to acquire assets in a foreign currency and may therefore be subject to foreign currency exposure.

Units in UCITS or other UCI may be acquired up to a maximum limit of 10% of the Sub-Fund's net assets, making the Sub-Fund eligible as a target fund. With regard to the target funds that can be acquired for the Sub-Fund, there is no restriction on the permitted types of target funds that can be acquired.

Investments in distressed securities, convertible bonds, contingent convertible bonds and asset-backed securities are permitted up to a maximum limit of 10% of the Sub-Fund's assets. The use of these financial instruments may give rise to increased risks which, together with the functionality and other risks, are described in more detail in the "Risk information" section of the Sales Prospectus.

The performance of the respective share classes of the Fund is disclosed in the relevant PRIIPS KID.

**Past performance is not a guarantee of future performance. We cannot guarantee that the investment objectives will be achieved.**

The use of derivatives is permitted in order to achieve the above-mentioned investment objectives, as well as for investment and hedging purposes. In addition to option rights, this includes, inter alia, swaps and futures contracts on securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of the ESMA Guidelines 2014/937, interest rates, exchange rates, currencies and investment funds pursuant to Article 41(1)(e) of the 2010 Law.

Investments in transferable securities and money market instruments other than those referred to in Article 41(1) of the 2010 Law are limited to a total of 10% of the Fund's net assets.

In addition total return swaps will be used. By using these, the profit and loss profile of the underlying instruments can be synthetically replicated without investing in the specific underlying instrument. The income from this total return swap is governed for the investor by the performance of the underlying instrument in terms of its income (dividends, coupons, etc.) and the performance of the derivative instrument that was used.

In particular, total return swaps are be used to generate additional capital or income through the transaction itself or through the reinvestment of the cash collateral. The notional amount of such total return swaps may represent up to a maximum of 200% of the Net Asset Value of the Sub-Fund. Under normal circumstances, it is generally expected that the notional amount of such total return swap will not exceed 125% of the Net Asset Value.

The Sub-Fund may also retain amounts in ancillary liquid assets or cash equivalents including investments in money market funds if it is considered appropriate to achieve the investment objective, including, without limitation, during portfolio rebalancing or to pay for any margin requirements.

The Sub-Fund may hold ancillary liquid assets (*i.e.*, bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its net assets for treasury purposes. The above mentioned 20% limit may be temporarily breached for a period of time strictly necessary if justified by exceptionally unfavourable market conditions in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of the Shareholders.

In order to achieve its investment goals, for treasury purposes, and/or in case of unfavourable market conditions, the Sub-Fund may hold cash equivalent (*i.e.*, bank deposits, money market instruments or money market funds) pursuant to the applicable investment restrictions.

For the avoidance of doubt, the Sub-Fund may also invest in other assets in accordance with the rules and restrictions set out above in section 0 (Investment strategy and restrictions) of the general part of the Prospectus.

## **5. INVESTOR PROFILE**

The Sub-Fund is suitable for speculative investors. Due to the composition of the Sub-Fund's net assets, there is a very high degree of overall risk, but also a very high degree of profit potential. The Fund is intended as a long term investment. Investors should consider their own personal circumstances and seek additional advice from their financial advisor or other professional advisor on their risk tolerance and investment horizon before investing in the Sub-Fund.

## **6. SPECIFIC RISKS**

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund.

## **7. GLOBAL EXPOSURE AND LEVEL OF LEVERAGE**

### **Absolute VaR approach**

The absolute VaR approach is used for monitoring and measuring the total risk of the investment holdings of the Sub-Fund.

### **Expected level of leverage**

Leverage is any method of increasing the level of investment of a fund. This can be achieved, in particular, through the acquisition of derivatives. Further details on derivatives can be found in the Prospectus in the section 4.5 Financial derivative instruments". The expected degree of leverage is determined using the nominal value method. This method exclusively takes derivatives into account and determines the sum of the absolute nominal values of all derivatives. However, it is not permissible to offset individual derivative transactions or securities positions against each other. The expected degree of leverage does not differentiate between the various purposes of using derivatives. Derivatives used for hedging also increase the leverage effect. The expected leverage does not provide any indication of the actual risk content of the Sub-Fund.

