

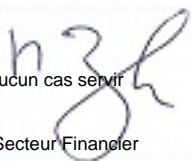
# MARCH INTERNATIONAL

**PROSPECTUS**

**28 MARCH 2025**

**VISA 2025/179309-6882-0-PC**

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2025-03-24  
Commission de Surveillance du Secteur Financier



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## IMPORTANT INFORMATION

### General

Shares in the Company are offered solely on the basis of the information and the representations contained in the current Prospectus accompanied by the KIID(s), the latest annual report and semi-annual report, if published after the latest annual report, as well as the documents mentioned herein which may be inspected by the public at the registered office of the Company. The annual report and the semi-annual report form an integral part of the Prospectus.

In addition to the General Section, investors must refer to the relevant Special Sections attached to the Prospectus. Each Special Section sets out the specific objectives, policy and other features of the relevant Sub-Fund to which the Special Section relates as well as risk factors and other information specific to the relevant Sub-Fund.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of shares other than those contained in this Prospectus and the KIID(s) and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Depositary. Neither the delivery of this Prospectus or of the KIID(s) nor the offer, placement, subscription or issue of any of the shares will under any circumstances create any implication or constitute a representation that the information given in this Prospectus and in the KIID(s) is correct as of any time subsequent to the date hereof.

The members of the Board, whose name appear under the Section "General Information", accept joint responsibility for the information and statements contained in this Prospectus and in the KIID(s) issued for each Sub-Fund. They have taken all reasonable care to ensure that the information contained in this Prospectus and in the KIID(s) is, to the best of their knowledge and belief, true and accurate in all material respects and that there are no other material facts the omission of which makes misleading any statement herein, whether of fact or opinion at the date indicated on this Prospectus.

Investors may, subject to applicable law, invest in any Sub-Fund offered by the Company. Shareholders should choose the Sub-Fund that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek independent advice in that regard. A separate pool of assets will be maintained for each Sub-Fund and will be invested in accordance with the investment policy applicable to the relevant Sub-Fund in seeking to achieve its investment objective. The Net Asset Value and the performance of the Shares of the different Sub-Fund and classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of a Sub-Fund will be achieved.

An investment in the Company involves investment risks including those set out herein under the Section "Risk factors". In addition, investors should refer to the Section "Specific risk factors" of the Special Section of the relevant Sub-Fund in order to assess – and inform themselves on – the risks associated with an investment in such specific Sub-Fund.

The Company is allowed to invest in financial derivative instruments. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. A more detailed description of the risks relating to the use of derivatives may be found under the Section "Risk factors" below.

The claims of the Company against the Board lapse five years after the date of the event which gave rise to the rights claimed.

Shareholders should note that they will in principle only be able to exercise their rights directly against the Company and that they will not have any direct contractual rights against the service providers

appointed from time to time.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Prospectus, the Special Sections and the Articles.

## **Definitions**

Unless the context otherwise requires, or as otherwise provided in this Prospectus, capitalised words and expressions will bear the respective meanings ascribed thereto under the Section "Definitions".

## **Selling Restrictions**

The distribution of this Prospectus and the offering or purchase of Shares is restricted in certain jurisdictions. This Prospectus and the KIID(s) do not constitute an offer of or invitation or solicitation to subscribe for or acquire any Shares in any jurisdiction in which such offer or solicitation is not permitted, authorised or would be unlawful. Persons receiving a copy of this Prospectus or of the KIID(s) in any jurisdiction may not treat this Prospectus or KIID(s) as constituting an offer, invitation or solicitation to them to subscribe for or acquire Shares notwithstanding that, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement. It is the responsibility of any persons in possession of this Prospectus or of the KIID(s) and any persons wishing to apply for or acquire Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, prospective applicants for or purchasers of Shares should inform themselves as to the legal requirements of so applying or purchasing, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

Prospective investors should review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, switching, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, switching, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, switching, redeeming or disposing of Shares; and (iv) any other consequences of such activities.

The Shares have not been registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or political subdivision of the United States, and may not be offered, sold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person. The Company has not registered and does not intend to register: (a) under the United States Investment Company Act of 1940, as amended (the **Investment Company Act**) in reliance on the exemption from such registration pursuant to Section 3(c)(7) thereunder; or (b) with the United States Commodity Futures Trading Commission (the **CFTC**) as a commodity pool operator, in reliance on the exemption from such registration pursuant to CFTC Rule 4.13(a)(4). Accordingly, the Shares are being offered and sold only outside the United States to persons other than U.S. Persons in offshore transactions that meet the requirements of Regulations under the U.S. Securities Act.

This Prospectus does not constitute an offer or solicitation in respect of any U.S. Person, as defined herein. The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to U.S. Persons. Neither the Shares nor any interest therein may be beneficially owned by any other U.S. Person. Any re-offer or resale of any of the Shares in the United States or to U.S. Persons is prohibited.

Each applicant for the Shares must certify that it is not a U.S. person as defined in Regulations under the U.S. Securities Act and CFTC Rule 4.7 and not a U.S. resident within the meaning of the Investment Company Act.

Certain Sub-Funds may either subscribe to classes of shares of target funds likely to participate in offerings of U.S. new issue equity securities (**U.S. IPOs**) or directly participate in U.S. IPOs. The Financial Industry Regulatory Authority (**FINRA**), pursuant to FINRA rules 5130 and 5131 (the **Rules**), has established prohibitions concerning the eligibility of certain persons to participate in U.S. IPOs where the beneficial owner(s) of such accounts are financial services industry professionals (including, among other things, an owner or employee of a FINRA member firm or money manager) (a **restricted person**), or an executive officer or director of a U.S. or non-U.S. company potentially doing business with a FINRA member firm (a **covered person**). Accordingly, investors considered as restricted persons or covered persons under the Rules are not eligible to invest in the Company.

If you are in any doubt as to your status, you should consult your financial, tax, legal or other professional adviser.

**Notwithstanding anything in this Prospectus to the contrary, no restrictions will apply to any trade or sale of Shares by a Shareholder which is made through the regulated market of the Luxembourg Stock Exchange. Prospective Investors should however be aware that Shares which are transferred to, or purchased by, persons who do not qualify as Eligible Investors, who are Restricted Persons, who are U.S. Persons and/or do not fulfil such additional eligibility criteria in respect of the relevant Class of Shares (if any) as set out in this Prospectus may be subject to compulsory redemption by the Company in accordance with Section 10.2 of this Prospectus and articles 10.2 and 10.3 of the Articles.**

#### **Foreign Account Tax Compliance Act ("FATCA")**

The Foreign Account Tax Compliance Act (**FATCA**) requires financial institutions outside the U.S. ("foreign financial institutions" or **FFIs**) to pass information about "Financial Accounts" held by "**Specified U.S. Persons**", directly or indirectly, as well as "**Non-participating Financial Institutions**" to the U.S. tax authorities, the Internal Revenue Service (**IRS**) on an annual basis. A 30% withholding tax is imposed on certain U.S. source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement (**IGA**) with the United States and a memorandum of understanding in respect thereof, to improve international tax compliance and provide for the implementation of FATCA based on domestic reporting and reciprocal automatic exchange pursuant to the convention between the Luxembourg and the U.S. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital as amended by the protocol of 20 May 2009. The Company would hence have to comply with such Luxembourg IGA, once the IGA has been implemented into Luxembourg law in order to comply with the provisions of FATCA rather than directly complying with the U.S. Treasury Regulations implementing FATCA. This IGA was approved by, and therefore transposed into, the Luxembourg law of 24 July 2015 relating to FATCA (the "**FATCA Law**").

Under the FATCA Law and the Luxembourg IGA, the Company is required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("**FATCA reportable accounts**"). Any such information on reportable accounts provided to a Reporting Luxembourg Financial Institution must be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the IRS. The Company is required to comply with the provisions of the FATCA Law and the Luxembourg IGA to be compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law, place upon it.

To ensure the Company's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Company may:

- request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA

registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;

- report information concerning a Shareholder and his/her/its account holding in the Company to the Luxembourg tax authorities if such account is deemed a U.S. reportable account under the Luxembourg IGA;
- report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to Shareholders with FATCA status of a non-participating foreign financial institution;
- deduct applicable U.S. withholding taxes from certain payments made to a Shareholder by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

By investing (or continuing to invest) in the Company, investors shall be deemed to acknowledge that (i) the Company is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will inter alia be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and to the IRS; (iv) responding to FATCA-related questions is mandatory; and (v) the investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

The Company reserves the right to refuse any subscription for Shares if the information provided or not provided does not satisfy the requirements under FATCA, the FATCA Law and the Luxembourg IGA.

Prospective investors should consult their professional advisor on the individual impact of FATCA.

**TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

#### **Exchange of information for tax purposes**

The Company may be required to report certain information about its Shareholders and, as the case may be, about individuals controlling Shareholders that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, the FATCA Law (as described hereabove), and/or the Luxembourg legislation implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the "**Common Reporting Standard**") implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"), each as amended from time to time (each an **AEOI Law** and collectively the **AEOI Laws**). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of



birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Shares (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.

Each Shareholder and prospective investor agrees to provide, upon request by the Company (or its delegates), any such information, documents and certificates as may be required for the purposes of the Company's identification and reporting obligations under any AEOI Law.

The Company reserves the right to reject any application for Shares or to redeem Shares (i) if the prospective investor or Shareholder does not provide the required information, documents or certificates or (ii) if the Company (or its delegates) has reason to believe that the information, documents or certificates provided to the Company (or its delegates) are incomplete or incorrect and the Shareholder does not provide, to the satisfaction of the Company (or its delegates), sufficient information to cure the situation. Prospective investors and Shareholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Laws. Neither the Company nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Company (or its delegates). Any Shareholder failing to comply with the Company's information requests may be charged with any taxes and penalties imposed on the Company attributable to such Shareholder's failure to provide complete and accurate information.

Each Shareholder and prospective investor acknowledges and agrees that the Company will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the AEOI Laws. Each individual whose personal data has been processed for the purposes of any AEOI Law has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

### **Prevailing language**

The distribution of this Prospectus and the KIID(s) in certain countries may require that these documents be translated into the official languages of those countries. Should any inconsistency arise between the translated versions of this Prospectus, the English version will always prevail.

### **Processing of personal data**

Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by or on behalf of, the Company (the "**Controller**") will be processed by the Controller in accordance with the Privacy Notice referred to in section 28 of this Prospectus, a current version of which is available and can be accessed or obtained online (<https://www.march-am.com/documentacion/march-international-sicav/>). Investors and any person contacting, or otherwise dealing directly or indirectly with the Controller are invited to read and carefully consider the Privacy Notice, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any Data directly or indirectly to the Controller.

### **Local information**

To the extent a Sub-Fund is registered in any of the indicated jurisdictions, the following additional disclosure will apply.

#### **Italy**

Investors in Italy may incur additional charges and fees from the entities responsible for payments or other entities responsible for processing orders on behalf of the investors. The details of these costs and fees are contained in the annex to the subscription form valid for Italy. In addition, investors will be able to authorise the entity in charge of payments so that the latter may provide on its own behalf and on

behalf of investors (i) transmit/process in aggregate form orders for subscription, conversion and redemption, (ii) require the registration of the Shares in the register of Shareholders of the Company and (iii) provide the necessary administrative procedures for carrying out this mandate. Further details inherent to the mandate are contained on the subscription form valid for Italy.

### **Anti-Money Laundering Procedures**

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended) as well as related grand-ducal and CSSF regulations and circulars, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment from money laundering and financing of terrorism.

As a result of such provisions, the registrar and transfer agent of a Luxembourg UCI must ascertain the identity of the investor in accordance with Luxembourg laws and regulations. The Administrative Agent in its function as registrar and transfer agent will require investors to provide any document it deems necessary to effect such identification.

In addition the Administrative Agent, as delegate of the Management Company, may request any other information that the Company or the Management Company may require in order to comply with its legal and regulatory obligations, including but not limited to the above mentioned laws and regulations, the CRS Law and the FATCA Law.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

In case of delay or failure by an investor to provide the documents required, the application for subscription may not be accepted and, in the event of redemption, payment of redemption proceeds may be delayed. In addition, no distributions may be made to any such investor. Neither the Company, the Management Company, the Investment Manager nor the Administrative Agent have any liability for delays or failure to process deals as a resulting from the investor providing no or only incomplete documentation.

From time to time, Shareholders may be requested to provide additional or updated identification documents pursuant to on-going client due diligence requirements under relevant laws and regulations.

### **Register of Beneficial Owners**

Directive 2015/849 of 20 May 2015 and Directive 2018/843 of 30 May 2018 (the "**AML Directive**") requires each Member State of the European Union to implement laws requiring registers of beneficial owners (the "**RBO**") in respect of trusts, corporate and other legal entities incorporated within its territory. The law of 13 January 2019 setting up a register of the beneficial owner (the "**RBO Law**") entered into force on 1 March 2019.

According to the RBO Law, the RBO shall contain information in respect of the ultimate beneficial owners of corporate and other legal entities. 'Ultimate beneficial owners' refers mainly to any natural person(s) who ultimately own or control the relevant entity, based on a shareholding threshold or otherwise, and/or any natural person who holds the position of senior *dirigeant* (manager). In the case of corporate entities, any person who owns more than 25% of the relevant entity will be considered to be a beneficial owner (and a lower ownership threshold may be applied in certain instances). The concept of beneficial owner will also include, where a beneficial owner cannot positively be identified, the senior managing person(s) of the relevant entity. With respect to trusts and similar arrangements, it should be noted that all settlor(s), trustee(s), protector(s), beneficiaries, and all other natural persons exercising ultimate control over the trust will be considered ultimate beneficial owners.

The ultimate beneficial owner information to be recorded in the RBO will include: (i) name; (ii) first name; (iii) nationality; (iv) date and place of birth; (v) country of residence; (vi) private or professional address; (vii) national identification number; and (viii) nature and extent of the beneficial interest held).

Save for the data referred to under (v), (vi) and (vii), the information above listed will in principle also be accessible to the general public. Under exceptional circumstances such as risk of fraud, kidnapping, blackmail, extortion, harassment, violence or intimidation, or where the beneficial owner is a minor or otherwise legally incapable, an exemption from such access by the general public may be granted on a case-by-case basis.

Failure to comply with the above obligations will be subject to criminal sanctions.

## MANAGEMENT AND ADMINISTRATION

### Registered office

5, Allée Scheffer,  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### Members of the board of directors

- Mr Enrique Ruiz Crespo, Director, Banca March S.A.
- Ms Irene Samayoa Peñalver, Head of Legal, March Asset Management SGIIC S.A.U.
- Mr Giovanni Mancuso, Independent Director

### Management Company

FundRock Management Company S.A.  
5, Heienhaff  
L-1736 Senningerberg  
Grand Duchy of Luxembourg

### Members of the board of directors of the Management Company

- Mr Michel Vareika, *Chairman*
- Mrs Carmel McGovern
- Mr Frank Alexander de Boer
- Mr David Rhydderch
- Mr Karl Fuehrer

### Depository, Administrative Agent, Paying Agent and Domiciliary Agent

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

### Investment Manager and Global Distributor

March Asset Management SGIIC S.A.U.  
Castelló, 74  
28006 Madrid  
Spain

### Auditor

Deloitte Audit  
20, Boulevard de Kockelscheuer L-1821 Luxembourg  
Grand Duchy of Luxembourg

**Legal adviser**

Elvinger Hoss Prussen, *société anonyme*  
2, place Winston Churchill  
L-1340 Luxembourg  
Grand Duchy of Luxembourg

## **PART A – GENERAL SECTION**

The General Section applies to all Sub-Funds of the Company. Each Sub-Fund is subject to specific rules which are set forth in the Special Section.

## DEFINITIONS

In this Prospectus, the following defined terms will have the following meanings:

"1915 Act"	Means the act dated 10 August 1915 on commercial companies, as amended;
"2008 Regulation"	Means the grand-ducal regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to UCITS as regards the clarification of certain definitions;
"2010 Act"	Means the act dated 17 December 2010 on undertakings for collective investment, as amended;
"144 A Securities"	Means Shares sold to U.S. Persons who are "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act and "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act;
"Administrative Agent"	Means CACEIS Bank, Luxembourg Branch in its capacity as central administration, paying agent and domiciliary agent of the Company. The term "Administrative Agent" is to be understood as "UCI Administrator" within the meaning of Circular CSSF 22/811;
"Administrative Services Agreement"	Means the administrative services agreement between the Company, the Management Company and the Administrative Agent;
"Affiliate"	Means in relation to any person, any entity Controlled by or Controlling such person or under common Control;
"Articles"	Means the articles of incorporation of the Company as the same may be amended, supplemented or otherwise modified from time to time;
"Auditor"	Means Deloitte Audit S.à r.l.;
"Board"	Means the board of directors of the Company;
"Business Day"	Means a day on which banks are open (during the whole day) for business in Luxembourg;
"Catastrophe bonds"	Means a type of insurance-linked debt security whose value is linked to the occurrence of pre-determined trigger natural disaster event. A catastrophe bond is a high-yield debt instrument that is designed to raise money for companies in the insurance industry in the event of a natural disaster. If no catastrophe occurred, the insurance company would pay a <u>coupon</u> to the investors, but if a catastrophe did occur, then the <u>principal</u> would be forgiven and the insurance company would use this money to pay their claim-holders;
"China H-Shares"	Means shares of Chinese mainland companies trading in Hong Kong dollar that are listed on the Hong Kong Stock Exchange.