The expected degree of leverage was estimated at up to 300% of the volume of the Sub-Fund. The use of derivatives is permitted in order to achieve the above-mentioned investment objectives, as well as for investment and hedging purposes. The use of derivatives can vary greatly depending on the respective assessment of the market situation.

It should be noted that higher leverage within the legal limits is possible.

## **8. VALUATION**

The net asset value per share is calculated by the Management Company or a third party commissioned for this purpose by the Management Company, under the supervision of the Depositary, on each Business Day in Luxembourg with the exception of 24 and 31 December of each year - Valuation Day.

## **9. SUBSCRIPTIONS**

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 14:00 CET on the Business Day prior to the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

## **10. REDEMPTIONS**

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 14:00 pm CET on the Business Day prior to the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is two (2) Business Days following the Redemption Day.

## **11. SHARE CLASSES**

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions.

The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company or a Distributor upon request.

## 12. ELIGIBLE INVESTORS

Subject to the discretion of the Management Company, Share Classes USD-S and EUR-S are reserved for customers / shareholders of Transport Capital Holding.

## 13. PERFORMANCE FEE

The Investment Manager receives a Performance Fee in equal parts, at the rate as set out in Table 1, out of the appreciation of the Net Asset Value per Share (calculated net of all of costs, but before deduction of any accrued Performance Fee), provided that the Net Asset Value per Share at the end of the financial year is higher than the highest Net Asset Value per Share of the previous financial year ends or at the end of the first financial year higher than the initial Net Asset Value per Share (high watermark principle).

High water mark principle: At the launch of the Sub-Fund, the high water mark was identical to the initial Net Asset Value per Share. If the Net Asset Value per Share on the last Valuation Day of a following financial year is above the previous high water mark, the high water mark is set to the calculated Net Asset Value per Share on the last Valuation Day of that financial year. In all other cases, the high water mark remains unchanged.

The performance reference period of the high water mark extends over the entire lifetime of the relevant share class of the Sub-Fund. All losses incurred during the performance reference period will be recovered before any Performance Fee is paid.

The Performance Fee is calculated on each Valuation Day, beginning at the beginning of each financial year, based on the above-mentioned development of the Net Asset Value per Share, the average number of Shares in circulation during the financial year and the high water mark.

On Valuation Days on which the current Net Asset Value per Share exceeds the high watermark, the accrued total amount changes according to the method described above. On Valuation Days on which the current Net Asset Value per Share falls below the high water mark, the accrued total amount is released. The data from the previous Valuation Day (or of the same Valuation Day at the end of the financial year) is used as the basis for the calculation.

Provided that a Performance Fee has accrued, the amount calculated on the last Valuation Day of the calculation period ("**Regular Crystallisation Date**") will be crystallised<sup>1</sup> and withdrawn from the Sub-Fund and charged to the relevant Share Class at the end of the financial year. The calculation period begins on 1 May of each year and ends on 30 April of the following year.

If (i) Shares are redeemed or converted into other Shares of any Share Class of a Sub-Fund or of another existing Sub-Fund or of another fund during the financial year and a Performance Fee has accrued for those Shares, (ii) the Fund or this Sub-Fund are merged with one or several other Sub-Funds within the Fund or with one or several other Luxembourg or foreign UCITS or sub-funds thereof,

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<sup>1</sup> The crystallisation of the Performance Fee takes place on respectively the Crystallisation date and the Early Crystallisation Date when any accrued Performance Fee is credited to the Investment Manager and becomes payable.

(iii) Shares of a Share Class of this Sub-Fund are consolidated with those of one or several other Share Classes (iv) the Fund, this Sub-Fund or of a Share Class are terminated, and a Performance Fee has accrued for Shares concerned by any of the event set out in (i), (ii), (iii) or (iv), such Performance Fee will be crystallized respectively at the date of redemption or conversion, at the effective date of the merger, at the effective date of consolidation or at the effective date of termination (“**Early Crystallisation Date**”) and it will be considered as payable.

However, no Performance Fee shall crystallise where a Sub-Fund or a Share Class of a Sub-Fund is merged with a newly established receiving fund or sub-fund with no performance history and with an investment policy that does not substantially differ from that of the merging Sub-Fund. In that case, the performance reference period of the merging Sub-Fund shall continue applying in the receiving fund or Sub-Fund.

### Calculation example:

Performance fee: 15%  
 Crystallisation frequency: Valuation day  
 Performance reference period: Life of the fund

YEAR	Valuation day	Number of shares	NAV/share at the beginning of the period	NAV/share at the end of the reference period	Applicable HWM* **	Performance NAV vs HWM %	Appreciation in value / payment of performance fees	Crystallized performance fee***
2022	1	10	100	101	100	1,0%	YES	1,50
2023	2	10	101	105	101	4,0%	YES	6,00
2024	3	10	105	103	105	-1,9%	NO	-
2025	4	10	103	110	105	4,8%	YES	7,50
2026	5	10	110	109	110	-0,9%	NO	-
2027	6	10	109	111	110	0,9%	YES	1,50
2028	7	10	111	107	111	-3,6%	NO	-

  

Notes	
*	During the first performance period, the applicable HWM is the subscription price at the time of issue of that Share.
**	After the 1st performance period the applicable HWM is the highest historical NAV recorded at which the performance fee was last crystallised.
***	Performance fee is 15% of the difference (if positive) between the NAV per share (before deduction of the performance fee) and the HWM (asset growth)

For Share Classes that deviate from the Sub-Fund's reference currency, the Performance Fee is calculated such that the performance of the Net Asset Value per Share is determined in the currency of the Share Class. Exchange rate fluctuations lead to different amounts of Performance Fee between a Share Class in the Sub-Fund's reference currency and a Share Class in another currency.

**Table 1: Share Classes of SEAHAWK SICAV - SEAHAWK EQUITY LONG SHORT FUND**

Share Class name	USD-S	EUR-S	USD-I	EUR-I	USD-R	EUR-R
Share Class Reference Currency	USD	EUR	USD	EUR	USD	EUR
ISIN:	LU1910828851	LU1910828935	LU1910829073	LU1910829156	LU1910829230	LU1910829313
Group of investors	reserved for customers / shareholders of Transport Capital Holding.	reserved for customers / shareholders of Transport Capital Holding.	intended for institutional investors	intended for institutional investors	intended for private investors	intended for private investors
Distribution (D) or Capitalisation (C)	C	C	C	C	C	C
Currency Hedged Share Class	No	No	No	No	No	No
Minimum Subscription	125.000,- USD*	100.000,- EUR*	125.000,- USD*	100.000,- EUR*	1.250,- USD*	1.000,- EUR*
Minimum Holding	125.000,- USD*	100.000,- EUR*	125.000,- USD*	100.000,- EUR*	1.250,- USD*	1.000,- EUR*
Maximum Subscription Fee	N/A	N/A	N/A	N/A	N/A	5%
Maximum Redemption Fee	N/A	N/A	N/A	N/A	N/A	N/A
Management Fee	up to 0,10%	up to 0,10%	up to 0,10%	up to 0,10%	up to 0,10%	up to 0,10%
	Subject to a minimum annual amount of EUR 30,000.-					
Investment Manager Fee	0,353%	0,353%	1,211%	1,211%	1,464%	1,464%
Performance Fee	15%	15%	15%	15%	15%	15%
Taxe d'abonnement	0,05%	0,05%	0,01%	0,01%	0,05%	0,05%

\*The Management Company is authorised to accept lower amounts at its discretion.