"Circular 04/146"	Means the CSSF circular 04/146 on the protection of UCIs and their investors against Late Trading and Market Timing practices;
"Circular 12/546"	Means CSSF circular 12/546 on the authorisation and organisation of the Luxembourg management companies subject to Chapter 15 of the 2010 Act;
"Class"	Means a class of Shares relating to a Sub-Fund for which specific features with respect to fee structures, distribution, marketing target or other specific features may be applicable. The details applicable to each Class will be described in the relevant Special Section;
"Clearstream"	Means Clearstream Banking, <i>société anonyme</i> ;
"Company"	Means March International, a public limited liability company incorporated as an investment company with variable capital under the laws of Luxembourg and registered pursuant to part I of the 2010 Act;
"Control"	Means, in relation to an entity: (a) the holding, directly or indirectly, of the majority votes which may be cast at that entity's ordinary shareholders', partners' or members' meetings or the votes necessary to direct or cause the direction of that entity's ordinary shareholders', partners' or members' meetings. and (b) any contractual relationship by virtue of which a person can direct the business activities of a company or other entity and "controlled" or "to control" will be construed accordingly;
"Conversion Fee"	Means the conversion fee which may be levied by the Company in relation to the conversion for any Class in any Sub-Fund, details of which are set out in the relevant Special Section;
"CSSF"	Means the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority;
"Depository"	Means CACEIS Bank, Luxembourg Branch acting as depository of the Company;
"Depository Agreement"	Means the depository and principal paying agent agreement between the Company and the Depository as amended, supplemented or otherwise modified from time to time;
"Directive 78/660/EEC"	Means Council Directive 78/660/EEC of 25 July 1978 based on Article 54 (3) g) of the Treaty on the annual accounts of certain types of companies, as amended from time to time;
"Directive 83/349/EEC"	Means Council Directive 83/349/EEC of 13 June 1983 based on the Article 54 (3) (g) of the Treaty on consolidated accounts, as amended from time to time;
"Directive 2007/16/EC"	Means Commission Directive 2007/16/EC of 19 March 2007 implementing the UCITS Directive on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended;
"Directive 2009/65/EC"	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and



	administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended;
"Directors"	Means the directors of the Company, whose details are set out in this Prospectus and/or the annual and semi-annual reports;
"Distribution Agreement(s)"	Means the agreement(s) between the Company, the Management Company and the Distributor(s) as amended, supplemented or otherwise modified from time to time;
"Distributor(s)"	Means any person from time to time appointed or authorised by the Company and the Management Company or the Global Distributor to distribute one or more Classes as set out in the relevant Special Section;
"EEA"	Means the European Economic Area;
"Eligible Investments"	Means eligible investments for investment by UCITS within the meaning of Article 41 (1) of the 2010 Act;
"Eligible Investor"	Means, in relation to each Class in each Sub-Fund, an investor that satisfies the relevant criteria to invest in the relevant Class as is stipulated in the relevant Special Section;
"EPM Techniques"	Has the meaning ascribed to such term in Section 5 of the General Section;
"ESMA34-43-296"	Means opinion ESMA34-43-296 of the European Securities and Markets Authority dated 30 January 2017 on share classes of UCITS;
"EU"	Means the European Union;
"EU Member State"	Means a member State of the EU;
"EU Savings Directive"	Means the Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments, as amended;
"EUR"	Means Euro, the single currency of the EU Member States that have adopted the Euro as their lawful currency;
"Euroclear"	Means Euroclear Bank S.A./N.V. as the operator of the Euroclear System;
"First Class Institutions"	Means first class financial institutions having their registered office in an EU Member State or subject to prudential supervision rules considered by the CSSF equivalent to those prescribed by Community law and specialised in this type of transactions for the purposes of the OTC Derivative transactions and the techniques and instruments relating to Transferable Securities and Money Market Instruments;
"G20 Member State"	Means any member States of the G20;
"General Section"	Means the General Section of this Prospectus that sets out the general terms and conditions applicable to all Sub-Funds, unless otherwise provided for in any of the Special Sections;
"Global Distributor"	Means March Asset Management SGIIC S.A.U. acting as global distributor of the Sub-Funds;

"Global Fee"	Means the global fee payable out of the asset of each Class of each Sub-Fund to the Investment Manager as disclosed in each Special Section;
"GBP"	Means the Great Britain Pound, the currency of United Kingdom;
"Initial Offering Period" or "Initial Offering Date"	Means, in relation to each Sub-Fund, the first offering of Shares in a Sub-Fund made pursuant to the terms of the Prospectus and the relevant Special Section;
"Initial Subscription Price"	Means, in relation to each Class in each Sub-Fund, the amount stipulated in the relevant Special Section as the subscription price per Share for the relevant Class in connection with the Initial Offering Period or Initial Offering Date;
"Institutional Investor"	Means an investor meeting the requirements to qualify as an institutional investor for purposes of article 174 of the 2010 Act;
"Investment Advisor"	Means any investment adviser that may be appointed by an Investment Manager, with the consent of the Company (and the Management Company), to provide advisory services in respect of a Sub-Fund as described in the relevant Special Section;
"Investment Company Act"	Means the U.S. Investment Company Act of 1940, as amended;
"Investment Management Agreement"	Means the agreement between the Company, the Management Company and the Investment Manager, as amended, supplemented or otherwise modified from time to time;
"Investment Manager"	Means March Asset Management SGIIC S.A.U. as further described in the relevant Special Section;
"KIID"	Means the key investor information document, as amended from time to time. The key investor information document containing information on each Class of Shares of the Fund. For the avoidance of any doubt and where relevant, the references to KIID in this Prospectus shall be understood as references to the packaged retail and insurance-based investment products key information document (as defined in regulation 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products ("PRIIPs"));
"Late Trading"	Means the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day;
"Luxembourg"	Means the Grand Duchy of Luxembourg;
"Luxembourg Official Gazette"	Means the <i>Mémorial C, Recueil des Sociétés et Associations</i> or the <i>Recueil Electronique des Sociétés et Associations</i> ("RESA");
"Management Company"	Means FundRock Management Company S.A., the designated management company of the Company within the meaning of article 27 of the 2010 Act;

"Management Company Agreement"	Means the fund management company agreement between the Company and the Management Company as amended, supplemented or otherwise modified from time to time;
"Management Company Fee"	Means the management company fee which the Management Company is entitled to receive out of the assets of each Sub-Fund, as disclosed in Section 21.1(a) of the General Section;
"Market Timing"	Means any market timing practice within the meaning of Circular 04/146 or as that term may be amended or revised by the CSSF in any subsequent circular, i.e., an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Luxembourg undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the UCI;
"Minimum Holding Amount"	Means, in relation to each Class in each Sub-Fund, the minimum holding amount which is stipulated in the relevant Special Section as the minimum holding amount which a Shareholder must hold at any time in a particular Class in a Sub-Fund;
"Minimum Initial Subscription Amount"	Means, in relation to each Class in each Sub-Fund, the amount which is stipulated in the relevant Special Section as the minimum aggregate subscription monies which a Shareholder or subscriber must pay when subscribing for a particular Class in a Sub-Fund in which the Shareholder or subscriber does not hold Shares of that particular Class prior to such subscription;
"Money Market Instruments"	Means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;
"NAV Calculation Day"	Means the Business Day on which the Net Asset Value is calculated in respect of a specific Valuation Day. Unless otherwise provided for in respect of a specific Sub-Fund in the relevant Special Section and provided that the subscription, conversion or redemption request is received on the Valuation Day before the applicable subscription cut-off time or redemption cut-off time, the NAV Calculation Day will be the first Business Day following the relevant Valuation Day;
"Net Asset Value"	Means, (i) in relation to the Company, the value of the net assets of the Company, (ii) in relation to each Sub-Fund, the value of the net assets attributable to such Sub-Fund, and (iii) in relation to each Class in a Sub-Fund, the value of the net assets attributable to such Class, in each case, calculated in accordance with the provisions of the Articles and the Prospectus;
"Net Asset Value per Share"	Means the Net Asset Value of the relevant Sub-Fund divided by the number of Shares in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption) or if a Sub-Fund has more than one Class in issue, the portion of the Net Asset Value of the relevant Sub-Fund attributable to a particular Class divided by the number of Shares of such Class in the relevant Sub-Fund which are in issue at the relevant time (including Shares in relation to which a Shareholder has requested redemption);

"OECD"	Means the Organisation for Economic Co-operation and Development;
"OECD Member State"	Means any of the member States of the OECD;
"Off-Exchange Transfer"	Has the meaning set out in Section 12 of the General Section;
"On-Exchange Sale"	Has the meaning set out in Section 12 of the General Section;
"OTC"	Means over-the-counter;
"OTC Derivatives"	Means financial derivative instruments dealt in over-the-counter;
"Prospectus"	Means the sales prospectus relating to the issue of Shares in the Company, as amended from time to time;
"Redemption Fee"	Means the redemption fee levied by the Company in relation to the redemption of Shares of any Class in any Sub-Fund, details of which are set out in the relevant Special Section;
"Reference Currency"	Means, in relation to each Sub-Fund, the currency in which the Net Asset Value of such Sub-Fund is calculated, as stipulated in the relevant Special Section;
"Register"	Means the register of Shareholders of the Company;
"Regulated Market"	Means a regulated market as defined in the Council Directive 2004/39/EEC dated 21 April 2004 on markets in financial instruments or any other market established in the EEA which is regulated, operates regularly and is recognised and open to the public;
"Repurchase Transaction"	Means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified or to be specified by the transferor, being a Repurchase Transaction agreement for the counterparty selling the securities and a reverse Repurchase Transaction agreement for the counterparty buying them;
"Restricted Person"	Means any person, determined in the sole discretion of the Board as being not entitled to subscribe or hold Shares in the Company or any Sub-Fund or Class if, in the opinion of the Directors, (i) such person would not comply with the eligibility criteria of a given Class or Sub-Fund (ii) a holding by such person would cause or is likely to cause the Company some pecuniary, tax or regulatory disadvantage (iii) a holding by such person would cause or is likely to cause the Company to be in breach of the law or requirements of any country or governmental authority applicable to the Company;
"Retail Investor"	Means any investor not qualifying as an Institutional Investor;
"Securities Act"	Means the U.S. Securities Act of 1933, as amended;

"Securities Financing Transaction" or "SFT"	Means (i) a Repurchase Transaction, (ii) Securities Lending and Securities Borrowing, (iii) a buy-sell back transaction or sell-buy back transaction, (iv) a margin lending transaction, each as defined under the SFTR;
"Securities Lending" or "Securities Borrowing"	Means a transaction by which a counterparty transfers subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as Securities Lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;
"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;
"SFDR RTS"	Means the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports;
"SFT Agent"	Means any person involved in SFTs and/or TRS as agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Company's assets or any Sub-Fund's assets (which can be the counterparty of a Sub-Fund in an SFT and/or a TRS);
"SFTR"	Means 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;
"Shareholder"	Means a person who is the registered holder of Shares in the Company;
"Shares"	Means shares in the Company, of such Classes and denominated in such currencies and relating to such Sub-Funds as may be issued by the Company from time to time;
"Special Section"	Means each and every supplement to this Prospectus describing the specific features of a Sub-Fund. Each such supplement is to be regarded as an integral part of the Prospectus;
"Sub-Fund"	Means a separate portfolio of assets established for one or more Classes of the Company which is invested in accordance with a specific investment objective. The specifications of each Sub-Fund will be described in their relevant Special Section;
"Subscription Fee"	Means the subscription fee levied in relation to the subscription for any Class in any Sub-Fund, details of which are set out in the relevant Special Section;

"Supermajority Resolution"	Means a resolution of the Shareholders' meeting in accordance with the quorum and majority requirements set out in the 1915 Act for amendments to the Articles, i.e., a resolution passed by the vote (cast in person or by way of proxy) of holders representing half of the issued share capital passed by not less than two-thirds of the votes cast in relation to such resolution provided that if the quorum requirement is not fulfilled at the occasion of the first general meeting, a second meeting may be convened at which meeting resolutions are passed at a two third majority of the votes cast without any quorum requirement;
"Taxonomy Regulation"	Means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
"Transferable Securities"	Means <ul style="list-style-type: none"> <li>• shares and other securities equivalent to shares;</li> <li>• bonds and other debt instruments;</li> <li>• any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments;</li> </ul>
"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"	Means an undertaking for collective investment within the meaning of article 1, paragraph (2) point a) and b) of the UCITS Directive, whether situated in a EU Member State or not, provided that: <ul style="list-style-type: none"> <li>• such UCI is authorised under laws which provide that it is subject to supervision that is considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;</li> <li>• the level of guaranteed protection for unitholders in such UCI is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;</li> <li>• the business of such UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;</li> </ul>
"UCITS"	Means an undertaking for collective investment in transferable securities under the UCITS Directive;

"UCITS-CDR"	Means Commission Delegated Regulation of 17 December 2015 supplementing the Directive 2009/65/EC with regards to obligations of depositaries;
"UCITS Directive"	Means Directive 2009/65/EC as amended or replaced from time to time (including, in particular, as amended by the UCITS V Directive);
"UCITS V Directive"	Means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions;
"UCITS Rules"	Means (i) Part 1 of the 2010 Act, (ii) the UCITS Directive, (iii) any amendment or replacement legislation thereto for the time being in force, (iv) any regulation of any type taken in pursuant of (i), (ii) or (iii), as well as (v) any rule, binding guideline and general or specific position from time to time adopted by the CSSF or ESMA pursuant thereto;
"USD"	Means the United States Dollar, the currency of the United States of America;
"United States" or "U.S."	Means the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;
"U.S. Person"	Means, unless otherwise determined by the Directors, (i) a natural person who is a resident of the United States; (ii) a corporation, partnership or other entity, other than an entity organised principally for passive investment, organised under the laws of the United States and which has its principal place of business in the United States; (iii) an estate or trust, the income of which is subject to United States income tax regardless of the source; (iv) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business in the United States; (v) an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who qualify as U.S. persons or otherwise as qualified eligible persons represent in the aggregate ten per cent or more of the beneficial interests in the entity, and that such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons; or (vi) any other "U.S. Person" as such term may be defined in Regulation S under the Securities Act, or in regulations adopted under the U.S. Commodity Exchange Act, as amended;
"Valuation Day"	Means (unless otherwise defined in respect of a specific Sub-Fund in the relevant Special Section) a Business Day on which subscriptions for, conversions from and redemptions of Shares can be made in order to be dealt with by the Administrative Agent on the basis of the Net Asset Value that will be calculated on the relevant NAV Calculation Day, based upon the price as of the relevant Valuation Day.

## **1. THE COMPANY**

- 1.1 The Company is an open-ended investment company organised under the laws of Luxembourg as a *société d'investissement à capital variable (SICAV)*, incorporated under the form of a public limited liability company (*société anonyme*) on 1 December 2010 and authorised under part I of the 2010 Act.
- 1.2 The Company is registered with the Luxembourg trade and companies register under number B157545. Its original Articles have been published in the Luxembourg Official Gazette on 29 December 2010.
- 1.3 The registration of the Company pursuant to the 2010 Act constitutes neither approval nor disapproval by any Luxembourg authority as to the adequacy or accuracy of this Prospectus or as to the assets held in the various Sub-Funds.
- 1.4 The Company is subject to the provisions of the 2010 Act and of the 1915 Act insofar as the 2010 Act does not derogate therefrom.
- 1.5 There is no limit to the number of Shares which may be issued. Shares will be issued to subscribers in registered form.
- 1.6 Shares will have the same voting rights and will have no pre-emptive subscription rights. In the event of the liquidation of the Company, each Share is entitled to its proportionate share of the Company's assets after payment of the Company's debts and expenses, taking into account the Company's rules for the allocation of assets and liabilities.
- 1.7 The minimum share capital of the Company must at all times be EUR 1,250,000. The Company's share capital is at all times equal to its Net Asset Value. The Company's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.

## **2. SHARES**

- 2.1 Any individual or legal entity may acquire Shares in the Company against payment of the subscription price as defined in Section 9.2 of the General Section.
- 2.2 The Shares confer no preferential subscription rights at the time of the issue of new Shares.
- 2.3 Shares are issued in registered form, with no par value and are recorded in a register. Shareholders receive written confirmation of their registration but no certificate representing Shares will be issued. All Shares must be fully paid up. Fractional Shares may be issued up to four decimal places and will carry rights in proportion to the fraction of a Share they represent but will carry no voting rights.
- 2.4 Within the same Sub-Fund, all Shares have equal rights as regards voting rights in all general meetings of Shareholders and in all meetings of the Sub-Fund concerned.
- 2.5 The Special Sections indicate, for each Sub-Fund, which Classes are available and their characteristics.
- 2.6 For each Sub-Fund, the Directors or the Management Company may, in respect of Shares in one or several Class(es) if any, decide to close subscriptions temporarily or definitively, including those arising from the conversion of Shares of another Class or another Sub-Fund.
- 2.7 Shareholders may ask for the conversion of all or a part of their Shares from one Class to another in compliance with the provisions of Section 11 of the General Section.



- 2.8 If foreseen in a Special Section relating to a Sub-Fund, Classes not denominated in the Reference Currency of the Sub-Fund (the "Hedged Classes") will systematically (as described below) hedge their currency exposure to the Reference Currency of the Sub-Fund in the forward currency market, whether the Reference Currency exposure of the Class is declining or increasing in value relative to the Reference Currency of the Sub-Fund.
- 2.9 Whilst holding Shares of Hedged Classes may substantially protect the investor against losses due to unfavourable movements in the exchange rates of the Reference Currency of the Sub-Fund against the Reference Currency of the Class, holding such Shares may also substantially limit the benefits of the investor in case of favourable movements. Investors should note that it will not be possible to always fully hedge the total Net Asset Value of the Hedged Class against currency fluctuations of the Reference Currency of the Sub-Fund, the aim being to implement a currency hedge equivalent to between 95% of the portion of the Net Asset Value of the Hedged Class which is to be hedged against currency risk and 105% of the Net Asset Value of the respective Hedged Class. Changes in the value of the portfolio or the volume of subscriptions and redemptions may however lead to the level of currency hedging temporarily surpassing the limits set out above. In such cases, the currency hedge will be adjusted without undue delay. The Net Asset Value per Class of the Hedged Classes does therefore not necessarily develop in the same way as that of the Classes in the Reference Currency of the Sub-Fund. It is not the intention of the Board of Directors to use the hedging arrangements to generate a further profit for the Hedged Classes.
- 2.10 Investors should note that there is no segregation of liabilities between the individual Classes within a Sub-Fund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a Hedged Class could result in liabilities affecting the Net Asset Value of the other Classes of the same Sub-Fund. In such case assets attributable to other Classes of such Sub-Fund may be used to cover the liabilities incurred by the Hedged Class. An up-to-date list of the Classes with a contagion risk is available upon request at the registered office of the Company/the Management Company.

### **3. SUB-FUNDS AND CLASSES**

- 3.1 The Company has an umbrella structure consisting of one or several Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective and policy applicable to that Sub-Fund. The investment objective, policy, as well as the risk profile and other specific features of each Sub-Fund are set forth in the relevant Special Section.
- 3.2 The Company is one single legal entity. However, the rights of the Shareholders and creditors relating to a Sub-Fund or arising from the setting-up, operation and liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively dedicated to the satisfaction of the rights of the Shareholders relating to that Sub-Fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-Fund.
- 3.3 Each Sub-Fund is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of this Sub-Fund. A purchase of Shares relating to one particular Sub-Fund does not give the holder of such Shares any rights with respect to any other Sub-Fund.
- 3.4 Within a Sub-Fund, the Board may decide to issue one or more Classes the assets of which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency or other specific features. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

- 3.5 The Company may, at any time, create additional Classes whose features may differ from the existing Classes and additional Sub-Funds whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated, if necessary, or supplemented by a new Special Section.
- 3.6 For the time being, the Company is comprised of the following Sub-Funds:
- March International – Torrenova Lux;
  - March International – March Universal Brands;
  - March International – The Family Businesses Fund;
  - March International – Bellver Lux;
  - March International – Lluc Lux;
  - March International – Mediterranean Fund;
  - March International – March Alternative Strategies;
  - March International – March Climate Transition Credit; and
- 3.7 Each Sub-Fund is described in more detail in the relevant Special Section.
- 3.8 Investors should note however that some Sub-Funds or Classes may not be available to all investors. The Company retains the right to offer only one or more Classes for purchase by investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason. The Company may further reserve one or more Sub-Funds or Classes to certain Institutional only.

#### **4. INVESTMENT RESTRICTIONS**

The Company and the Sub-Funds are subject to the restrictions and limits set forth below.

The management of the assets of the Sub-Funds will be undertaken within the following investment restrictions. A Sub-Fund may be subject to additional investment restrictions set out in the relevant Special Section. In the case of any conflict, the provisions of the relevant Special Section will prevail.