**APPENDIX B - SUPPLEMENT 2 – SEAHAWK SICAV - SEAHAWK CREDIT OPPORTUNITIES  
FUND**

**1. LAUNCH DATE AND TERM**

The Sub-Fund will launch on 15 October 2024, after an Initial Offering Period from 7 to 14 October 2024 and is set up for an indefinite period.

**2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is USD.

**3. INVESTMENT OBJECTIVE**

The Sub-Fund pursues an objective to reach a return of 6-8% per annum.

The sub-fund is s an actively managed fixed-income fund that aims to achieve a long-term positive and predominantly market-independent return. The sub-fund invests primarily in bonds of issuers mostly domiciled or have substantial business interests in Europe or North America, but may also invest more globally, including in Emerging Markets (but excluding China), it being understood that investments in Emerging Countries will never represent more than 10% of the assets of the sub-Fund. This may include senior, subordinated and hybrid bonds, preferred securities, convertibles and other structured bonds of any rating class. The focus of the fund is to generate a long-term alpha contribution via the bond markets. The investment strategy of the Sub-Fund is to exploit valuation discrepancies between fixed income securities which can be, inter alia, mispriced bonds with a positive catalyst (significant changes at company level) or, pricing deviations within the capital structure primarily between senior and subordinated securities. The Sub-fund also seeks for investing in senior and secured bonds, that are well covered by underlying asset values focusing on the energy and transportation sectors and related industries. The investment strategy follows a clear investment process with a systematic screening of the global bond markets followed by a quantitative and qualitative analysis, hence based on a bottom-up analysis of the issuers. The bonds are primarily selected in the non-investment grade segment.

The Sub-Fund may take positions in currencies other than the fund currency. In addition, the sub-fund may also take long and short positions in credit derivatives for both positioning and hedging purposes. For sake of clarity, long positions are made via direct investments in bonds or through credit derivatives, short positions will be taken through credit derivatives (namely Credit Default Swaps) and in terms of mitigating/positioning interest rate/duration risk through financial futures contracts

The Sub-Fund's investment strategy is based on an active management process. The Sub-Fund does not track a securities index, nor does the company use a fixed benchmark for the fund.

The performance of the individual share classes of the Sub-Fund shall be indicated in the relevant "PRIIPS KID".

Taking into account the ESG strategies of the Management Company, ESG criteria, in particular sustainability risks, are taken into account for this Sub-Fund as a component in the investment decision-making process. In this case, the fund management nevertheless decides which components are

ultimately decisive, taking into account overall risk and return aspects and the consideration of exclusions.

The Management Company does not currently consider the adverse impact of investment decisions on sustainability factors for this Sub-Fund. In the market, the relevant data that must be used to determine and weight the adverse sustainability impacts is currently not available to a sufficient extent.

The Sub-Fund does not promote any sustainable features or does not have the objective of a sustainable investment within the meaning of Article 8 or Article 9 of Regulation (EU) 2019/2088. In accordance with the provisions of Article 7 of Regulation (EU) 2020/852 (EU Taxonomy), attention is drawn in this context to the following:

The investments underlying this financial product do not take into account the EU criteria for ecologically sustainable economic activities.

#### **4. INVESTMENT POLICY AND SPECIFIC RESTRICTIONS**

The Sub-Fund is a fixed income fund.

The Sub-Fund invests at least 50% of its net assets in bonds, with a minimum of 50% in sub-investment grades. The Sub-Fund may invest up to 100% of its assets in bonds, including non-investment grade and unrated High Yield Bonds. In case the rating of a Bond is downgraded in a way that is likely to impair the respect of the maximum investment limit in distressed bonds, the downgraded bond will be sold as soon as possible, considering the best available market conditions and best interest of Shareholders.

The Sub-Fund may invest up to 30% of its assets in green bonds. Green bonds are debt securities designed to finance environmentally friendly projects.

In principle, the Sub-Fund has the option of investing up to 33% of its assets in Money Market Instruments, up to 10% in target funds and up to 20% in fixed-term deposits, depending on the market situation and the assessment of the Management Company.

Short positions will only be taken through derivative financial instruments. Long positions can be taken through direct investments as well as through derivatives.

The Sub-Fund is able to acquire assets in a foreign currency and may therefore be subject to foreign currency exposure.

Units in UCITS or other UCI may be acquired up to a maximum limit of 10% of the Sub-Fund's net assets, making the Sub-Fund eligible as a target fund. With regard to the target funds that can be acquired for the Sub-Fund, there is no restriction on the permitted types of target funds that can be acquired.

Investments in distressed securities, convertible bonds, contingent convertible bonds and asset-backed securities are permitted up to a maximum limit – altogether - of 10% of the Sub-Fund's assets. The use of these financial instruments may give rise to increased risks which, together with the functionality and other risks, are described in more detail in the "Risk information" section of the Sales Prospectus.

The performance of the respective share classes of the Fund is disclosed in the relevant PRIIPS KID.

**Past performance is not a guarantee of future performance. We cannot guarantee that the investment objectives will be achieved.**



The use of derivatives is permitted in order to achieve the above-mentioned investment objectives, as well as for investment and hedging purposes. This includes, inter alia, options, Unfunded TRS (on bonds, bond indices and credit default indices) financial futures contracts, FX forwards and swaps (including but not limited to interest rate swaps, CDS, index swaps and FX swaps), money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of the ESMA Guidelines 2014/937, interest rates, exchange rates, currencies and investment funds pursuant to Article 41(1)(e) of the 2010 Law.

The use by the sub-fund of Unfunded TRS, which is limited to cases where similar risks parameters cannot be hedged via CDS or futures, is subject to the following gross exposure limits, expressed as a percentage of the sub-fund net assets:

Type of SFTR Transaction	Expected	Maximum
TRS	0 %	20 %

The underlying assets of Unfunded TRS will be bonds, bond indices and credit default indices.

Information on direct and indirect operating costs and fees incurred by each sub-fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary or the Investment Manager, if applicable, will be available in the annual report of the SICAV. The fees of any agent involved in TRSs, if any, may not exceed 20% of the total income generated by these TRSs. Such fees may be calculated as a percentage of gross revenues earned by the Company through the use of such TRSs. The remaining income will accrue to the Sub-fund. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid will be available in the annual report of the Company.

The Investment Manager does not charge any specific fee, in addition to the investment management fee, upon entering into transactions under total return swaps contracts.

Unfunded TRS may be carried out only with EU-based first-rate financial institutions subject to prudential monitoring considered by CSSF as equivalent to that laid down in Community legislation that specialise in such transactions and must be executed on the basis of standardised documents such as the International Swaps and Derivatives Association (ISDA) Master Agreement. The credit worthiness of such institutions will be assessed and monitored on the basis of Credit Default Swaps spreads.

Investments in transferable securities and money market instruments other than those referred to in Article 41(1) of the 2010 Law are limited to a total of 10% of the Fund's net assets.

In particular, credit default swaps are be used to generate additional capital or income through the transaction itself or through the reinvestment of the cash collateral. The notional amount of such credit default swaps may represent up to a maximum of 200% of the Net Asset Value of the Sub-Fund. Under normal circumstances, it is generally expected that the notional amount of such credit default swap will not exceed 125% of the Net Asset Value.

The Sub-Fund may hold ancillary liquid assets (*i.e.*, bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its net assets for treasury purposes. The above mentioned 20% limit may be temporarily breached for a period of time strictly necessary if justified by exceptionally unfavourable market conditions in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of the Shareholders.

In order to achieve its investment goals, for treasury purposes, and/or in case of unfavourable market conditions, the Sub-Fund may hold cash equivalent (*i.e.*, bank deposits, money market instruments or money market funds that meet the criteria of Article 41(1) of the 2010 Law ) pursuant to the applicable investment restrictions.