##### **4.1 Eligible Investments**

- (a) The Company's investments may consist solely of:
- (i) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an EU Member State;
  - (ii) Transferable Securities and Money Market Instruments dealt on another Regulated Market;
  - (iii) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange or dealt in on another regulated market in any country of Western or Eastern Europe, Asia, Oceania, the American continents or Africa;

- (iv) New issues of Transferable Securities and Money Market Instruments, provided that:
  - (A) the terms of issue include an undertaking that application will be made for admission to official listing on any stock exchange or other Regulated Market referred to in Sections 4.1(a)(i), 4.1(a)(ii) and 4.1(a)(iii);
  - (B) such admission is secured within a year of issue;
- (v) Units of UCIs within the meaning of the first and second indent of Article 1 (2) of the UCITS Directive, whether situated in an EU Member State or not, provided that:
  - (A) such UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - (B) the level of protection for unitholders in the UCIs is equivalent to that provided for share/unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (C) the business of the UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - (D) no more than 10% of the net assets of the UCI whose acquisition is contemplated, can, according to their fund rules or constitutional documents, be invested in aggregate in units of other UCIs;
- (vi) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (vii) Financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market referred to in Sections 4.1(a)(i), 4.1(a)(ii) and 4.1(a)(iii) above; and/or OTC Derivatives, provided that:
  - (A) the underlying consists of instruments covered by the Section 4.1(a)(i), financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objectives as stated in the relevant Special Section,
  - (B) the counterparties to OTC Derivative transactions are First Class Institutions, and
  - (C) 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 Company's initiative;

- (viii) Money Market Instruments other than those dealt in on a Regulated Market if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
  - (A) issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in the 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 EU Member States belong; or
  - (B) issued by an undertaking, any securities of which are listed on a stock exchange or dealt in on Regulated Markets referred to in Sections 4.1(a)(i), 4.1(a)(ii) or 4.1(a)(iii); or
  - (C) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
  - (D) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection rules equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR10 million and which (i) represents and publishes its annual accounts in accordance with Directive 78/660/EEC, (ii) 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 (iii) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (ix) However, each Sub-Fund may:
  - (A) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to under Section 4.1(a)(i) above; and
  - (B) hold liquid assets on ancillary basis.

#### 4.2 Risk diversification

- (a) In accordance with the principle of risk diversification, the Company is not permitted to invest more than 10% of the net assets of a Sub-Fund in Transferable Securities or Money Market Instruments of one and the same issuer. The total value of the Transferable Securities and Money Market Instruments in each issuer in which more than 5% of the net assets are invested, must not exceed 40% of the value of the net assets of the respective Sub-Fund. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision.
- (b) The Company is not permitted to invest more than 20% of the net assets of a Sub-Fund in deposits made with the same body.

- (c) Notwithstanding the individual limits laid down in Sections 4.2(a), 4.2(b) above and 5.1(i) below, a Sub-Fund may not combine:
- (i) investments in Transferable Securities or Money Market Instruments issued by a given single body,
  - (ii) deposits made with that single body, and/or
  - (iii) exposures arising from OTC Derivative transactions undertaken with that single body,
- in excess of 20% of its net assets.
- (d) The 10% limit set forth in Section 4.2(a) above can be raised to a maximum of 25% for covered bond as defined under article 3, point 1 of 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 (hereafter “Directive (EU 2019/2162)”), and for certain bonds issued before 8 July 2022 by credit institutions which have their registered office in an EU Member State and are subject by law, in that particular country, to specific public supervision designed to ensure the protection of bondholders. In particular the funds which originate from the issue of these bonds issued before 8 July 2022 are to be invested, in accordance with the law, in assets which sufficiently cover the financial obligations resulting from the issue throughout the entire life of the bonds and which are allocated preferentially to the payment of principal and interest in the event of the issuer's failure. Furthermore, if investments by a Sub-Fund in such bonds with one and the same issuer represent more than 5% of the net assets, the total value of these investments may not exceed 80% of the net assets of the corresponding Sub-Fund.
- (e) The 10% limit set forth in Section 4.2(a) above can be raised to a maximum of 35% for Transferable Securities and Money Market Instruments that are issued or guaranteed by an EU Member State, a G20 Member State, or its local authorities, by another OECD Member State, Singapore, Hong-Kong or by public international organisations of which one or more EU Member States are members.
- (f) Transferable Securities and Money Market Instruments which fall under the special ruling given in Sections 4.2(d) and 4.2(e) above are not counted when calculating the 40% risk diversification ceiling mentioned in Section 4.2(a).
- (g) The limits provided for in Sections 4.2(a) to 4.2(e) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body will under no circumstances exceed in total 35% of the net assets of a Sub-Fund.
- (h) Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this Section 4.2.
- (i) A Sub-Fund may invest, on a cumulative basis, up to 20% of its net assets in Transferable Securities and Money Market Instruments of the same group.

#### 4.3 **Exceptions which can be made**

- (a) Without prejudice to the limits laid down in Section 4.6 below the limits laid down in Section 4.2 above are raised to a maximum of 20% for investment in shares and/or

bonds issued by the same body if, according to the relevant Special Section, the investment objective and policy of that Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

- (i) its composition is sufficiently diversified,
- (ii) the index represents an adequate benchmark for the market to which it refers,
- (iii) it is published in an appropriate manner.

The above 20% limit may be raised to a maximum of 35%, but only in respect of a single body, where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant.

- (b) The Company is authorised, in accordance with the principle of risk diversification, to invest up to 100% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments from various offerings that are issued or guaranteed by an EU Member State, a G20 Member State or its local authorities, by another OECD Member State, Singapore, Hong-Kong or by public international organisations in which one or more EU Member States are members. That Sub-Fund must hold securities from at least six different issues, but securities from any one issue may not account for more than 30% of its net assets.

#### 4.4 Investment in UCIs

- (a) A Sub-Fund may acquire the units of UCIs referred to in Section 4.1(a)(v) above provided that no more than 20% of its net assets are invested in units of a single UCI. If a UCI has multiple compartments (within the meaning of article 181 of the 2010 Act) and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the above limit.
- (b) Investments made in units of UCIs other than UCITS may not exceed, in aggregate, 30% of the net assets of the Sub-Fund.
- (c) When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in Section 4.2 above.
- (d) When a Sub-Fund invests in the units of UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, (regarded as more than 10% of the voting rights or share capital), that management company or other company may not charge subscription, conversion or redemption fees on account of the Sub-Fund's investment in the units of such UCIs.
- (e) If a Sub-Fund invests a substantial proportion of its assets in other UCIs, the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCIs in which it intends to invest, will be disclosed in the relevant Special Section.

- (f) In the annual report of the Company it will be indicated for each Sub-Fund the maximum proportion of management fees charged both to the Sub-Fund and to the UCIs in which the Sub-Fund invests.

#### 4.5 **Tolerances and multiple compartments issuers**

- (a) If, because of reasons beyond the control of the Company or the exercising of subscription rights, the limits mentioned in this Section 4 are exceeded, the Company must have as a priority objective in its sale transactions to reduce these positions within the prescribed limits, taking into account the best interest of the Shareholders.
- (b) Provided that they continue to observe the principles of risk diversification, newly established Sub-Funds may deviate from the limits mentioned under Sections 4.2, 4.3 and 4.4 above as well as from the limits set out in the Special Sections for a period of six months following the date of their initial launch.
- (c) To the extent permitted by applicable law, if an issuer of Eligible Investments is a legal entity with multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the limits set forth under Sections 4.2, 4.3(a) and 4.4 above.

#### 4.6 **Investment prohibitions**

The Company is prohibited from:

- (a) acquiring equities with voting rights that would enable the Company to exert a significant influence on the management of the issuer in question;
- (b) acquiring more than
  - (i) 10% of the non-voting equities of one and the same issuer,
  - (ii) 10% of the debt securities issued by one and the same issuer,
  - (iii) 10% of the Money Market Instruments issued by one and the same issuer, or
  - (iv) 25% of the units of one and the same UCI.
- (c) The limits laid down in (ii), (iii), and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

Transferable Securities and Money Market Instruments which, in accordance with article 48, paragraph 3 of the 2010 Act are issued or guaranteed by an EU Member State or its local authorities, by another Member State of the OECD or which are issued by public international organisations of which one or more EU Member States are members are exempted from the above limits.

- (d) selling short Transferable Securities, Money Market Instruments and other Eligible Investments mentioned under Sections 4.1(a)(v), 4.1(a)(vii) and 4.1(a)(viii) above;
- (e) acquiring precious metals or related certificates;
- (f) investing in real estate and purchasing or selling commodities or commodities contracts;

- (g) borrowing on behalf of a particular Sub-Fund, unless:
  - (i) the borrowing is in the form of a back-to-back loan for the purchase of foreign currency;
  - (ii) the loan is only temporary and does not exceed 10% of the net assets of the Sub-Fund in question;
- (h) granting credits or acting as guarantor for third parties. This limitation does not refer to the purchase of Transferable Securities, Money Market Instruments and other Eligible Investments mentioned under Sections 4.1(a)(v), 4.1(a)(vii) and 4.1(a)(viii) above that are not fully paid up.

#### 4.7 **Investments between Sub-Funds**

- (a) A Sub-Fund (the **Investing Sub-Fund**) may invest in one or more other Sub-Funds. Any acquisition of Shares of another Sub-Fund (the **Target Sub-Fund**) by the Investing Sub-Fund is subject to the following conditions:
  - (i) the Target Sub-Fund may not invest in the Investing Sub-Fund;
  - (ii) the Target Sub-Fund may not invest more than 10% of its net assets in another Sub-Fund;
  - (iii) the voting rights attached to the shares of the Target Sub-Fund are suspended during the investment by the Investing Sub-Fund without prejudice to the appropriate treatment in the accounts and the periodic reports;
  - (iv) for such time as the Shares of the Target Sub-Fund are held by the Investing Sub-Fund, their value will not be included in the calculation of the net assets of the Company for the purposes of verification of the minimum threshold of the net assets imposed under the provisions of the 2010 Act; and
  - (v) duplication of subscription fee or redemption fee is prohibited.

#### 4.8 **Master-Feeder structures**

Under the conditions and within the limits laid down by the 2010 Act, the Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Sub-Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS.

A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets, such as cash;
- financial derivative instruments, which may be used only for hedging purposes.



#### **4.9 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 ("SFDR")**

The Investment Manager identifies, analyses and integrates sustainability risks in its investment decision-making process. The level of ESG commitment of the target investments is taken into account, among others, in the stock picking and asset selection process.

Sustainability risks mean an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks may vary for each product or asset class and can either represent a risk of their own or have an impact on other risks.

Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

Even though the ESG commitment is taken into account in the stock picking process and asset selection process, the Investment Manager considers sustainability risks to be less relevant for the Sub-Funds as currently other factors considered in the stock picking and asset selection process overweigh this risk.

The broad ESG goals of a Sub-Fund may lead the Investment Manager to invest in or exclude securities for non-financial reasons, irrespective of market opportunities in order to achieve the stated ESG goals. The financial returns of the relevant Sub-Fund may not be equivalent or surpass those of non-ESG financial products. Data constraint is a big challenge and there are limitations on the types of sustainability and ESG-related data currently provided to the market.

The Investment Manager is currently not in a position to consider principal adverse impacts of investment decisions on sustainability factors due to a lack of available and reliable data.

### **5. INVESTMENTS IN FINANCIAL DERIVATIVE INSTRUMENTS AND USE OF EPM TECHNIQUES**

#### **5.1 Investments in financial derivative instruments and use of EPM Techniques**

- (a) The Company must employ (i) a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio and (ii) a process for accurate and independent assessment of the value of OTC Derivatives.
- (b) Each Sub-Fund will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.
- (c) The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This will also apply to the following subparagraphs.
- (d) A Sub-Fund may invest, as a part of its investment policy, in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down under Section 4.2 above. Under no circumstances will these operations cause a Sub-Fund to diverge from its investment objectives as laid down in the Prospectus and the relevant Special Section. When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down under Section 4.2 above.

- (e) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this Section.
- (f) In accordance with Circular 14/592, the Company's annual reports will contain, in respect of each Sub-Fund that has entered into financial derivative instruments over the relevant reporting period, details of:
  - (i) the underlying exposure obtained through financial derivative instruments;
  - (ii) the identity of the counterparty(ies) to these financial derivative instruments;
  - (iii) the type and amount of collateral received to reduce counterparty risk exposure.
- (g) The Sub-Funds are not authorised, at the time of this Prospectus, to employ techniques and instruments relating to Transferable Securities or Money Market Instruments (including SFT) (**EPM Techniques**).
- (h) The Company and any of its Sub-Funds may enter into swap contracts relating to any financial instruments or indices, excluding TRS. TRS involve the exchange of the right to receive the total return, coupon plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. At the time of this Prospectus, the Sub-Funds are not allowed to enter into TRS.
- (i) The counterparty risk arising from OTC Derivative may not exceed 10% of the assets of a Sub-Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.
- (j) The counterparty risk of a Sub-Fund vis-à-vis a counterparty is equal to the positive mark-to-market value of all OTC Derivative transactions with that counterparty, provided that:
  - (i) if there are legally enforceable netting arrangements in place, the risk exposure arising from OTC Derivative transactions with the same counterparty may be netted; and
  - (ii) if collateral is posted in favour of a Sub-Fund and such collateral complies at all times with the criteria set out in Section 5.2(a) below, the counterparty risk of such Sub-Fund is reduced by the amount of such collateral. Sub-Funds will use collateral to monitor compliance with the counterparty risk limit set out in Section 5.1(i) above. The level of collateral used, with respect to each Sub-Fund, will be in line with applicable law and regulations as well as the provisions set out in this Prospectus and particularly Sections 5.2(a) to 5.2(h). In order to reduce each Sub-Fund's counterparty risk in accordance with applicable law and regulation in the context of OTC financial derivative transactions, it is expected that typically, the Sub-Fund will require a level of collateral from each of its counterparty equal to 90-95% of the Sub-Fund's positive mark-to-market value of all OTC Derivatives transactions entered into with the relevant counterparty in the context of the relevant transaction(s), taking into account the nature and characteristics of the relevant transactions, the creditworthiness and identity of the counterparty, prevailing market conditions and the existence of enforceable netting arrangements with such counterparty.

- (k) Unless otherwise set out in a Special Section, none of the counterparties in OTC Derivative transactions will have discretion over the composition or management of the relevant Sub-Fund's investment portfolio or over the assets underlying the relevant OTC Derivative.

## 5.2 Collateral policy for OTC Derivatives transactions

- (a) Collateral received by a Sub-Fund may be must comply at all times with the following principles:
  - (i) Liquidity – any collateral received other than cash should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the acquisition limits set out in Section 4.6(b) of this Schedule.
  - (ii) Valuation – collateral will be valued on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on its haircut policy set out under Sections 5.2(g) and 5.2(h). The value of the collateral may fluctuate and after each valuation, however, it is ensured that the collateral is increased by the desired amount to meet the value of the respective OTC counterparty's position (mark-to-market), i.e., where appropriate, by requesting additional collateral.
  - (iii) Issuer credit quality – collateral received should be of high quality.
  - (iv) Correlation – the collateral received by the Sub-Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
  - (v) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of OTC Derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State, one or more of its local authorities or by another OECD Member State, or a public international body to which one or more EU Member States belong, provided the Sub-Fund receives securities from at least six different issues and any single issue does not account for more than 30% of the Sub-Fund's NAV. If a Sub-Fund intends to make use of this possibility, this will be set out in relevant Special Section.
  - (vi) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
  - (vii) Collateral received should be capable of being fully enforced by the Company for the account of the Sub-Fund at any time without reference to or approval from the counterparty.
- (b) Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged.

- (c) Cash collateral received by a Sub-Fund can only be:
  - (i) placed on deposit with First Class Institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
  - (ii) invested in high-quality government bonds;
  - (iii) used for the purpose of reverse Repurchase Transactions provided the transactions are with First Class Institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
  - (iv) invested in Short-Term Money Market Funds as defined in the CESR Guidelines 10-049 on a Common Definition of European Money Market Funds.
- (d) Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral.
- (e) Collateral posted in favour of a Sub-Fund under a title transfer arrangement should be held by the Depositary or one of its correspondents or sub-custodians. Such collateral may be held by one of the Depositary's correspondents or sub-custodians provided that the Depositary has delegated the custody of the collateral to such correspondent or sub-custodian. Collateral posted in favour of a Sub-Fund under a security interest arrangement (e.g., a pledge) will be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (f) In accordance with Circular 14/592, the Management Company has a haircut policy relating to the classes of assets received as collateral. The Management Company typically utilises cash and high-quality government bonds as collateral, but other permitted forms of collateral (with associated haircuts) may be utilised both with haircuts as set out under item (g) below. This 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 by the relevant Sub-Fund under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.
- (g) The Management Company has a haircut policy relating to the classes of assets received as collateral by or for the account of the Company. The Management Company only accepts cash and high-quality government bonds as collateral with haircuts ranging from 1-10%. Haircuts are assessed based on collateral credit quality, price volatility and tenor.

## **6. CO-MANAGEMENT AND POOLING**

- 6.1 To ensure effective management of the Company, the Directors and the Management Company may decide to manage all or part of the assets of one or more Sub-Funds with those of other Sub-Funds in the Company (pooling technique) or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Sub-Funds with the assets of other Luxembourg investment funds or of one or more sub-funds of other Luxembourg investment funds (hereinafter referred to as the Party(ies) to the co-managed assets) for which the Depositary is the appointed depositary bank. These assets will be managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives.

Parties to the co-managed assets will only participate in co-managed assets which are in accordance with the stipulations of their respective prospectuses and investment restrictions.

- 6.2 Each Party to the co-managed assets will participate in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets and liabilities will be allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets.
- 6.3 Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets.
- 6.4 The aforementioned co-managed assets will be formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Directors and the Management Company may regularly make subsequent transfers to the co-managed assets. The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets.
- 6.5 Dividends, interest and other distributions deriving from income generated by the co-managed assets will accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets.
- 6.6 All charges and expenses incurred in respect of the co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.
- 6.7 In the case of an infringement of the investment restrictions affecting a Sub-Fund of the Company, when such a Sub-Fund takes part in co-management and even if the manager has complied with the investment restrictions applicable to the co-managed assets in question, the Directors and the Management Company will ask the manager to reduce the investment in question in proportion to the participation of the Sub-Fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the Sub-Fund.
- 6.8 When the Company is liquidated or when the Directors and the Management Company decide, without prior notice, to withdraw the participation of the Company or a Sub-Fund from co-managed assets, the co-managed assets will be allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.
- 6.9 The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management inasmuch as all Parties to the co-managed assets have the same depositary bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the assets and liabilities of each Sub-Fund of the Company will be constantly separated and identifiable.

## **7. RISK FACTORS**

Before making an investment decision with respect to Shares of any Class in any Sub-Fund, prospective investors should carefully consider all of the information set out in this Prospectus and the relevant Special Section, as well as their own personal circumstances. Prospective investors should have particular regard to, among other matters, the considerations set out in this Section and under the Sections "Specific risk factors" and "Profile of the typical investor" in the relevant Special Section. The risk factors referred to therein, and in this document, alone or collectively, may reduce the return on the Shares of any Sub-Fund and could result in the loss of all or a proportion of a Shareholder's investment in the Shares of any Sub-Fund.

The price of the Shares of any Sub-Fund can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested in any Class or any amount at all.