For the avoidance of doubt, the Sub-Fund may also invest in

- fixed income securities, such as contingent convertible bonds, ABS, MBS, Distressed or defaulted securities (having a rating below C, or equivalent) with a limit of 10% of net assets provided that these are transferable securities pursuant to Art. 41.1 of the 2010 Law
- Non investment grade bonds or unrated high yield bonds.

## **5. INVESTOR PROFILE**

The Sub-Fund is suitable for speculative investors. Due to the composition of the Sub-Fund's net assets, there is a very high degree of overall risk, but also a very high degree of profit potential. The Fund is intended as a long term investment. Investors should consider their own personal circumstances and seek additional advice from their financial advisor or other professional advisor on their risk tolerance and investment horizon before investing in the Sub-Fund.

## **6. SPECIFIC RISKS**

Investors should carefully read section 5 (General Risk Factors) of the Prospectus before investing in the Sub-Fund.

In addition, the Sub-Fund will be subject to the risks associated with high yield income securities.

High Yield Securities (sometimes referred to as “junk bonds”) are debt securities that are rated below investment grade by internationally recognized credit rating organizations. These securities may be regarded as being predominately speculative as to the issuer’s ability to make payments of principal and interest and have a much greater risk of default and may be more volatile than higher-rated securities of similar maturity. The risk of loss due to default by these issuers is significantly greater because high yield securities generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality investment-grade rated bonds.

Additionally, these securities may be less liquid and more difficult to value than higher-rated securities. If an issuer of high yield securities calls the obligation for redemption, a Sub-Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors.

Risk inherent to ABS investments is associated with the value of the assets used as collateral. As the value of such assets is subject to fluctuations, the investor may not get back the ABS nominal value.

In addition, the Sub-Fund will be subject to the risks associated with investments in Emerging markets:

In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets.

There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the Sub-Fund.

Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Fund may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.

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

The Fund will seek, where possible, to use counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Fund will be successful in eliminating this risk for the Sub-Fund, particularly as counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Fund. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

In some Eastern European countries there are uncertainties with regard to the ownership of properties. As a result, investing in transferable securities issued by companies holding ownership of such Eastern European properties may be subject to increased risk.

Total return swaps represent a financial derivative combining market risk and credit risk which are affected by interest rate fluctuations, as well as events and credit prospects. These transactions can be less liquid than interest rate swaps, as there is no standardisation of the underlying index and this situation can have a negative impact on the ability to settle the TRS position, or on the price at which the settlement is performed. Some of these risks are mitigated by requiring that the counterparties to such TRS are high-standing financial institutions specialised in this type of transaction and subject to prudential supervision. Please refer to the sections on market risk, credit risk and counterparty risk above for further information.

Synthetic replication through total return (or unfunded swaps), excess return swaps and fully-funded swaps may allow to obtain exposure to difficult-to-implement strategies that would otherwise be very

costly and difficult to have access to with physical replication. As this does not involve physically holding the securities, synthetic replication therefore involves lower costs for investors. Synthetic replication however involves counterparty risk: the counterparty may default or may not be able to meet its obligations in full, as further described above under “Counterparty Risk”.

## **7. GLOBAL EXPOSURE AND LEVEL OF LEVERAGE**

### **Absolute VaR approach**

The absolute VaR approach is used for monitoring and measuring the total risk of the investment holdings of the Sub-Fund.

### **Expected level of leverage**

Leverage is any method of increasing the level of investment of a fund. This can be achieved, in particular, through the acquisition of derivatives. Further details on derivatives can be found in the Prospectus in the section 4.5 Financial derivative instruments". The expected degree of leverage is determined using the nominal value method. This method exclusively takes derivatives into account and determines the sum of the absolute nominal values of all derivatives. However, it is not permissible to offset individual derivative transactions or securities positions against each other. The expected degree of leverage does not differentiate between the various purposes of using derivatives. Derivatives used for hedging also increase the leverage effect. The expected leverage does not provide any indication of the actual risk content of the Sub-Fund.