The risks may include or relate to equity markets, bond markets, foreign exchange rates, interest rates, credit risk, the use of derivatives, counterparty risk, market volatility and political risks. The risk factors set out in this Prospectus, the KIID(s) and the relevant Special Section are not exhaustive. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.

An investment in the Shares of any Sub-Fund is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

Before making any investment decision with respect to the Shares, prospective investors should consult their own stockbroker, bank manager, lawyer, solicitor, accountant and/or financial adviser and carefully review and consider such an investment decision in the light of the foregoing and the prospective investor's personal circumstances.

The Company is intended to be a medium to long-term investment vehicle (depending on the investment policy of the relevant Sub-Funds). Shares may however be redeemed on each Valuation Day. Substantial redemptions of Shares by Shareholders within a limited period of time could cause the Company to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value per Share could make it more difficult for the Company to generate trading profits or recover losses.

## 7.1 **General risks**

### (a) **Dependence on the Investment Manager**

All allocation or investment decisions with respect to the Sub-Funds' assets will be made by the Investment Manager and Shareholders will not have the ability to take part in the day-to-day management or investment operations of the Sub-Funds. As a result, the success of the Sub-Funds will depend largely upon the abilities of the Investment Manager and its respective personnel, and there can be no assurance that the Investment Manager or its personnel will remain willing or able to provide advice to and trade on behalf of the Company or that its trading will be profitable in the future. If the Company were to lose the services of the Investment Manager, Sub-Funds might have to be liquidated.

### (b) **Effect of performance fees**

The Investment Manager may be entitled to a performance fee from a Sub-Fund based on a percentage of any net realised and unrealised profits. Performance fees may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case in the absence of such incentive compensation arrangements. In addition, the Investment Manager's performance fees will be based on unrealised as well as realised gains.

### (c) **Future returns**

No assurance can be given that the strategies employed by the Investment Manager in the past to achieve attractive returns will continue to be successful or that the return on

the Sub-Funds' investments will be similar to that achieved by the Investment Manager in the past.

(d) Effects of redemptions

Large redemptions of Shares within a limited period of time could require the Company to liquidate positions more rapidly than would otherwise be desirable, adversely affecting the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time over which redemptions occur, the resulting reduction in a Sub-Fund's Net Asset Value could make it more difficult for the Investment Manager to generate profits or recover losses. Redemption proceeds paid by the Company to a redeeming Shareholder may be less than the Net Asset Value of such Shares at the time a redemption request is made due to fluctuations in the Net Asset Value between the date of the request and the applicable dealing day.

(e) Geographic sectors concentration risks

Certain Sub-Funds may concentrate their investments on certain geographical areas or sectors. Concentration of the investments of Sub-Funds in any particular countries will mean that those Sub-Funds may be more greatly impacted by adverse social, political or economic events which may occur in such countries. Similarly, Sub-Funds concentrating their investments in companies of certain sectors will be subject to the risks associated with such concentration.

(f) Concentration of Investments risk

Although a Sub-Fund's policy is to diversify its investment portfolio, a Sub-Fund may at certain times hold relatively few investments subject to the overall investment restrictions. A Sub-Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

(g) Credit risk

The creditworthiness (solvency and willingness to pay) of an issuer of a security held by the Company may fall. Bonds or debt instruments involve a credit risk with regard to the issuers, for which the issuers' credit rating can be used as a benchmark. Bonds or debt instruments floated by issuers with a lower rating are generally viewed as securities with a higher credit risk and greater risk of default on the part of the issuers than those instruments that are floated by issuers with a better rating. If an issuer of bonds or debt instruments gets into financial or economic difficulties, this can affect the value of the bonds or debt instruments (this value could drop to zero) and the payments made on the basis of these bonds or debt instruments (these payments could drop to zero).

(h) Nominee arrangements

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Company, in particular the right to participate in general meetings of Shareholders, if the investor is registered himself/herself/itself and in his/her/its own name in the register of Shareholders. In cases where an investor invests in the Company through an intermediary investing into the Company in his/her/its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Similarly, investors' rights to indemnification in the event of errors/non-compliance within the meaning of CSSF Circular 24/856 may be impacted. Investors are advised to take advice on their rights.

## 7.2 Market-related risks

### (a) General economic conditions

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the liquidity of the markets for both equities and interest-rate-sensitive securities. Certain market conditions, including unexpected volatility or illiquidity in the market in which the Company directly or indirectly holds positions, could impair the Company's ability to achieve its objectives and/or cause it to incur losses.

### (b) Market risks

The success of a significant portion of each Sub-Funds' investment program will depend, to a great extent, upon correctly assessing the future course of the price movements of stocks, bonds, financial instruments and foreign currencies. There can be no assurance that the Investment Manager will be able to predict accurately these price movements.

### (c) Investing in fixed income securities

Even though interest-bearing securities are investments which promise a defined stream of income, the prices of such securities generally are inversely correlated to changes in interest rates and, therefore, are subject to the risk of market price fluctuations. The values of fixed-income securities also may be affected by changes in the credit rating, liquidity or financial conditions of the issuer. Certain securities that may be purchased by the Company may be subject to such risk with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated fixed-income securities.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets. Accordingly, a Sub-Fund's investments in such markets may be less liquid and their prices may be more volatile than comparable investments in securities traded in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

### (d) Risks in transactions in currencies

In general, foreign exchange rates can be extremely volatile and difficult to predict. Foreign exchange rates may be influenced by, among other factors: changing supply and demand for a particular currency; trade, fiscal and monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries); political events; changes in balances of payments and trade; domestic and foreign rates of inflation; domestic and foreign rates of interest; international trade restrictions; and currency devaluations and revaluations. In addition, governments from time to time intervene, directly and by regulation, in the currency markets to influence prices directly. Variance in the degree of volatility of the market from the Investment Manager's expectations may produce significant losses to a Sub-Fund, particularly in the case of transactions entered into pursuant to non-directional strategies.



(e) Lack of liquidity in markets

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Sub-Funds, both in the realisation of the prices which are quoted and in the execution of orders at desired prices.

(f) 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-Funds.

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 Company 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-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment will 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-Funds investing in emerging market securities.

The Company 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 Company will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, 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-Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Company'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.

Furthermore, investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary). No certificates representing ownership of Russian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of the effective state regulation and enforcement, the Company could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight. In addition, Russian securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian institutions which may not have adequate insurance coverage to cover loss due to theft, destruction or default whilst such assets are in its custody.

Some Sub-Funds may invest a significant portion of their net assets in securities or corporate bonds issued by companies domiciled, established or operating in Russia as well as, as the case may be, in debt securities issued by the Russian government as more fully described for each relevant Sub-Fund in its investment policy.

(g) Investments in small capitalisation companies

There are certain risks associated with investing in small cap stocks and the securities of small companies. The market prices of these securities may be more volatile than those of larger companies. Because small companies normally have fewer shares outstanding than larger companies it may be more difficult to buy and sell significant amounts of shares without affecting market prices. There is typically less publicly available information about these companies than for larger companies. The lower capitalisation of these companies and the fact that small companies may have smaller product lines and command a smaller market share than larger companies may make them more vulnerable to fluctuation in the economic cycle.

(h) Investment in Alternative Target Funds

The Sub-Funds may invest in Alternative Target Funds. Such investments are subject to market fluctuations and to the risks inherent in all investments, accordingly, no assurance can be given that their investment objective will be achieved.

Shareholders of Sub-Funds investing in Alternative Target Funds may pay twice for certain costs and expenses: first, for depositary bank fees, auditors' fees and administrative costs and expenses paid by the Sub-Funds to their service providers, and secondly, for costs and expenses paid by the Alternative Target Funds to their own service providers and their adviser or manager, depositary bank and auditors.

The Sub-Funds may be exposed to various alternative investment strategies through the investment in Alternative Target Funds that involve the use of complex investment techniques. There is no guarantee that these strategies will succeed.

(i) Bond Connect

Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit. Bond Connect is governed by rules and regulations as promulgated by the Mainland Chinese authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the "Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 [2017])" issued by the People's Bank of China ("PBOC") on 21 June 2017;

(ii) the "Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect" issued by the Shanghai Head Office of PBOC on 22 June 2017; and

(iii) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect ("Northbound Trading Link"). There will be no investment quota for Northbound Trading Link. Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Central Depository & Clearing Co., Ltd and/or the Shanghai Clearing House). All debt securities traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such debt securities as a nominee owner.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of certain debt securities traded on such market fluctuating significantly. A Sub-Fund investing directly or indirectly in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore (directly or indirectly) incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the Sub-Fund transacts in or is exposed to the China Interbank Bond Market, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the respective Sub-Fund is directly or indirectly subject to the risks of default or errors on the part of such third parties.

Investing in the China Interbank Bond Market via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect.

In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the Sub-Fund's ability to invest directly or indirectly in the China Interbank Bond Market will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective may be negatively affected.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. A Sub-Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) or to be exposed to securities available via Bond Connect may therefore be adversely affected. In addition, where a Sub-Fund invests in or is exposed to the China Interbank Bond Market through Bond Connect, such Sub-Fund may be subject to risks of delays inherent in the order placing and/or settlement systems.

(j) China Interbank Bond Market ("**CIBM**")

*Overview*

Participation in CIBM by foreign institutional investors via a foreign access regime (e.g. FII program, CIBM Initiative and/or Bond Connect) is governed by rules and regulations as promulgated by the Mainland Chinese authorities, i.e., the PBOC and the State Administration of Foreign Exchange ("SAFE"). Such rules and regulations may be amended from time to time and include (but are not limited to):

- (i) the "Announcement (2016) No 3" issued by the PBOC on 17 February 2016;
- (ii) the "Implementation Rules for Filing by Foreign Institutional Investors for Investment in Interbank Bond Markets" issued by the Shanghai Head Office of PBOC on 27 May 2016;
- (iii) the "Circular concerning the Foreign Institutional Investors' Investment in Interbank bond market in relation to foreign currency control" issued by SAFE on 27 May 2016; and
- (iv) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in the PRC, foreign institutional investors who wish to invest directly in CIBM via CIBM Initiative may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation.

In terms of fund remittance and repatriation, foreign investors may remit investment principal in RMB or foreign currency into the PRC for investing in the CIBM. An investor needs to file relevant information about its investments with the Shanghai Head Office of PBOC through the onshore settlement agent and an updated filing may be required if there is any significant change to the filed information. Where an investor repatriates funds out of the PRC, the ratio of RMB to foreign currency ("Currency Ratio") should generally match the original Currency Ratio when the investment principal was remitted into the PRC, with a maximum permissible deviation of 10%.

### *Taxation Risk*

According to Circular 108, the foreign institutional investors are temporarily exempt from PRC CIT and VAT with respect to bond interest income derived in the PRC bond market for the period from 7 November 2018 to 6 November 2021.

However, there is no guarantee that such temporary tax exemption will continue to apply, will not be repealed and re-imposed retrospective, or that no new tax regulations and practice in China specifically relating to the PRC bond market will not be promulgated in the future.

### *Risks Associated with China Interbank Bond Market*

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The Sub-Fund investing in or being exposed to such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and a Sub-Fund may therefore (directly or indirectly) incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that a Sub-Fund transacts in or is exposed to the CIBM, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Since the relevant filings and account opening for investment in the CIBM via CIBM Initiative have to be carried out via the onshore settlement agent, the relevant Sub-Fund is (directly or indirectly) subject to the risks of default or errors on the part of the onshore settlement agent.

Investing in the CIBM via a foreign access regime (e.g. FII program, CIBM Initiative and/or Bond Connect) is also subject to regulatory risks. The relevant rules and regulations on investment in the CIBM is subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the CIBM, a Sub-Fund's ability to invest or be exposed to the CIBM will be limited and, after exhausting other trading alternatives, the Sub-Fund may suffer substantial losses as a result.

#### (k) High Yield Investments Risk

High-yield investments are debt securities that are either rated non-investment grade by a recognised rating agency or are not rated at all, but that would presumably receive a rating of non-investment grade if they were to be rated. In particular, such investments are normally associated with an increased degree of creditworthiness risk, risk of interest rate changes, general market risk, company-specific risk and liquidity risk than higher rated, lower yielding securities. Such increased risk may have an adverse impact on the Sub-Fund and/or the investors.

### 7.3 Use of financial derivative instruments

While the prudent use of financial derivative instruments can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Sub-Fund.

(a) Market risk

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to a Sub-Fund's interests.

(b) Control and monitoring

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Sub-Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

(c) Liquidity risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Company will only enter into OTC Derivatives if it is allowed to liquidate such transactions at any time at fair value).

(d) Counterparty risk

A Sub-Fund may enter into transactions in OTC markets, which will expose the Sub-Funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Sub-Fund may enter into swap arrangements or other derivative techniques as specified in the relevant Special Section, each of which exposes the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. However, this risk is limited in view of the investment restrictions laid down in Section 4 of the General Section. No counterparty of the Company or a Sub-Fund involved in such transactions is subject to the general supervision of the Depositary to the extent such counterparty does not hold assets of the Company or a Sub-Fund.

(e) Different maturity

The Company will enter into derivative contracts with a maturity date which may be different from the maturity date of the Sub-Fund. There can be no assurance that any new derivative contracts entered into will have terms similar to those previously entered into.

(f) Short exposure

Sub-Funds may utilise synthetic short exposures through the use of cash settled derivatives such as swaps, futures and forwards in order to enhance their overall

performance. A synthetic short sale position replicates the economic effect of a transaction in which a fund sells a security it does not own but has borrowed, in anticipation that the market price of that security will decline. When a Sub-Fund initiates such a synthetic short position in a security 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. A Sub-Fund may be required to pay a fee to synthetically short particular securities and is often obligated to pay over any payments received on such securities. Each Sub-Fund maintains sufficiently liquid long positions in order to cover any obligations arising from its short positions. If the price of the security 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 short-term capital gain. Any gain will be decreased and any loss increased by the transactional costs described above. Although a Sub-Fund's gain is limited to the price at which it opened the synthetic short position, its potential loss is theoretically unlimited. Stop loss policies are typically employed to limit actual losses, which would otherwise have to be covered by closing long positions.

(g) Leverage

A Sub-Fund's portfolio may be leveraged by using derivative instruments i.e. as a result of its transactions in the futures and options markets. A low margin deposit is required in futures trading and the low cost of carrying cash positions permit a degree of leverage, which may result in exaggerated profits or losses to an investor. A relatively small price movement in a futures position or the underlying instrument may result in substantial losses to the Sub-Fund resulting in a similar decline to the Net Asset Value per Share. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contract or security underlying the option which the writer must purchase or deliver upon exercise of the option.

(h) Other risks

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund. However, this risk is limited as the valuation method used to value OTC Derivatives must be verifiable by an independent auditor.

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Sub-Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following a Sub-Fund's investment objective.

(i) Particular risks in relation to interest rate, currency, credit default swaps and interest rate swaptions

A Sub-Fund may, as a part of its investment policy, enter into interest rate, currency, credit default swaps and interest rate swaptions agreements. Interest rate swaps involve the exchange by a Sub-Fund with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate

payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies.

Where a Sub-Fund enters into interest rate swaps on a net basis, the two payment streams are netted out, with each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Interest rate swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Sub-Fund is contractually obligated to make. If the other party to an interest rate or total return swap defaults, in normal circumstances the Sub-Fund's risk of loss consists of the net amount of interest that the Sub-Fund is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

A Sub-Fund may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event (such as bankruptcy or insolvency) occurs or receive a cash settlement based on the difference between the market price and such reference price.

A Sub-Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, a Sub-Fund may buy protection under credit default swaps without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with credit default swaps purchased may not, at any time, exceed the net assets of the relevant Sub-Fund.

A Sub-Fund may also sell protection under credit default swaps in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such credit default swaps may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

A Sub-Fund may also purchase a receiver or payer interest rate swaption contract. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

The use of interest rate, currency, credit default swaps and interest rate swaptions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Company and/or Investment Manager is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Sub-Fund would be less favourable than it would have been if these investment techniques were not used.



#### 7.4 Use of structured finance securities

Structured finance securities include, without limitation, securitised credit and portfolio credit-linked notes.

Securitised credit is securities primarily serviced, or secured, by the cash flows of a pool of receivables (whether present or future) or other underlying assets, either fixed or revolving. Such underlying assets may include, without limitation, residential and commercial mortgages, leases, credit card receivables as well as consumer and corporate debt. Securitised credit can be structured in different ways, including "true sale" structures, where the underlying assets are transferred to a special purpose entity, which in turn issues the asset-backed securities, and "synthetic" structures, in which not the assets, but only the credit risks associated with them are transferred through the use of derivatives, to a special purpose entity, which issues the securitised credit.

Portfolio credit-linked notes are securities in respect of which the payment of principal and interest is linked directly or indirectly to one or more managed or unmanaged portfolios of reference entities and/or assets ("reference credits"). Upon the occurrence of a credit-related trigger event ("credit event") with respect to a reference credit (such as a bankruptcy or a payment default), a loss amount will be calculated (equal to, for example, the difference between the par value of an asset and its recovery value).

Securitised credit and portfolio credit-linked notes are usually issued in different tranches: Any losses realised in relation to the underlying assets or, as the case may be, calculated in relation to the reference credits are allocated first to the securities of the most junior tranche, until the principal of such securities is reduced to zero, then to the principal of the next lowest tranche, and so forth.

Accordingly, in the event that (a) in relation to securitised credit, the underlying assets do not perform and/or (b) in relation to portfolio credit-linked notes, any one of the specified credit events occurs with respect to one or more of the underlying assets or reference credits, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share. In addition the value of structured finance securities from time to time, and consequently the Net Asset Value per Share, may be adversely affected by macro-economic factors such as adverse changes affecting the sector to which the underlying assets or reference credits belong (including industry sectors, services and real estate), economic downturns in the respective countries or globally, as well as circumstances related to the nature of the individual assets (for example, project finance loans are subject to risks connected to the respective project). The implications of such negative effects thus depend heavily on the geographic, sector-specific and type-related concentration of the underlying assets or reference credits. The degree to which any particular asset-backed security or portfolio credit-linked note is affected by such events will depend on the tranche to which such security relates; junior tranches, even having received investment grade rating, can therefore be subject to substantial risks.

Exposure to structured finance securities may entail a higher liquidity risk than exposure to sovereign bonds which may affect their realisation value.

#### 7.5 Hedged Classes of Shares

While the Investment Manager may attempt to hedge currency risks of hedged Classes of Shares, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of the Sub-Fund and the relevant hedged Class of Shares. The hedging strategies may be entered into whether the Sub-Fund's Reference Currency is declining or increasing in value relative to the relevant currency of the hedged Class of Shares and so, where such hedging is undertaken it may substantially protect investors in the relevant

Class against a decrease in the value of the Sub-Fund's Reference Currency relative to the relevant currency of the hedged Class of Shares, but it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's Reference Currency.

Hedged Classes of Shares in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could further affect the volatility of the hedged Class of Share.

All gains/losses or expenses arising from hedging transactions are borne separately by the Shareholders of the respective hedged Classes of Shares. Given that there is no segregation of liabilities between Classes of Shares, there is a remote risk that, under certain circumstances, currency hedging transactions in relation to one Class could result in liabilities which might affect the Net Asset Value of the other Classes of the same Sub-Fund.

## 7.6 **Specific restrictions in connection with the Shares**

Investors should note that there may be restrictions in connection with the subscription, holding and trading in the Shares. Such restrictions may have the effect of preventing the investor from freely subscribing, holding or transferring the Shares. In addition to the features described below, such restrictions may also be caused by specific requirements such as a Minimum Initial Subscription Amount or due to the fact that certain Sub-Funds may be closed to additional subscriptions after the Initial Offering Period or Initial Offering Date.

## 7.7 **Taxation**

Investors should consult their professional advisors on the possible tax and other consequences prior to the investment in a Sub-Fund of the Company.

### A- Taxation of the Company

There are no Luxembourg income, withholding or capital gains taxes payable by the Company.

The Company is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The Company is, however, liable in Luxembourg to a subscription tax ("*taxe d'abonnement*") at the rate of 0.05% per annum (0.01% in case of Institutional Classes of Shares) of its net assets calculated and payable at the end of each quarter. The value of assets represented by units held in other UCIs benefit from an exemption from the *taxe d'abonnement*, provided such units have already been subject to this tax. Income received by the Company on its investments may be subject to non-recoverable withholding taxes in the countries of origin.

The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate. In addition the Company may be subject to transfer taxes on the sale and/or purchase of securities and may also be subject to subscription taxes in countries where shares of the Company are distributed.

Distributions made by the Company are not subject to withholding tax in Luxembourg.

This information is based on the current Luxembourg law, regulations and practice and is subject to changes therein.

As the Company is only eligible to benefit from a limited number of Luxembourg tax treaties, dividends and interest received by the Company as a result of its investments may be subject to withholding taxes in the countries of their origin which are generally irrecoverable as the Company itself is exempt from income tax. Recent European Union case law may, however, reduce the amount of such irrecoverable tax.

## B- Taxation of the Shareholders

### *Luxembourg resident individuals*

Capital gains realised on the sale of the Shares by Luxembourg resident individuals Investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the company.

Distributions made by the Company will be subject to Luxembourg income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*).

### *Luxembourg resident corporate*

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 24.94% (in 2019 for entities having the registered office in Luxembourg-City) on capital gains realised upon disposal of Shares and on the distributions received from the Company.

Luxembourg corporate resident investors who benefit from a special tax regime, such as, for example, (i) a UCI subject to the 2010 Act, (ii) specialised investment funds subject to the amended law of 13 February 2007 on specialised investment funds, (iii) reserved alternative investment funds subject to the law of 23 July 2016 on reserved alternative investment funds (to the extent that they have not opted to be subject to general corporation taxes) or (iv) family wealth management companies subject to the amended law of 11 May 2007 related to family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Investors except if the holder of the Shares is (i) a UCI subject to the 2010 Act, (ii) a vehicle governed by the amended law of 22 March 2004 on securitisation, (iii) an investment company governed by the amended law of 15 June 2004 on the investment company in risk capital, (iv) a specialised investment fund subject to the amended law of 13 February 2007 on specialised investment funds, (v) a reserved alternative investment fund subject to the law of 23 July 2016 on reserved alternative investment funds or (vi) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

### *Non-Luxembourg residents*

Non-resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable are not subject to Luxembourg taxation on capital gains realised upon disposal of the Shares nor on the distribution received from the Company and the Shares will not be subject to net wealth tax.

#### 7.8 **Change of law**

The Company must comply with regulatory constraints, such as a change in the laws affecting the investment restrictions and limits applicable to UCITS, which might require a change in the investment policy and objectives followed by a Sub-Fund.

#### 7.9 **Political factors**

The performance of the Shares or the possibility to purchase, sell, or redeem may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements.

#### 7.10 **Fees in underlying undertakings for collective investment**

A Sub-Fund may, subject to the conditions set out in Section 4.4 of the General Section, invest in other undertakings for collective investment which may be operated and/or managed by the Investment Manager or a related party. As an investor in such other undertakings for collective investment, in addition to the fees, costs and expenses payable by a Shareholder in the Sub-Funds, each Shareholder will also indirectly bear a portion of the fees, costs and expenses of the underlying undertakings for collective investment, including management, investment management and, administration and other expenses.

#### 7.11 **Transaction costs**

Where a Sub-Fund does not adjust its subscription and redemption prices by an amount representing the duties and charges associated with buying or selling underlying assets this will affect the performance of that Sub-Fund.

## **8. CONFLICTS OF INTEREST AND RESOLUTION OF CONFLICT**

8.1 The Directors, the Management Company, the Distributor(s), the Investment Manager, the Depositary and any of their sub-contractors may, in the course of their business, have potential conflicts of interests with the Company. Each of the Directors, the Management Company, the Distributor(s), the Investment Manager, the Depositary and their sub-contractors will have regard to their respective duties to the Company and other persons when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts do arise, each of such persons has undertaken or will be requested by the Company to undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the Shareholders are fairly treated.

#### 8.2 **Interested dealings**

The Directors, the Management Company, the Distributor(s), the Investment Manager, the Depositary and any of their respective subsidiaries, affiliates, associates, agents, directors, officers, employees, sub-contractors or delegates (together the **Interested Parties** and, each, an **Interested Party**) may:

- (a) contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company, in securities in any company or body any of whose investments or obligations form part of the assets of the Company or any Sub-Fund, or be interested in any such contracts or transactions;
  - (b) invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party; and
  - (c) deal as agent or principal in the sale, issue or purchase of securities and other investments to, or from, the Company through, or with, the Investment Manager or the Depository or any subsidiary, affiliate, associate, agent, sub-contractors or delegate thereof.
- 8.3 Any assets of the Company in the form of cash may be invested in certificates of deposit or banking investments issued by any Interested Party. Banking or similar transactions may also be undertaken with or through an Interested Party (provided it is licensed to carry out this type of activities).
- 8.4 There will be no obligation on the part of any Interested Party to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party.
- 8.5 Any such transactions must be carried out as if effected on normal commercial terms negotiated at arm's length.
- 8.6 Notwithstanding anything to the contrary herein and unless otherwise provided for in a Special Section for a particular Sub-Fund, the Management Company or the Investment Manager and their respective Affiliates may actively engage in transactions on behalf of other investment funds and accounts which involve the same securities and instruments in which the Sub-Funds will invest. The Management Company or the Investment Manager and their respective Affiliates may provide investment management/advisory services to other investment funds and accounts that have investment objectives similar or dissimilar to those of the Sub-Funds and/or which may or may not follow investment programs similar to the Sub-Funds, and in which the Sub-Funds will have no interest. The portfolio strategies of the Management Company or the Investment Manager and their respective Affiliates used for other investment funds or accounts could conflict with the transactions and strategies advised by the Management Company or the Investment Manager in managing a Sub-Fund and affect the prices and availability of the securities and instruments in which such Sub-Fund invests.
- 8.7 The Management Company or the Investment Manager and their respective Affiliates may give advice or take action with respect to any of their other clients which may differ from the advice given or the timing or nature of any action taken with respect to investments of a Sub-Fund. The Management Company or the Investment Manager have no obligation to advise any investment opportunities to a Sub-Fund which they may advise to other clients.
- 8.8 The Management Company or the Investment Manager will devote as much of their time to the activities of a Sub-Fund as they deem necessary and appropriate. The Management Company or the Investment Manager and their respective Affiliates are not restricted from forming additional investment funds, from entering into other investment advisory/management relationships, or from engaging in other business activities, even though such activities may be in competition with a Sub-Fund. These activities will not qualify as creating a conflict of interest.
- 8.9 Additional considerations relating to conflicts of interest may be applicable, as the case may be, for a specific Sub-Fund as further laid down in the relevant Special Section.

## **9. SUBSCRIPTIONS**

### **9.1 General**

- (a) During the Initial Offering Period or Initial Offering Date, the Company is offering the Shares under the terms and conditions as set forth in the relevant Special Section. The Company may offer Shares in one or several Sub-Funds or in one or more Classes in each Sub-Fund.
- (b) The Board may in its discretion decide to cancel the offering of a Sub-Fund. The Board may also decide to cancel the offering of a new Class of Shares. In such case, investors having made an application for subscription will be duly informed and any subscription monies already paid will be returned. For the avoidance of doubt, no interest will be payable on such amount prior to their return to the relevant investors.
- (c) After the Initial Offering Period or Initial Offering Date, the Company may offer Shares of each existing Class in each existing Sub-Fund on any day that is a Valuation Day, as stipulated in the relevant Special Section. The Board may decide that for a particular Class or Sub-Fund no further Shares will be issued after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section). However, the Board reserves the right to authorise at any time and without notice the issue and sale of Shares for Classes or Sub-Funds that were previously closed for further subscriptions. Such decision will be made by the Board with due regard to the interest of the existing Shareholders in the relevant Class or Sub-Fund.
- (d) The Company may, in its discretion, create new Sub-Funds with different investment objectives and policies or new Classes within each Sub-Fund at any time, details of which will be set forth in the relevant Special Section.
- (e) Subscriptions are accepted in amounts and for a particular number of Shares.

### **9.2 Subscription price**

- (a) Shareholders or prospective investors may subscribe for a Class in a Sub-Fund at a subscription price per Share equal to:
  - (i) the Initial Subscription Price where the subscription relates to the Initial Offering Period or Initial Offering Date; or
  - (ii) the Net Asset Value per Share as of the NAV Calculation Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the Initial Offering Period or Initial Offering Date) of Shares of an existing Class in an existing Sub-Fund.
- (b) If an investor wants to subscribe Shares, a Subscription Fee of up to 5% of the Net Asset Value per Share may be added to the subscription price to be paid by the investor. The applicable Subscription Fee will be stipulated in the relevant Special Section. This fee will be payable to Distributor(s), sub-distributors or intermediaries.

### **9.3 Minimum Initial Subscription Amount**

The Minimum Initial Subscription Amount that can be applied for may vary from one Class or Sub-Fund to another, as stipulated in the relevant Special Section. The Board reserves the right from time to time to waive any requirements relating to the Minimum Initial Subscription Amount, applicable for a Class or Sub-Fund, as and when it determines in its reasonable discretion and by taking into consideration the equal treatment of Shareholders.

## 9.4 Subscription procedure

- (a) Subscriptions may be made only by investors who are not Restricted Persons by:
  - (i) submitting a written subscription request to the Distributor(s) or the Management Company (or its sub-contractor) to be received by the Management Company (or its sub-contractor) at the time specified in the relevant Special Section; and
  - (ii) delivering to the account of the Depository cleared funds for the full amount of the subscription price (plus any Subscription Fee) of the Shares being subscribed for pursuant to the subscription request, within such number of Business Days as specified in the relevant Special Section.
- (b) If the Depository does not receive the funds in time the purchase order may be cancelled and the funds returned to the investor without interest. The investor will be liable for the costs of late or non-payment in which the case the Directors and the Management Company will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs. In circumstances where it is not practical or feasible to recoup a loss from an applicant for Shares, any losses incurred by the Company due to late or non-payment of the subscription proceeds in respect of subscription applications received may be borne by the Company.
- (c) Subscribers for Shares must make payment in the Reference Currency of the relevant Sub-Fund or Class. Subscription monies received in another currency than the Reference Currency will be exchanged by the Management Company (or its sub-contractor) on behalf of the investor at normal banking rates. Any such currency transaction will be effected with the Management Company (or its sub-contractor) at the investor's risk and cost. Such currency exchange transactions may delay any transaction in Shares.
- (d) Subscribers for Shares are to indicate the allocation of the subscription monies among one or more of the Sub-Funds and/or Classes offered by the Company.
- (e) In the event that the subscription order is incomplete (i.e., all requested papers are not received by the Management Company (or its sub-contractor) or the Distributor(s) by the relevant deadline set out above) the subscription order will be rejected and a new subscription order will have to be submitted.
- (f) The minimum amount (if any) of Shares of the same Class or of the same Sub-Fund for which a subscriber or Shareholder must subscribe in each Sub-Fund is the amount stipulated in the relevant Special Section as the Minimum Initial Subscription Amount.
- (g) In the event that the Company or the Management Company (or its sub-contractor) decides to reject any application to subscribe for, or the purchase of Shares, the monies transferred by a relevant applicant will be returned to the prospective investor without undue delay (unless otherwise provided for by law or regulations).
- (h) The number of Shares issued to a subscriber or Shareholder in connection with the foregoing procedures will be equal to the subscription monies provided by the subscriber or Shareholder, after deduction of the Subscription Fee (if any), divided by:
  - (i) the Initial Subscription Price, in relation to subscriptions made in connection with an Initial Offering Period or Initial Offering Date, or

- (ii) the Net Asset Value per Share of the relevant Class in the relevant Sub-Fund as of the relevant NAV Calculation Day.
- (i) With regard to the Initial Offering Period or Initial Offering Date, Shares will be issued on the first Business Day following the end of the Initial Offering Period or Initial Offering Date.
- (j) The Company will recognise rights to fractions of Shares up to four decimal places, rounded down to the nearest decimal point. Any purchases of Shares will be subject to the ownership restrictions set forth below. Fractional Shares will have no right to vote (except to the extent their number is so that they represent a whole Share, in which case, they confer a voting right) but will have the right to participate pro rata in distributions and allocation of liquidation proceeds.

## 9.5 Subscription in kind

At the entire discretion of the Board, Shares may be issued against contributions of transferable securities or other eligible assets to the Sub-Funds provided that these assets are Eligible Investments and the contributions comply with the investment policies and restrictions laid out in the Prospectus and have a value equal to the issue price of the Shares concerned. The assets contributed to the Sub-Fund, as described above, will be valued separately in a special report of the Auditor. These contributions in kind of assets are not subject to brokerage costs. The Board will only have recourse to this possibility (i) at the request of the relevant investor and (ii) if the transfer does not negatively affect current Shareholders. All costs related to a contribution in kind will be paid for by the Sub-Fund concerned provided that they are lower than the brokerage costs which the Sub-Fund would have paid if the assets concerned had been acquired on the market. If the costs relating to the contribution in kind are higher than the brokerage costs which the Sub-Fund concerned would have paid if the assets concerned had been acquired on the market, the exceeding portion thereof will be supported by the subscriber.

## 9.6 Institutional investors

- (a) The sale of Shares of certain Sub-Funds or Classes may be restricted to institutional investors within the meaning of Article 174 of the 2010 Act (**Institutional Investors**) and the Company will not issue or give effect to any Off-Exchange Transfer of Shares of such Sub-Funds or Classes to any investor who may not be considered as an Institutional Investor (provided that the Company will not decline to register any On-Exchange Sale of Shares). The Company may, at its discretion, delay the acceptance of any subscription for shares of a Sub-Fund or Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of Shares of a Sub-Fund or Class restricted to Institutional Investors is not an Institutional Investor, the Company will, at its discretion, either redeem the relevant shares in accordance with the provisions under Section 10 of the General Section or convert such Shares into Shares of a Sub-Fund or Class which is not restricted to Institutional Investors (provided there exists such a Sub-Fund or Class with similar characteristics) and which is essentially identical to the restricted Sub-Fund or Class in terms of its investment object (but, for avoidance of doubt, not necessarily in terms of the fees and expenses payable by such Sub-Fund or Class), unless such holding is the result of an error of the Company, the Management Company or their agents, and notify the relevant Shareholder of such conversion.
- (b) Considering the qualification of a subscriber or a transferee as Institutional Investor, the Company will have due regard to the guidelines or recommendations (if any) of the competent supervisory authorities.



- (c) Institutional Investors subscribing in their own name, but on behalf of a third party, may be required to certify that such subscription is made either on behalf of an Institutional Investor or on behalf of a Retail Investor provided in the latter case that the Institutional Investor is acting within the framework of a discretionary management mandate and that the Retail Investor has no right to lay a claim against the Company or the Management Company for direct ownership of the Shares.

## 9.7 Ownership restrictions

A person who is a Restricted Person may not invest in the Company. In addition, each applicant for Shares must certify that it is either (a) not a U.S. Person or (b) a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act. The Company may, in its sole discretion, decline to accept an application to subscribe for Shares from any prospective subscriber, including any Restricted Person or any person failing to make the certification set forth in (a) or (b) above (provided that the Company will not decline to register any On-Exchange Sale of Shares). Shares may not be transferred to or owned by any Restricted Person (provided that the Company will not decline to register any On-Exchange Sale of Shares). The Shares are subject to restrictions on transferability to a U.S. Person and may not be transferred or re-sold except pursuant to an exemption from registration under the Securities Act or an effective registration statement under the Securities Act (provided that the Company will not decline to register any On-Exchange Sale of Shares). In the absence of an exemption or registration, any resale or transfer of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law (See "Important Information – Selling Restrictions"). It is the responsibility of the Board to verify that Shares are not transferred in breach of the above. The Company reserves the right to redeem any Shares which are or become owned, directly or indirectly, by a Restricted Person or (a) in the case of Regulation S Shares, are or become owned, directly or indirectly, by a U.S. Person or (b) in the case of 144 A Securities, are or become owned, directly or indirectly, by a U.S. Person who is not a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act in accordance with the Articles. Any prospective investor will only be issued Shares for Institutional Investor if such person provides a representation that it qualifies as an Institutional Investor pursuant to Luxembourg law.

## 10. REDEMPTIONS

### 10.1 Redemptions

- (a) Shares in a Sub-Fund may be redeemed at the request of the Shareholders on any day that is a Valuation Day. Redemption request must be sent in writing to the Distributor(s) or the Management Company (or its sub-contractor) or such other place as the Company or the Management Company may advise. Redemption request must be received by the Management Company (or its sub-contractor) at the time specified in the relevant Special Section on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day following the next Valuation Day.
- (b) The Board, the Management Company (or its sub-contractor) and the Distributor(s) will ensure that the relevant cut-off time for requests for redemption as indicated in the Special Section of each Sub-Fund are strictly complied with and will therefore take all adequate measures to prevent practices known as "Late Trading".
- (c) Requests for redemption must be for either a number of Shares or an amount denominated in the Reference Currency of the Class of the Sub-Fund.