The expected degree of leverage was estimated at up to 300% of the volume of the Sub-Fund. The use of derivatives is permitted in order to achieve the above-mentioned investment objectives, as well as for investment and hedging purposes. The use of derivatives can vary greatly depending on the respective assessment of the market situation.

It should be noted that higher leverage within the legal limits is possible.

## **8. VALUATION**

The net asset value per share is calculated by the Management Company or a third party commissioned for this purpose by the Management Company, under the supervision of the Depositary, on each Business Day in Luxembourg with the exception of 24 and 31 December of each year - Valuation Day.

## **9. SUBSCRIPTIONS**

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 14:00 CET on the Business Day prior to the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two (2) Business Days following the Subscription Day.

## **10. REDEMPTIONS**

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 14:00 pm CET on the Business Day prior to the Redemption Day. Redemption applications will normally be settled

by the end of the Redemption Settlement Period, which is two (2) Business Days following the Redemption Day.

#### 11. **SHARE CLASSES**

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

#### 12. **ELIGIBLE INVESTORS**

Subject to the discretion of the Fund, Share Classes USD-S and EUR-S are open to any type of investors, Share Classes USD-I and EUR-I are dedicated to Institutional Investor and Share Class EUR-R is dedicated to private investors.

#### 13. **PERFORMANCE FEE**

The Investment Manager receives a Performance Fee in equal parts, at the rate as set out in Table 1, out of the appreciation of the Net Asset Value per Share (calculated net of all of costs, and adjusted for distributions or capital measures but before deduction of any accrued Performance Fee), provided that the Net Asset Value per Share at the end of the financial year is higher than the highest Net Asset Value per Share of the previous financial year ends or at the end of the first financial year higher than the initial Net Asset Value per Share (high watermark principle).

High water mark principle: At the launch of the Sub-Fund, the high water mark was identical to the initial Net Asset Value per Share. If the Net Asset Value per Share on the last Valuation Day of a following financial year is above the previous high water mark, the high water mark is set to the calculated Net Asset Value per Share on the last Valuation Day of that financial year. In all other cases, the high water mark remains unchanged.

The performance reference period of the high water mark extends over the entire lifetime of the relevant share class of the Sub-Fund. All losses incurred during the performance reference period will be recovered before any Performance Fee is paid.

The Performance Fee is calculated on each Valuation Day, beginning at the beginning of each financial year, based on the above-mentioned development of the Net Asset Value per Share, the average number of Shares in circulation during the financial year and the high water mark.

On Valuation Days on which the current Net Asset Value per Share exceeds the high watermark, the accrued total amount changes according to the method described above. On Valuation Days on which the current Net Asset Value per Share falls below the high water mark, the accrued total amount is released. The data from the previous Valuation Day (or of the same Valuation Day at the end of the financial year) is used as the basis for the calculation.

Provided that a Performance Fee has accrued, the amount calculated on the last Valuation Day of the calculation period (“**Regular Crystallisation Date**”) will be crystallised<sup>2</sup> and withdrawn from the Sub-Fund and charged to the relevant Share Class at the end of the financial year. The calculation period begins on 1 May of each year and ends on 30 April of the following year.

If (i) Shares are redeemed or converted into other Shares of any Share Class of a Sub-Fund or of another existing Sub-Fund or of another fund during the financial year and a Performance Fee has accrued for those Shares, (ii) the Fund or this Sub-Fund are merged with one or several other Sub-Funds within the Fund or with one or several other Luxembourg or foreign UCITS or sub-funds thereof, (iii) Shares of a Share Class of this Sub-Fund are consolidated with those of one or several other Share Classes (iv) the Fund, this Sub-Fund or of a Share Class are terminated, and a Performance Fee has accrued for Shares concerned by any of the event set out in (i), (ii), (iii) or (iv), such Performance Fee will be crystallized respectively at the date of redemption or conversion, at the effective date of the merger, at the effective date of consolidation or at the effective date of termination (“**Early Crystallisation Date**”) and it will be considered as payable.