- (d) A Shareholder who redeems his Shares will receive an amount per Share redeemed equal to the Net Asset Value per Share as of the applicable NAV Calculation Day for the relevant Class in the relevant Sub-Fund (less, as the case may be, a Redemption Fee as stipulated in the relevant Special Section and any tax or duty imposed on the redemption of the Shares).
- (e) Payment of the redemption proceeds will be made generally within such number of Business Days as specified in the relevant Special Section. Where a Shareholder redeems Shares that he has not paid for within the required subscription settlement period, in circumstances where the redemption proceeds would exceed the subscription amount that he owes, the Company will be entitled to retain such excess for the benefit of the Company.
- (f) If as a result of a redemption, the value of a Shareholder's holding would become less than the relevant Minimum Holding Amount as stipulated in the relevant Special Section, the Shareholder may be deemed (if the Board so decides) to have requested the redemption of all his Shares.
- (g) Redemption of Shares may be suspended for certain periods of time as described under Section 25 of the General Section.
- (h) The Company reserves the right to reduce proportionally all requests for redemptions in a Sub-Fund to be executed on one Valuation Day whenever the total proceeds to be paid for the Shares so tendered for redemption exceed 10% (ten per cent) of the total net assets of that specific Sub-Fund. The portion of the non-proceeded redemptions will then be proceeded by priority on subsequent Valuation Days (but subject always to the foregoing 10% (ten per cent) limit).
- (i) Redemption requests must be addressed to the Management Company (or its sub-contractor). Redemption requests will not be accepted by telephone or telex. Redemption requests are irrevocable (unless otherwise provided in respect of a specific Sub-Fund in the relevant Special Section and except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of Shares is suspended) and proceeds of the redemption will be remitted to the account indicated by the Shareholder in its redemption request. The Company reserves the right not to redeem any Shares if it has not been provided with evidence satisfactory to the Company that the redemption request was made by a Shareholder of the Company. Failure to provide appropriate documentation to the Management Company (or its sub-contractor) may result in the withholding of redemption proceeds.
- (j) If a Shareholder wants to redeem Shares of the Company, a Redemption Fee of up to 3% may be levied on the amount to be paid to the Shareholder. The applicable Redemption Fee (if any) will be stipulated in the relevant Special Section. This fee will be payable to Distributor(s), sub-distributors or intermediaries.
- (k) The Company may, at the request of a Shareholder, agree to make, in whole or in part, a distribution in-kind of securities of the Sub-Fund to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. The Company will agree to do so if they determine that such a transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Sub-Fund. Such redemption will be effected at the Net Asset Value per Share of the relevant Class of the Sub-Fund which the Shareholder is redeeming, and thus will constitute a pro rata portion of the Sub-Fund's assets attributable in that Class in terms of value. The assets to be transferred to such Shareholder will be determined by the Company and the Depositary, with regard to the practicality of transferring the assets and to the interests of the Sub-Fund and continuing participants therein and to the Shareholder.

Such a Shareholder may incur brokerage and/or local tax charges on any transfer or sale of securities so received in satisfaction of redemption. The net proceeds from this sale by the redeeming Shareholder of such securities may be more or less than the corresponding redemption price of Shares in the relevant Sub-Fund due to market conditions and/or differences in the prices used for the purposes of such sale or transfer and the calculation of the Net Asset Value of Shares of the Sub-Fund. The selection, valuation and transfer of assets will be subject to the review and approval of the Auditor of the Company.

- (l) Any costs incurred in connection with a redemption in-kind will be borne by the relevant Shareholder.

## 10.2 **Compulsory redemptions by the Company**

The Company may redeem Shares of any Shareholder if the Directors or the Management Company, whether on its own initiative or at the initiative of a Distributor, determines that:

- (i) any of the representations given by the Shareholder to the Company or the Management Company were not true and accurate or have ceased to be true and accurate; or
- (ii) the Shareholder is not or ceases to be an Eligible Investor;
- (iii) that the continuing ownership of Shares by the Shareholder would cause an undue risk of adverse tax consequences to the Company or any of its Shareholders;
- (iv) the continuing ownership of Shares by such Shareholder may be prejudicial to the Company or any of its Shareholders;
- (v) further to the satisfaction of a redemption request received by a Shareholders, the number or aggregate amount of Shares of the relevant Class held by this Shareholder is less than the Minimum Holding Amount.

## 11. **CONVERSIONS**

- (a) Unless otherwise stated in the relevant Special Section, Shareholders are allowed to convert all, or part, of the Shares of a given Class into Shares of the same or different Class of that or another Sub-Fund. However, the right to convert Shares is subject to compliance with any condition (including any minimum initial subscription amounts and eligibility requirements) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the applicable Minimum Initial Subscription Amount, the Board may decide not to accept the request for conversion of the Shares. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant Minimum Holding Amount as stipulated in the relevant Special Section, the Shareholder may be deemed (if the Board so decides) to have requested the conversion of all of his Shares. Shareholders are not allowed to convert all, or part, of their Shares into Shares of a Sub-Fund which is closed for further subscriptions after the Initial Offering Period or Initial Offering Date (as will be set forth in the relevant Special Section).
- (b) If the criteria to become a Shareholder of such other Class and/or such other Sub-Fund are fulfilled, the Shareholder will make an application to convert Shares by sending a written request for conversion to the Distributor(s) or the Management Company (or its

sub-contractor). Shares may be converted at the request of the Shareholders on any day that is a Valuation Day.

The conversion request must be received by the Management Company (or its sub-contractor) at the time specified in the relevant Special Section on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the basis of the Net Asset Value per Share as of the next following Valuation Day. The conversion request must state the number of Shares of the relevant Classes in the relevant Sub-Fund which the Shareholder wishes to convert.

- (c) A Conversion Fee, in favour of the original Sub-Fund or Class, of up to 2% of the Net Asset Value of the new Sub-Fund may be levied to cover conversion costs. The applicable fee, if any, will be stipulated in the relevant Special Section. The same rate of Conversion Fee will be applied to all conversion requests received on the same Valuation Day.
- (d) Conversion of Shares will be effected on the Valuation Day, by the simultaneous:
  - (i) redemption of the number of Shares of the relevant Class in the relevant Sub-Fund specified in the conversion request at the Net Asset Value per Share of the relevant Class in the relevant Sub-Fund; and
  - (ii) issue of Shares on that Valuation Day in the new Sub-Fund or Class, into which the original Shares are to be converted, at the Net Asset Value per Share for Shares of the relevant Class in the (new) Sub-Fund.
- (e) Subject to any currency conversion (if applicable) the proceeds resulting from the redemption of the original Shares will be applied immediately as the subscription monies for the Shares in the new Class or Sub-Fund into which the original Shares are converted.
- (f) Where Shares denominated in one currency are converted into Shares denominated in another currency, the number of such Shares to be issued will be calculated by converting the proceeds resulting from the redemption of the Shares into the currency in which the Shares to be issued are denominated. The exchange rate for such currency conversion will be calculated by the Depositary in accordance with the rules laid down under Section 0 of the General Section.

## 12. TRANSFER OF SHARES

- (a) A Shareholder may only assign, transfer, or otherwise dispose of, grant a participation in, pledge, hypothecate or otherwise encumber its Shares (each such transaction, an **Off-Exchange Transfer**) subject to the provisions of the Articles and the terms of this Section 12. Off-Exchange Transfers exclude any trade or sale of the Shares by a Shareholder which is made through a regulated market or multilateral trading facility (an **On-Exchange Sale**).

### *Off-Exchange Transfer*

- (b) All Off-Exchange Transfer will be effected by a transfer in writing in any usual or common form or any other form approved by the Board and every form of transfer will state the full name and address of the transferor and the transferee. The instrument of an Off-Exchange Transfer will be signed by or on behalf of the transferor. The transferor will be deemed to remain the holder of the Share until the name of the transferee is entered on the Share register in respect thereof. The Directors may decline to register any Off-Exchange Transfer if, in consequence of such Off-Exchange Transfer, the value

of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Share Class or Sub-Fund as set out in this Prospectus or the relevant Special Section. The registration of Off-Exchange Transfer may be suspended at such times and for such periods as the Directors may from time to time determine, provided, however, that such registration will not be suspended for more than 90 days in any calendar year. The Directors may decline to register any Off-Exchange Transfer unless the original instruments of Off-Exchange Transfer, and such other documents that the Directors may require are deposited at the registered office of the Company or at such other place as the Directors may reasonably require, together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and to verify the identity of the transferee. Such evidence may include a declaration as to whether the proposed transferee (i) is a U.S. Person or acting for or on behalf of a U.S. Person, (ii) is a Restricted Person or acting for or on behalf of a Restricted Person or (iii) does qualify as Institutional Investor.

- (c) The Directors may decline to register an Off-Exchange Transfer:
- (i) if in the opinion of the Directors, the Off-Exchange Transfer will be unlawful or will result or be likely to result in any adverse regulatory, tax or fiscal consequences to the Company or its Shareholders; or
  - (ii) if the transferee is a U.S. Person or is acting for or on behalf of a U.S. Person; or
  - (iii) if the transferee is a Restricted Person or is acting for or on behalf of a Restricted Person; or
  - (iv) in relation to Classes reserved for subscription by Institutional Investors, if the transferee is not an Institutional Investor; or
  - (v) if in the opinion of the Directors, the Off-Exchange Transfer would lead to the Shares being registered in a depository or clearing system in which the Shares could be further transferred otherwise than in accordance with the terms of this Prospectus or the Articles.

*On-Exchange Sale*

- (d) No restrictions will apply to any On-Exchange Sale provided that Shares which are transferred to, or purchased by persons who do not qualify as Eligible Investors, who are Restricted Persons, who are U.S. Persons and/or do not fulfil such additional eligibility criteria in respect of the relevant Class of Shares (if any) as set out in this Prospectus may, inter alia, be subject to compulsory redemption by the Company pursuant to Section 10.2.

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

- 13.1 Prospective investors and Shareholders should note that the Company may reject or cancel any subscription or conversion orders for any reason and in particular in order to comply with the CSSF circular 04/146 relating to the protection of UCIs and their investors against Late Trading and Market Timing practices.
- 13.2 For example, excessive trading of shares in response to short-term fluctuations in the market, a trading technique sometimes referred to as Market Timing, has a disruptive effect on portfolio management and increases the Sub-Funds' expenses. Accordingly, the Company may, in the sole discretion of the Board, or of the Management Company compulsorily redeem Shares or reject any subscription orders and conversions orders from any investor that the

Company or the Management Company reasonably believes has engaged in Market Timing activity. For these purposes, the Board and the Management Company may consider an investor's trading history in the Sub-Funds and accounts under common control or ownership.

- 13.3 In addition to the Redemption Fee or Conversion Fee which may be of application to such orders as set forth in the Special Section of the relevant Sub-Fund, the Company and the Management Company may impose a penalty of a maximum of 2% of the Net Asset Value of the Shares subscribed or converted where the Company reasonably believes that an investor has engaged in market timing activity. The penalty will be credited to the relevant Sub-Fund. The Company, the Management Company and the Board will not be held liable for any loss resulting from rejected orders or compulsory redemption.
- 13.4 Furthermore, the Company will ensure that the relevant cut-off time for requests for subscriptions, redemptions or conversions are strictly complied with and will therefore take all adequate measures to prevent practices known as Late Trading.

#### **14. MANAGEMENT OF THE COMPANY**

- 14.1 The Company will be managed by the Board. The Board is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law to the general meeting of Shareholders fall within the competence of the Board.
- 14.2 The Company may indemnify any Director or officer, and his heirs, executors and administrators against expenses reasonably incurred by him or her in connection with any action, suit proceeding to which he or she may be made a party by reason of his or her being or having been a director or officer of the Company or, at its request, of any other company of which the Company is a shareholder or creditor and from which he or she is not entitled to be indemnified, except in relation to matters as which he or she will be finally adjudged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct; in the event of a settlement, indemnification will be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification will not exclude other rights to which he or she may be entitled.

##### **Composition of the Board**

- 14.3 The Board is currently composed as follows:

- Mr Enrique Ruiz Crespo;
- Ms Irene Samayoa Peñalver; and
- Mr Giovanni Mancuso.

#### **15. MANAGEMENT COMPANY**

- 15.1 The Board has appointed FundRock Management Company S.A. as management company of the Company (the **Management Company**) responsible, under the supervision of the Board, for the administration, management and distribution of the Company and its Sub-Funds pursuant to a management company agreement (the **Management Company Agreement**) The rights and duties of the Management Company are further laid down in articles 107 et seq. of the 2010 Act.
- 15.2 The Management Company whose registered office is at 5, Heienhaff, L-1736 Senningerberg,

Grand Duchy of Luxembourg, was incorporated as a public limited liability company on 10 November 2004, and its articles of incorporation were published in the Luxembourg Official Gazette and amended for the last time on 18 January 2016 and published in the Luxembourg Official Gazette on 19 January 2016. The Management Company is registered with the Registry of Trade and Companies of Luxembourg under number B 104196. The Management Company is approved under Chapter 15 of the 2010 Act. The subscribed capital of the Management Company is EUR 10,000,000 and is fully paid up.

15.3 At the date of this Prospectus, the composition of the board of the Management Company is as follows:

- Mr. Michel Marcel Vareika - Independent Non-Executive Director
- Mrs. Carmel McGovern - Independent Non-Executive Director
- Mr. Karl Fuehrer, Executive Director
- Mr. David Rhydderch – Non-Executive Director
- Mr. Frank Alexander de Boer - Executive Director

The following persons are the conducting officers (CO - *dirigeants*) of the Management Company:

- Franck Caramelle, Director – CO in charge of Administration of UCI's, Investment Management;
- Mr Frank de Boer – CO in charge of Accounting and Branches functions
- Khalil Haddad – CO in charge of Valuation;
- Emmanuel Nantas – RR – in charge of Compliance and AML/CFT;
- Karl Fuhrer, CO in charge of Marketing;
- Mr Marc-Oliver Scharwath, Cloud and Outsourcing Officer, CO in charge of IT and
- Hugues Sebenne – CO in charge of Risk Management.

15.4 The Management Company is vested with the day-to-day administration of the Company. In fulfilling its duties as set forth by the 2010 Act and, in the Management Company Agreement, the Management Company is authorised, for the purpose of more efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Company and subject to the approval of the CSSF, part or all of its functions and duties to any third party, which, having regard to the nature of the functions and duties to be delegated, must be qualified and capable of undertaking the duties in question. The Management Company will remain liable to the Company in respect of all matters so delegated. The Management Company will require any such agent to which it intends to delegate its duties to comply with the provisions of the Prospectus, the Articles and the relevant provisions of the Management Company Agreement, as applicable.

15.5 In relation to any delegated duty, the Management Company will implement appropriate control mechanisms and procedures, including risk management controls, and regular reporting processes in order to ensure an effective supervision of the third parties to whom functions and duties have been delegated and that the services provided by such third party service providers are in compliance with the Articles, the Prospectus and the agreement

entered into with the relevant third party service provider. The Management Company has delegated the following functions in respect of the Company and its Sub-Funds:

- (a) the global distribution function of the Company to March Asset Management SGIIC S.A.U.;
  - (b) the central administration function of the Company to CACEIS Bank, Luxembourg branch; and
  - (c) the investment management function of certain Sub-Funds to the relevant Investment Manager as further set forth in this Prospectus and in the relevant Special Sections.
- 15.6 In addition, the Management Company may delegate all or part of its administrative functions and duties to a sub-contractor which, having regard to the nature of the functions and duties to be delegated, must be qualified and capable of undertaking the duties in question.
- 15.7 The Management Company will be careful and diligent in the selection and monitoring of the third parties to whom functions and duties may be delegated and ensure that the relevant third parties have sufficient experience and knowledge as well as the necessary authorisations required to carry out the functions delegated to them. The Management Company's liability will not be affected by such delegation to one or more sub-contractor(s).
- 15.8 The Management Company has established and applies a remuneration policy in accordance with principles laid out under the UCITS Directive and any related legal and regulatory provisions applicable in Luxembourg and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Company (the **Remuneration Policy**).
- 15.9 The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in those UCITS, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Management Company manages.
- 15.10 As an independent management company relying on a full-delegation model (i.e., delegation of the collective portfolio management function), the Management Company ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that the Management Company's employees who are identified as risk-takers under the UCITS Directive are not remunerated based on the performance of the UCITS under management.
- 15.11 The Management Company's remuneration policy, in a multi-year framework, ensures a balanced regime where remuneration both drives and rewards the performance of its employees in a measured, fair and well-thought-out fashion, which relies on the following principles<sup>1</sup>:
- (a) identification of the persons responsible for awarding remuneration and benefits (under the supervision of the remuneration committee and subject to the control of an independent internal audit committee);

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<sup>1</sup> It should be noted that, upon issuance of final regulatory guidelines, this remuneration policy may be subject to certain amendments and/or adjustments.



- (b) identification of the functions performed within the Management Company which may impact the performance of the entities under management;
- (c) calculation of remuneration and benefits based on the combination of individual and company's performance assessment;
- (d) determination of a balanced remuneration (fixed and variable);
- (e) implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration;
- (f) deferral of variable remuneration over 3- (three-)year periods; and
- (g) implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

15.12 The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, where such committee exists, are available at [https://www.fundrock.com/pdf/Fundrock\\_Remuneration\\_policy.pdf](https://www.fundrock.com/pdf/Fundrock_Remuneration_policy.pdf) and a paper copy will be made available free of charge upon request at the Management Company's registered office.

15.13 The terms and conditions of the remuneration of the Management Company are set out in Section 21.

15.14 The Management Company Agreement has been entered into force for an undetermined period of time and may be terminated by either party by giving 90 (ninety) days' prior written notice.

## 16. INVESTMENT MANAGER

16.1 The Management Company may, with the consent of the Company, appoint one or more investment managers (each an **Investment Manager**) to carry out portfolio management services and be responsible for a Sub-Fund's investment activities within the parameters and restrictions set out in this Prospectus and the relevant Special Section. The identity of each Investment Manager and the remuneration payable to such Investment Manager out of the relevant Sub-Fund's assets (if any) will be disclosed in the relevant Special Section.

16.2 The Management Company or an Investment Manager may appoint one or more Investment Advisers to provide advisory services in respect of a Sub-Fund.

## 17. DEPOSITARY AND DOMICILIARY AGENT

17.1 CACEIS Bank, Luxembourg Branch is acting as the Company's depositary (the **Depositary**) in accordance with a depositary bank and principal paying agent agreement dated 2 July 2018 as amended from time to time (the **Depositary Agreement**) and the relevant provisions of the UCITS Directive.

17.2 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.

- 17.3 Shareholders may consult upon request at the registered office of the Company, the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary.
- 17.4 The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Sub-Funds' assets, and it shall fulfil the obligations and duties provided for by Part I of the 2010 Act. In particular, the Depositary shall ensure an effective and proper monitoring of the Company's cash flows.
- 17.5 In due compliance with the UCITS rules (**UCITS Rules**) the Depositary shall:
- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of Shares of the Company are carried out in accordance with the applicable national law and the UCITS Rules or the Articles;
  - (ii) ensure that the value of the Shares is calculated in accordance with the UCITS Rules, the Articles and the procedures laid down in the UCITS Directive;
  - (iii) carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the UCITS Rules, or the Articles;
  - (iv) ensure that in transactions involving the Company's assets any consideration to the Company is remitted to the Company within the usual time limits; and
  - (v) ensure that the Company's income is applied in accordance with the UCITS Rules and the Articles.
- 17.6 The Depositary shall not delegate any of the obligations and duties set out in (i) to (v) of this clause.
- 17.7 In compliance with the provisions of the UCITS Directive, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to Correspondents or Third Party Custodians as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the 2010 Act.
- 17.8 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 Company, 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 Company'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:

- a. identifying and analysing potential situations of conflicts of interest;
- b. 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 Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

17.9 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 Company, notably, administrative agency and registrar agency services.

17.10 The Company and the Depositary may terminate the Depositary Agreement at any time by giving 90 (ninety) days' prior notice in writing. The Company 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 Sub-Funds have been transferred to the new depositary bank.

17.11 The Depositary has no decision-making discretion nor any advice duty relating to the Company's investments. The Depositary is a service provider to the Company 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 Company.

## 18. PAYING AGENT

CACEIS Bank, Luxembourg Branch, or any other bank mentioned in the periodic reports, will also provide paying agent services.