However, no Performance Fee shall crystallise where a Sub-Fund or a Share Class of a Sub-Fund is merged with a newly established receiving fund or sub-fund with no performance history and with an investment policy that does not substantially differ from that of the merging Sub-Fund. In that case, the performance reference period of the merging Sub-Fund shall continue applying in the receiving fund or Sub-Fund.

#### Calculation example:

Performance Fee: 10%  
Crystallisation frequency: Valuation Day  
Performance reference period: Life of the Fund

YEAR	Valuation Day	Number of shares	NAV/Share at the beginning of the period	NAV/Share at the end of the period	Applicable HWM*	Performance NAV vs HWM %	Appreciation in Value / Payment of a Perf fee	Crystallized performance fee***
2024	1	10	100	101	100	1.0% YES		1.00
2025	2	10	101	105	101	4.0% YES		4.00
2026	3	10	105	103	105	-1.9% NO		/
2027	4	10	103	110	105	4.8% YES		5.00
2028	5	10	110	109	110	-0.9% NO		/
2029	6	10	109	111	110	0.9% YES		1.00
2030	7	10	111	107	111	-3.6% NO		/

Notes:	
*	During the first reference period, the applicable HWM is the subscription price at the time of issue of that Share
**	After the 1st performance period the applicable HWM is the highest historical NAV recorded at which the performance fee was last crystallised.
***	Performance fee is 10% of the difference (if positive) between the NAV per share (before deduction of the performance fee) and the HWM (asset growth)

For Share Classes that deviate from the Sub-Fund's reference currency, the Performance Fee is calculated such that the performance of the Net Asset Value per Share is determined in the currency of the Share Class. Exchange rate fluctuations lead to different amounts of Performance Fee between a Share Class in the Sub-Fund's reference currency and a Share Class in another currency.

<sup>2</sup> The crystallisation of the Performance Fee takes place on respectively the Crystallisation date and the Early Crystallisation Date when any accrued Performance Fee is credited to the Investment Manager and becomes payable.

**Table 1: Share Classes of SEAHAWK SICAV - SEAHAWK CREDIT OPPORTUNITIES FUND**

Share Class name	USD-S**	EUR-S**	USD-I	EUR-I	EUR-R
Share Class Reference Currency	USD	EUR	USD	EUR	EUR
ISIN:	LU2846853344	LU2846853427	LU2846853690	LU2846853773	LU2846853856
Group of investors	no restriction	no restriction	intended for institutional investors	intended for institutional investors	intended for private investors
Distribution (D) or Capitalisation (C)	D	D	D	D	D
Currency Hedged Share Class	Yes	Yes	Yes	Yes	Yes
Minimum Subscription	125.000,- USD*	100.000,- EUR*	125.000,- USD*	100.000,- EUR*	1.000,- EUR*
Minimum Holding	125.000,- USD*	100.000,- EUR*	125.000,- USD*	100.000,- EUR*	1.000,- EUR*
Maximum Subscription Fee	N/A	N/A	N/A	N/A	3%
Maximum Redemption Fee	N/A	N/A	N/A	N/A	N/A
Management Fee	up to 0,10%	up to 0,10%	up to 0,10%	up to 0,10%	up to 0,10%
	<p align="center"><b>Subject to a minimum annual amount of EUR 30,000.-</b></p> <p align="center"><b>Subject to a minimum annual amount of EUR 20,000.- (up to 30 March 2026)</b></p>				
Investment Manager Fee	0,302%	0,302%	0,554%	0,554%	0,854%
Performance Fee	10%	10%	10%	10%	10%
Taxe d'abonnement	0,05%	0,05%	0,01%	0,01%	0,05%

\*The Management Company is authorised to accept lower amounts at its discretion.

\*\* subscriptions in Share Classes EUR – S and USD – S will automatically stop once the Sub-Fund has reached USD twenty millions (20,000,000.-).