## 19. ADMINISTRATIVE AGENT

19.1 CACEIS Bank, Luxembourg Branch, has been appointed as administrative agent and registrar and transfer agent of the Company (the **Administrative Agent**) pursuant to an administrative services agreement (the **Administrative Services Agreement**) entered into between the Company and the Administrative Agent. The Administrative Services Agreement provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time by giving 90-days' prior written notice.

19.2 The Administrative Agent is responsible for the performance of the central administrative functions required by Luxembourg laws and regulations including (i) the registrar and transfer agency function, (ii) calculating NAVs and accounting of the Company and (iii) the client communication function.

19.3 The Administrative Agent will not be liable for the investment decisions regarding the Company nor the consequences of such investment decisions on the Company's performance and they are not responsible for the monitoring of the compliance of the Company's investments with the rules contained in its Articles and/or the Prospectus.

- 19.4 In consideration of the services rendered under the Administrative Services Agreement, the Administrative Agent receives a fee as detailed in Section 21 of the General Section.
- 19.5 The Administrative Agent may delegate all or part of its functions to one or more sub-contractor(s) which, in view of functions to be delegated, has/have to be qualified and competent for performing the delegated functions. The Administrative Agent's liability shall not be affected by such delegation to one or more sub-contractor(s).
- 19.6 The Administrative Agent shall not be liable for the content of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained in this Prospectus.
- 19.7 The Administrative Agent may outsource, for the performance of its activities, IT and operational functions related to its activities as Administrative Agent, 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, the Administrative Agent 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, the Administrative Agent has to disclose a certain level of information regarding the outsourced activities to the Company, which will communicate these information to the investors. The Company will communicate to the investors any material changes to the information disclosed in this paragraph prior to their implementation.

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.

## **20. DISTRIBUTORS AND NOMINEES**

- 20.1 The Company, the Management Company and the Global Distributor may enter into Distribution Agreement(s) to appoint Distributor(s) to distribute Shares of different Sub-Funds from time to time. The Distributor(s) may appoint one or more sub-distributors with the consent of the Management Company, the Company and the Global Distributor. Without prejudice to the right of the Company and the Management Company to appoint other Distributors, March Asset Management SGIIC S.A.U., has been appointed as Global Distributor of all Sub-Funds.
- 20.2 The Company and the Management Company expect that in relation to Shares to be offered to investors the relevant Distributor(s) will offer to enter into arrangements with the relevant investors to provide nominee services to those investors in relation to the Shares or arrange for third party nominee service providers to provide such nominee services to the underlying investors.
- 20.3 All Distributors and nominee service providers must be (i) professionals of the financial sector of a FATF member country which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg law or (ii) professionals established in a non-FATF member State provided they are a subsidiary of a professional of the financial sector of a FATF member State and they are obliged to follow anti money laundering and terrorism financing rules equivalent to those required by Luxembourg law because of internal group policies. Whilst and to the extent that such arrangements subsist, such underlying investors will not appear in the register of Shareholders of the Company and will have no direct right of recourse against the Company.

- 20.4 Any Distributor or nominee service providers holding their Shares through Euroclear or Clearstream or any other relevant clearing system as an accountholder also will not be recognised as the registered Shareholder in the register of Shareholders. The relevant nominee of Euroclear or Clearstream or the other relevant clearing system will be recognised as the registered Shareholder in the register of Shareholders in such event, and in turn would hold the Shares for the benefit of the relevant accountholders in accordance with the relevant arrangements. 144 A Securities will be issued in physical, certificated form only and will not be eligible for clearance or settlement through Euroclear or Clearstream or any other relevant clearing system.
- 20.5 The terms and conditions of the Distribution Agreement(s) with arrangements to provide nominee services will have to allow that an underlying investor who (i) has invested in the Company through a nominee and (ii) is not a Restricted Person, may at any time, require the transfer in his name of the Shares subscribed through the nominee. After this transfer, the investor will receive evidence of his shareholding at the confirmation of the transfer from the nominee.
- 20.6 Investors may subscribe directly to the Company without having to go through the Global Distributor, the Distributor(s) or a nominee.
- 20.7 A copy of the various agreements between the Company, the Management Company, the Global Distributor, the Distributor(s) or nominee(s) are available at the registered office of the Company as well as at the registered office of the Distributor(s)/nominee(s) during the normal business hours on any Business Day.
- 20.8 Distributors, with regard to the distribution of certain Classes, may be entitled to a portion of the Global Fee as agreed from time to time with the Investment Manager. Distributors have the right, at their discretion to reallocate such fee, in whole or in part, to sub-distributors.

## **21. FEES, COMPENSATION AND EXPENSES**

### **21.1 Fees**

#### **(a) Remuneration of the Management Company**

The Management Company is entitled to receive a Management Company Fee of maximum 0.025% p.a. of the Net Asset Value of each Sub-Fund. This fee is payable monthly and based on the average net assets of each Sub-Fund during the relevant quarter.

#### **(b) Remuneration payable to the Depositary and the Administrative Agent**

The Depositary is entitled to receive, out of the assets of each Class within each Sub-Fund, a fee corresponding to a maximum of 0.02% p.a. of the total Net Asset Value of the Company, with a minimum fee of EUR 3,600 per Sub-Fund.

The Administrative Agent is entitled to receive, out of the assets of each Class within each Sub-Fund, a fee corresponding to a maximum of 0.0225% p.a. per Class, with a minimum fee of EUR 12,000 per Class.

In addition, to the above-mentioned fees, the Administrative Agent and the Depositary are entitled to receive other fees for specific and ad hoc services and transactions as agreed from time to time as disclosed in the Administrative Services Agreement and in the Depositary Agreement.

They are further entitled to be reimbursed by the Company for their reasonable out-of-pocket expenses and disbursements and for charges of any correspondents (as the case may be).

(c) Global Fee

The Investment Manager is entitled to receive, out of the assets of each Class within each Sub-Fund, a Global Fee at a rate based on the average Net Asset Value of the relevant Class over the relevant period as disclosed in the form of a maximum percentage in respect of each Class in each Sub-Fund in the relevant Special Section.

(d) Remuneration of the Investment Advisor

If an Investment Adviser, if any, is entitled to receive a remuneration to be paid out of the assets of a Sub-Fund, the relevant investment advisory fee will be disclosed in the relevant Special Sections.

## 21.2 Operating expenses

- (a) The Company pays out of the assets of the relevant Sub-Fund all expenses payable by the Company which will include but not be limited to formation expenses, fees (including Management Company Fee, Global Fee and performance fees payable to the Management Company and the Investment Manager), fees and expenses payable to its Auditors and accountants, Depositary and its correspondents, Administrative Agent, any pricing agencies, any permanent representatives in places of registration, as well as any other agent employed by the Company, the remuneration of the Directors and officers and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings, fees and expenses for legal and auditing services consultants, any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in the Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements and the costs of any reports to Shareholders and such other reports or documents as may be required under applicable laws or regulations, all taxes, duties, governmental and similar charges, and all other operating expenses, the costs for the publication of the issue and redemption prices, including the cost of buying and selling assets, interest, bank charges and brokerage (including, for the avoidance of doubt, investment research fees), postage, telephone and telex and reasonable marketing and advertising expenses. The Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.
- (b) Furthermore, charges and expenses borne by the Company will include all reasonable charges and expenses paid on its behalf, including but not limited to, telephone, fax, telex, telegram and postage expenses incurred by the Depositary on purchases and sales of portfolio securities in one or several Sub-Funds.
- (c) The Company may indemnify any director, manager, authorised officer, employee or agent, their heirs, executors and administrators, to the extent permitted by law, for all costs and expenses borne or paid by them in connection with any claim, action, law suit or proceedings brought against them in their capacity as director, manager, authorised officer, employee or agent of the Company, except in cases where they are ultimately sentenced for gross negligence. In the case of an out of court settlement, such indemnification will only be granted if the Company's legal adviser is of the opinion that the director, manager, authorised officer, employee or agent in question did not fail in his duty and only if such an arrangement is approved beforehand by the Board. The right to such indemnification does not exclude other rights to which the director, manager, authorised officer, employee or agent are entitled. The rights to indemnification provided herein are separate and do not affect the other rights to which a director, managing director, authorised officer, employee or agent may now or later

be entitled and will be maintained for any person who has ceased their activity as director, manager, authorised officer, employee or agent.

- (d) Expenses for the preparation and presentation of a defence in any claim, action, lawsuit or proceedings brought against a Director, manager, authorised officer, employee or agent will be advanced by the Company, prior to any final decision on the case, on receipt of a commitment by or on behalf of the Director, manager, authorised officer, employee or agent to repay this amount if it ultimately becomes apparent that they are not entitled to indemnification. Notwithstanding the above, the Company may take out the necessary insurance policies on behalf of Directors, managers, authorised officers, employees or agents of the Company.
- (e) For the provision of their services, the fees charged to the Company by (i) the Depositary and (ii) the Management Company will be allocated between the Depositary, the Management Company and any of their sub-contractor as agreed from time to time in writing between the parties.
- (f) Each Sub-Fund will pay for the costs and expenses directly attributable to it. Costs and expenses that cannot be attributed to a given Sub-Fund will be allocated to the Sub-Funds on an equitable basis, in proportion to their respective net assets.

## **22. DIVIDENDS**

- 22.1 Each year the general meeting of Shareholders will decide, based on a proposal from the Board, for each Sub-Fund, on the use of the balance of the year's net income of the investments. Further, dividends may include a capital distribution, provided that after distribution the net assets of the Company total more than EUR 1,250,000.
- 22.2 Over and above the distributions mentioned in the preceding paragraph, the Board may decide to the payment of interim dividends in the form and under the conditions as provided by law.
- 22.3 The Board may issue distribution Shares and accumulation Shares within the Classes of each Sub-Fund, as indicated in the Special Sections. Accumulation Shares capitalise their entire earnings whereas distribution Shares pay dividends.
- 22.4 For Classes entitled to distribution, dividends, if any, will be declared and distributed on an annual basis. Moreover, interim dividends may be declared and distributed from time to time at a frequency determined by the Board within the conditions set forth by law.
- 22.5 Payments will be made in the Reference Currency of the relevant Sub-Fund. With regard to Shares held through Euroclear or Clearstream (or their successors), dividends will be paid by bank transfer to the relevant bank. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-Fund.
- 22.6 Dividends may be declared separately in respect of each Sub-Fund by a resolution of the Shareholders of the Sub-Fund concerned at the annual general meeting of Shareholders.

## **23. TAX ASPECTS**

### **23.1 Luxembourg**

The Company's assets are subject to a subscription tax (*taxe d'abonnement*) in Luxembourg of 0.05% p.a. on net assets (and 0.01% p.a. on total net assets in case of Sub-Funds or Classes reserved to Institutional Investors), payable quarterly. In case some Sub-Funds are invested in other Luxembourg UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Act or the Luxembourg act of 13 February 2007

relating to specialised investment funds, as amended, no annual subscription tax (*taxe d'abonnement*) is due from the Company on the portion of assets invested therein.

The Company's income is not taxable in Luxembourg. Income received from the Company may be subject to withholding taxes in the country of origin of the issuer of the security, in respect of which such income is paid. No duty or tax is payable in Luxembourg in connection with the issue of Shares of the Company, except for a fixed registration duty of EUR 75 due each time the Articles are amended.

Under current legislation, Shareholders are not subject to any capital gains, income, withholding, estate, inheritance or other taxes in Luxembourg, except for those Shareholders domiciled, resident or having a permanent establishment in Luxembourg.

### 23.2 **Other jurisdictions**

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

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

### 23.3 **Future changes in applicable law**

The foregoing description of Luxembourg tax consequences of an investment in, and the operations of, the Company is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company to income taxes or subject Shareholders to increased income taxes.

THE INFORMATION SET OUT ABOVE IS A SUMMARY OF THOSE TAX ISSUES WHICH COULD ARISE IN LUXEMBOURG AND DOES NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OF THE TAX ISSUES WHICH COULD AFFECT A PROSPECTIVE SUBSCRIBER.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SUBSCRIBERS. PROSPECTIVE SUBSCRIBERS SHOULD CONSULT THEIR OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY OTHER JURISDICTION WHICH MAY BE APPLICABLE TO THEM.

## 24. **CALCULATION OF THE NET ASSET VALUE**

- 24.1 The Company, each Sub-Fund and each Class in a Sub-Fund have a Net Asset Value determined in accordance with the Articles. The reference currency of the Company is the Euro. The Net Asset Value of each Sub-Fund will be calculated in the Reference Currency of the relevant Sub-Fund or Class, as it is stipulated in the relevant Special Section, and will be determined by the Management Company (or its sub-contractor) for each Valuation Day as at each NAV Calculation Day as stipulated in the relevant Special Section, by calculating the aggregate of:



- (a) the value of all assets of the Company which are allocated to the relevant Sub-Fund in accordance with the provisions of the Articles; less
  - (b) all the liabilities of the Company which are allocated to the relevant Sub-Fund in accordance with the provisions of the Articles, and all fees attributable to the relevant Sub-Fund, which fees have accrued but are unpaid on the relevant Valuation Day.
- 24.2 The Net Asset Value per Share will be calculated in the Reference Currency of the relevant Sub-Fund and will be calculated by the Management Company (or its sub-contractor) as at the NAV Calculation Day of the relevant Sub-Fund by dividing the Net Asset Value of the relevant Sub-Fund by the number of Shares which are in issue on such Valuation Day in relation to such NAV Calculation Day in the relevant Sub-Fund (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day).
- 24.3 If the Sub-Fund has more than one Class in issue, the Management Company (or its sub-contractor) will calculate the Net Asset Value for each Class by dividing the portion of the Net Asset Value of the relevant Sub-Fund attributable to a particular Class by the number of Shares of such Class in the relevant Sub-Fund which are in issue on such Valuation Day (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day in relation to such NAV Calculation Day).
- 24.4 The Net Asset Value per Share will be calculated in the Reference Currency up to five decimal places, rounded down to the nearest decimal point.
- 24.5 The allocation of assets and liabilities of the Company between Sub-Funds (and within each Sub-Fund between the different Classes) will be effected so that:
- (a) The subscription price received by the Company on the issue of Shares, and reductions in the value of the Company as a consequence of the redemption of Shares, will be attributed to the Sub-Fund (and within that Sub-Fund, the Class) to which the relevant Shares belong.
  - (b) Assets acquired by the Company upon the investment of the subscription proceeds and income and capital appreciation in relation to such investments which relate to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) will be attributed to such Sub-Fund (or Class in the Sub-Fund).
  - (c) Assets disposed of by the Company as a consequence of the redemption of Shares and liabilities, expenses and capital depreciation relating to investments made by the Company and other operations of the Company, which relate to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) will be attributed to such Sub-Fund (or Class in the Sub-Fund).
  - (d) Where the use of foreign exchange transactions, instruments or financial techniques relates to a specific Sub-Fund (and within a Sub-Fund, to a specific Class) the consequences of their use will be attributed to such Sub-Fund (or Class in the Sub-Fund).
  - (e) Where assets, income, capital appreciations, liabilities, expenses, capital depreciations or the use of foreign exchange transactions, instruments or techniques relate to more than one Sub-Fund (or within a Sub-Fund, to more than one Class), they will be attributed to such Sub-Funds (or Classes, as the case may be) in proportion to the extent to which they are attributable to each such Sub-Fund (or each such Class).

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

24.6 The assets of the Company will be valued as follows:

- (a) The value of any cash in hand or on deposit, notes and bills payable on demand and accounts receivable (including reimbursements of fees and expenses payable by any UCI in which the Company may invest), prepaid expenses and cash dividends declared and interest accrued but not yet collected, will be deemed the nominal value of these assets unless it is improbable that it can be paid and collected in full; in which case, the value will be arrived at after deducting such amounts as the Board may consider appropriate to reflect the true value of these assets.
- (b) Securities and Money Market Instruments listed on an official stock exchange or dealt on any other Regulated Market will be valued at their last available price in Luxembourg on the Valuation Day and, if the security or Money Market Instrument is traded on several markets, on the basis of the last known price on the main market of this security. If the last known price is not representative, valuation will be based on the fair value at which it is expected it can be sold, as determined with prudence and in good faith by the Board.
- (c) Unlisted securities and securities or Money Market Instruments not traded on a stock exchange or any other Regulated Market as well as listed securities and securities or Money Market Instruments listed on a Regulated Market for which no price is available, or securities or Money Market Instruments whose quoted price is, in the opinion of the Board, not representative of actual market value, will be valued at their last known price in Luxembourg or, in the absence of such price, on the basis of their probable realisation value, as determined with prudence and in good faith by the Board.
- (d) Securities or Money Market Instruments denominated in a currency other than the relevant Sub-Fund's valuation currency will be converted at the average exchange rate of the currency concerned applicable on the Valuation Day.
- (e) The valuation of investments reaching maturity within a maximum period of 90 days may include straight-line daily amortisation of the difference between the principal 91 days before maturity and the value at maturity.
- (f) The liquidation value of futures, spot, forward or options contracts that are not traded on stock exchanges or other Regulated Markets will be equal to their net liquidation value determined in accordance with the policies established by the Board on a basis consistently applied to each type of contract. The liquidation value of futures, spot, forward or options contracts traded on stock exchanges or other Regulated Markets will be based on the latest available price for these contracts on the stock exchanges and Regulated Markets on which these options, spot, forward or futures contracts are traded by the Company; provided that if an options or futures contract cannot be liquidated on the date on which the net assets are valued, the basis for determining the liquidation value of said contract will be determined by the Board in a fair and reasonable manner.

- (g) Swaps are valued at their fair value based on the last known closing price of the underlying security.
  - (h) UCIs are valued on the basis of their last available net asset value in Luxembourg. As indicated below, this net asset value may be adjusted by applying a recognised index so as to reflect market changes since the last valuation.
  - (i) Liquid assets and money market instruments are valued at their nominal value plus accrued interest, or on the basis of amortised costs.
  - (j) Any other securities and assets are valued in accordance with the procedures put in place by the Board and with the help of specialist valuers, as the case may be, who will be instructed by the Board to carry out the said valuations.
- 24.7 In the context of Sub-Funds which invest in other UCIs, valuation of their assets may be complex in some circumstances and the administrative agents of such UCIs may be late or delay communicating the relevant net asset values. Consequently, the Management Company (or its sub-contractor), without liability for and under the responsibility of the Board under the responsibility of the Board, may calculate the Net Asset Value of the relevant Sub-Funds as of the Valuation Day considering, among other things, the last valuation of these assets, market changes and any other information received from the relevant UCIs. In this case, the Net Asset Value estimated for the Sub-Funds concerned may be different from the value that would have been calculated on the said Valuation Day using the official net asset values calculated by the administrative agents of the UCIs in which the Sub-Fund invested. Nevertheless, the Net Asset Value calculated using this method will be considered as final and applicable despite any future divergence.
- 24.8 For the purpose of determining the value of the Company's assets, the Management Company and its sub-contractor, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value, completely and exclusively rely, unless there is manifest error or negligence on its part, upon the valuations provided either (i) by the Board, (ii) by various pricing sources available on the market such as pricing agencies (i.e., Bloomberg, Reuters, etc) or administrators or investment managers of target UCIs, (iii) by prime brokers and brokers, or (iv) by (a) specialist(s) duly authorised to that effect by the Board. In particular, for the valuation of any assets for which market quotations or fair market values are not publicly available (including but not limited to non-listed structured or credit-related instruments and other illiquid assets), the Management Company and its sub-contractor will exclusively rely on valuations provided either by the Board or by third party pricing sources appointed by the Board under its responsibility or other official pricing sources like UCIs' administrators and others like Telekurs, Bloomberg, Reuters and will not check the correctness and accuracy of the valuations so provided. If the Board gives instructions to the Management Company (or its sub-contractor) to use a specific pricing source, the Board undertakes to make its own prior due diligence on such agents as far as its competence, reputation, professionalism are concerned so as to ensure that the prices which will be given to the Management Company (or its sub-contractor) are reliable and the neither the Management Company nor its sub-contractor will, and will be required to, carry out any additional due diligence or testing on any such pricing source.
- 24.9 If one or more sources of quotation is not able to provide relevant valuations to the Management Company and its sub-contractor, the latter are authorised to not calculate the Net Asset Value and, consequently, not to determine subscription, redemption and conversion prices. The Management Company (or its sub-contractor) will immediately inform the Board if such a situation arises. If necessary, the Board may decide to suspend the calculation of the Net Asset Value in accordance with the procedures described in Section 25 of the General Section.

## **25. SUSPENSION OF DETERMINATION OF THE NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION OF SHARES**

25.1 The Company or the Management Company may at any time and from time to time suspend the determination of the Net Asset Value of Shares of any Sub-Fund or Class, the issue of the Shares of such Sub-Fund or Class to subscribers and the redemption of the Shares of such Sub-Fund or Class from its Shareholders as well as conversions of Shares of any Class in a Sub-Fund:

- (a) when one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the assets of the Sub-Fund or of the relevant Class, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund or of the relevant Class are denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
- (b) when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Board, disposal of the assets of the Sub-Fund or of the relevant Class is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;
- (c) in the case of a breakdown in the normal means of communication used for the valuation of any investment of the Sub-Fund or of the relevant Class or if, for any reason beyond the responsibility of the Board, the value of any asset of the Sub-Fund or of the relevant Class may not be determined as rapidly and accurately as required;
- (d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable or if purchases and sales of the Sub-Fund's assets cannot be effected at normal rates of exchange; and
- (e) when the Board so decides, provided that all Shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) upon publication of a notice convening a general meeting of Shareholders of the Company or of a Sub-Fund for the purpose of deciding on the liquidation, dissolution, the merger or absorption of the Company or the relevant Sub-Fund and (ii) when the Board is empowered to decide on this matter, upon their decision to liquidate, dissolve, merge or absorb the relevant Sub-Fund.

25.2 Any such suspension may be notified by the Company in such manner as it may deem appropriate to the persons likely to be affected thereby. The Company will notify Shareholders requesting redemption of their Shares of such suspension.

## **26. GENERAL INFORMATION**

### **26.1 Auditor**

Deloitte Audit S.à r.l. has been appointed as Auditor of the Company.

### **26.2 Fiscal year**

26.3 The accounts of the Company are closed at 31 December each year.

### **26.4 Reports and notices to Shareholders**

- (a) Audited annual reports of the end of each fiscal year will be established as at 31 December of each year. In addition, unaudited semi-annual reports will be established as per the last day of the month of June. Those financial reports will provide for

information on each of the Sub-Fund's assets as well as the consolidated accounts of the Company and be made available to the Shareholders free of charge at the registered office of the Company and of the Depositary.

- (b) The financial statements of each Sub-Fund will be established in the Reference Currency of the Sub-Fund but the consolidated accounts will be in Euro.
- (c) Audited annual reports will be published within 4 months following the end of the accounting year and unaudited semi-annual reports will be published within 2 months following the end of period to which they refer.
- (d) Information on the Net Asset Value, the subscription price (if any) and the redemption price may be obtained at the registered office of the Company.
- (e) Relevant notifications or other communications to Shareholders concerning their investment in the Company may be posted on the website <https://www.march-am.com/es/documentacion/sicav-luxemburguesas/> In addition, and where required by Luxembourg law or the CSSF, Shareholders will also be notified in writing or in such other manner as prescribed under Luxembourg law.

#### **26.5 Shareholders' meetings**

- (a) The annual General Meeting will be held in the Grand Duchy of Luxembourg at the address and at such date and time specified in the convening notice of the meeting, within four (4) months of the end of each Financial Year.
- (b) The convening notice of any General Meeting (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-Fund) will be made by any means of communication accepted by the Shareholders, such as, but not limited to, e-mail, ordinary mail or registered letter at least eight days prior to the meeting and will be published to the extent required by Luxembourg law in the Luxembourg Official Gazette and in any Luxembourg and other newspaper(s) that the Board may determine.
- (c) Such notices will contain the agenda, the date and place of the meeting, the conditions of admission to the meeting and they will refer to the applicable quorum and majority requirements. The meetings of Shareholders of Shares of a particular Sub-Fund may decide on matters which are relevant only for the Sub-Fund concerned.

#### **26.6 Documents publicly available**

- (a) The following documents will also be publicly available for inspection during normal business hours on any Business Day at the registered office of the Company:
  - (i) the Articles;
  - (ii) the Management Company Agreement;
  - (iii) the Investment Management Agreement;
  - (iv) the Custodian Bank and Paying Agency Agreement;
  - (v) the Administrative Services Agreement; and
  - (vi) the most recent annual and semi-annual financial statements of the Company.
- (b) The above agreements may be amended from time to time by all the parties involved.

- (c) A copy of the Prospectus, KIID(s), the most recent financial statements and the Articles may be obtained free of charge upon request at the registered office of the Company.

#### **26.7 Changes of address**

Shareholders must notify the Management Company (or its sub-contractor) in writing, at the address indicated above, of any changes or other account information.

#### **26.8 Shareholder complaints**

Any investor inquiries or complaints should be submitted to March Asset Management SGIIC, S.A.U. at the following email address: [contacto@march-am.com](mailto:contacto@march-am.com).

### **27. LIQUIDATION AND MERGER OF SUB-FUNDS OR CLASSES**

#### **27.1 Dissolution of the Company**

- (a) The duration of the Company is not limited by the Articles. The Company may be wound up by decision of an extraordinary general meeting of Shareholders. If the total net assets of the Company falls below two-thirds of the minimum capital prescribed by law (i.e. EUR1,250,000), the Board must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed and which will pass resolutions by simple majority of the Shares represented at the meeting.
- (b) If the total net assets of the Company fall below one-fourth of the minimum capital prescribed by law, the Board must submit the question of the Company's dissolution to a general meeting of Shareholders for which no quorum is prescribed. A resolution dissolving the Company may be passed by Shareholders holding one-fourth of the Shares represented at the meeting.
- (c) The meeting must be convened so that it is held within a period of forty days from the date of ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.
- (d) If the Company is dissolved, the liquidation will be carried out by one or several liquidators appointed in accordance with the provisions of the 2010 Act. The decision to dissolve the Company will be published in the Luxembourg Official Gazette and two newspapers with adequate circulation, one of which must be a Luxembourg newspaper. The liquidator(s) will realise each Sub-Fund's assets in the best interests of the Shareholders and apportion the proceeds of the liquidation, after deduction of liquidation costs, amongst the Shareholders of the relevant Sub-Fund according to their respective prorata. Any amounts unclaimed by the Shareholders at the closing of the liquidation of the Company will be deposited with the *Caisse de Consignation* in Luxembourg for a duration of thirty (30) years. If amounts deposited remain unclaimed beyond the prescribed time limit, they will be forfeited.
- (e) As soon as the decision to wind up the Company is made, the issue, redemption or conversion of Shares in all Sub-Funds will be prohibited and will be deemed void.

#### **27.2 Merger of the Company and the Sub-Funds**

- (a) In accordance with the provisions of the 2010 Act and of the Articles, the Board may decide to merge or consolidate the Company with, or transfer substantially all or part of the Company's assets to, or acquire substantially all the assets of, another UCITS established in Luxembourg or another EU Member State. For the purpose of this Section

27.2, the term UCITS also refers to a sub-fund of a UCITS and the term Company also refers to a Sub-Fund.

- (b) The decision of the Board to merge pursuant to 27.2(a) above must be approved by a general meeting of Shareholders (or, for a merger involving one or more Sub-Funds, general meeting(s) of Shareholders of the relevant Sub-Fund(s)), such decision to be taken by simple majority of the votes cast by Shareholders present or represented at the relevant general meeting of Shareholders. Any merger leading to termination of the Company must be approved by Supermajority Resolution at the Shareholders' meeting.
- (c) Shareholders will receive shares of the surviving UCITS or sub-fund and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares.
- (d) The Company will provide appropriate and accurate information on the proposed merger to its Shareholders so as to enable them to make an informed judgment of the impact of the merger on their investment and to exercise their rights under this Section 27.2 and the 2010 Act.
- (e) The Shareholders have the right to request, without any charge other than those retained by the Company to meet disinvestment costs, the redemption of their Shares.
- (f) Under the same circumstances as provided by Section 27.3(a) below, the Board may decide to allocate the assets of a Sub-Fund to those of another existing Sub-Fund within the Company and to repatriate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described in Section 27.1(d) one month before its effectiveness (and, in addition, the publication will contain information in relation to the new Sub-Fund), in order to enable the Shareholders to request redemption of their Shares, free of charge, during such period.
- (g) Notwithstanding the powers conferred to the Board by Section 27.2(f) above, a contribution of the assets and of the liabilities attributable to any Sub-Fund to another Sub-Fund within the Company may in any other circumstances be decided upon by a general meeting of Shareholders of the Class or Classes issued in the Sub-Fund concerned for which there will be no quorum requirements and which will decide upon such a merger by resolution taken by simple majority of those present or represented and voting at such meeting.
- (h) For the interest of the Shareholders of the relevant Sub-Fund or in the event that a change in the economic or political situation relating to a Sub-Fund so justifies, the Board may proceed to the reorganisation of a Sub-Fund by means of a division into two or more Sub-Funds. Information concerning the new Sub-Fund(s) will be provided to the relevant Shareholders. Such publication will be made one month prior to the effectiveness of the reorganisation in order to permit Shareholders to request redemption of their Shares free of charge during such one month prior period.

### 27.3 **Liquidation of Sub-Funds or Classes**

- (a) If, for any reason, the net assets of a Sub-Fund or of any Class fall below the equivalent of EUR5,000,000, or if a change in the economic or political environment of the relevant Sub-Fund or Class may have material adverse consequences on the Sub-Fund or Class's investments, or if an economic rationalisation so requires, the Board may decide on a compulsory redemption of all Shares outstanding in such Sub-Fund or Class on the basis of the Net Asset Value per Share (after taking account of current realisation prices of the investments as well as realisation expenses), calculated as of the day the

decision becomes effective. The Company will serve a notice to the holders of the relevant Shares at the latest on the effective date for the compulsory redemption, which will indicate the reasons of and the procedure for the redemption operations. Registered Shareholders will be notified in writing. Unless the Board decides otherwise in the interests of, or in order to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares free of redemption or conversion charge. However, the liquidation costs will be taken into account in the redemption and conversion price. Liquidation proceeds which could not be distributed to the Shareholders upon the conclusion of the liquidation of a Sub-Fund or Class will be deposited with the *Caisse de Consignation* on behalf of such beneficiaries.

- (b) Notwithstanding the powers granted to the Board as described in the previous paragraph, a general meeting of Shareholders of a Sub-Fund or Class may, upon proposal of the Board, decide to repurchase all the Shares in such Sub-Fund or Class and to reimburse the Shareholders on the basis of the Net Asset Value of their Shares (taking account of current realisation prices of the investments as well as realisation expenses) calculated as of the Valuation Day on which such decision will become effective. No quorum will be required at this general meeting and resolutions will be passed by a simple majority of the shareholders present or represented, provided that the decision does not result in the liquidation of the Company.
- (c) All the Shares redeemed will be cancelled.

## **28. DATA PROTECTION**

### **28.1 Data Subjects, Controller and Data**

The Controller processes information relating to several categories of identified or identifiable natural persons (including, in particular but not limited to, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) who are hereby referred to as the "**Data Subjects**".

This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controller directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "**Data**".

### **28.2 The Privacy Notice**

Detailed and up-to-date information regarding the processing of Data by the Controller is contained in a privacy notice (the "**Privacy Notice**"). Investors and any persons contacting, or otherwise dealing directly or indirectly with the Controller or its service providers in relation to the Company are invited to obtain and take the time to carefully consider and read the Privacy Notice.

### **28.3 Obtaining and accessing the Privacy Notice**

The Privacy Notice is available and can be accessed or obtained online (<https://www.march-am.com/es/documentacion/sicav-luxemburguesas/>) or upon request addressed to [contacto@march-am.com](mailto:contacto@march-am.com). The Privacy Notice is available in both paper and e-format. The



Privacy Notice may also be obtained from Mr. Gustavo Requena the data protection officer appointed by the Investment Manager, upon request to [dpo@bancamarch.com](mailto:dpo@bancamarch.com).

#### 28.4 **Content of the Privacy Notice**

##### **The Privacy Notice notably sets out and describes in more detail:**

- the categories of Data processed;
- the purposes of the processing of the Data which include the performance of the contract to which the investor is a party or to take steps at the investor's request before entering into a contract, the compliance with legal and/or regulatory obligations, the legitimate interests pursued by the Fund and any other specific purpose to which the Data Subject has consented;
- the disclosure of personal data to third parties acting as processors (the "**Processors**"); that may also process Data as controller for its own purposes;
- the rights of the Data Subjects in relation to personal data, including but not limited to the right to access or rectify the Data;
- information on data subjects related to the investor to the extent the investor provides Data regarding Data Subjects related to him/her/it (e.g. representatives, beneficial owners, contact persons, agents, service providers, persons holding a power of attorney, etc.);
- information on the data retention period and that Data will be retained for at least ten years; and
- that telephone conversations may be recorded for the purpose of serving as evidence of commercial transactions and/or any other commercial communications and preventing or facilitating the settlement of any disputes or litigations.

#### 28.5 **Further questions and enquiry**

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to [dpo@bancamarch.com](mailto:dpo@bancamarch.com) for the attention of Mr Gustavo Requena.

## **PART B – SPECIAL SECTIONS**

## **SPECIAL SECTION 1**

### **MARCH INTERNATIONAL – TORRENOVA LUX**

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to March International – Torrenova Lux (the **Sub-Fund**).

#### **1. INVESTMENT OBJECTIVE AND POLICY**

The Sub-Fund seeks regular and current income through its emphasis on a conservative equilibrium between bond and equity securities. It also aims to provide long-term capital appreciation through selected investments in equity securities.

The Sub-Fund will invest its assets internationally in debt securities, bonds, notes, similar fixed-income (including bank deposits) and floating-rate securities, convertible bonds, convertible notes and warrant bonds as well as in equity securities.

The Sub-Fund may also occasionally invest in ADRs (American Depositary Receipts) and GDRs (Global Depositary Receipts) which may not embed derivatives.

The Sub-Fund is actively managed and the investment objectives and strategy do not refer to a benchmark.

The Sub-Fund may not borrow for investment purposes.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out under Section 4 of the General Section. In particular, the Sub-Fund may invest, within the limits set forth under Section 4 of the General Section, in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

The Sub-Fund will not invest more than 10% of its net assets in undertakings for collective investment.

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. In order to achieve its investment goals and for treasury purposes, the Sub-Fund may also invest in bank deposits, money market instruments or money market funds pursuant to the applicable investment restrictions. On a temporary basis and if justified by exceptionally unfavourable market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of the shareholders, invest up to 100% of its net assets in such assets.

The Sub-Fund will use the commitment approach to monitor its global exposure.

The Sub-Fund will not use EPM Techniques or TRS.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the Euro.

#### **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### 4. VALUATION DAY

The Net Asset Value of the Sub-Fund is determined at each Business Day (each a **Valuation Day**) and is calculated the first Business Day following this Valuation Day (each a **NAV Calculation Day**).

#### 5. INVESTMENT MANAGER

The Management Company has, with the consent of the Company, delegated the investment management of the Sub-Fund to March Asset Management SGIIC S.A.U., (the **Investment Manager**), a Spanish public limited company (*sociedad anónima*) whose registered office is at 74, Calle de Castelló, 28006 Madrid (Spain). The Investment Manager is subject to the supervision of the Spanish financial regulator (*Comisión Nacional del Mercado de Valores*). The Investment Manager will provide or procure the Sub-Fund investment management services, in accordance with the investment policy, objective and restrictions of the Sub-Fund as set out in the Articles, this Prospectus and this Special Section and with the aim to achieve the Sub-Fund's investment objective.

The Investment Manager is entitled to receive a Global Fee out of the assets the Sub-Fund, as disclosed in Section 6 of this Special Section.

#### 6. CLASSES OF SHARES AVAILABLE

For the time being the following Classes are available for subscription by the investors in the Sub-Fund with the following characteristics:

	<b>Classes I</b>	<b>Class R</b>	<b>Class D</b>	<b>Classes P</b>	<b>Classes A</b>	<b>Class C</b>	<b>Class S</b>
<b>Classes of Shares</b>	Class I-EUR Class I-USD hedged* Class I-GBP hedged*	Class R-GBP hedged*	Class D-EUR	Class P-EUR Class P-USD hedged* Class P-GBP hedged*	Class A-EUR Class A-USD hedged* Class A-GBP hedged*	Class C-EUR Class C-USD hedged* Class C-GBP hedged*	Class S-EUR Class S-USD hedged* Class S-GBP hedged*
<b>Eligible Investors</b>	Institutional Investors	Unrestricted* *	Unrestricted* *	Unrestricted **	Unrestricted **	Institutional Investors (*****)	(*****)
<b>Reference Currency</b>	Class I-EUR: EUR Class I-USD: USD Class I-GBP: GBP	GBP	EUR	Class P-EUR: EUR Class P-USD: USD Class P-GBP: GBP	Class A-EUR: EUR Class A-USD: USD Class A-GBP: GBP	Class C-EUR: EUR Class-C USD: USD Class C-GBP: GBP	Class S-EUR: EUR Class S-USD: USD Class S-GBP: GBP
<b>Minimum Initial Subscription Amount***</b>	250,000 (in the Reference Currency of the relevant Class)	N/A	N/A	1,000,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A
<b>Minimum Holding Amount***</b>	250,000 (in the Reference Currency of the relevant Class)	N/A	N/A	1,000,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A

<b>Initial Subscription Price</b>	100 (in the Reference Currency of the relevant Class)	GBP10	EUR10	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)
<b>Subscription Fee</b>	N/A	N/A	Up to 5% of the Net Asset Value	N/A	N/A	N/A	N/A
<b>Redemption Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Global Fee****</b>	0.75%	0.65	1%	0.75%	1.15%	0.60%	0.60%
<b>Distribution or Accumulation</b>	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
<b>Annual subscription tax (taxe d'abonnement)</b>	0.01%	0.05%	0.05%	0.05%	0.05%	0.01%	0.05%

\* Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA34-43-296.

\*\* Unrestricted means that the relevant Class of Shares is not restricted for investment by Institutional Investors. However, the Board may decide that certain Classes of Shares are reserved for distribution in certain countries or via certain Distributors.

\*\*\* Minimum requirement may be waived in any particular case at the sole discretion of the Board.

\*\*\*\* Annual fee payable quarterly in arrears on the average Net Asset Value of the relevant Class over the relevant period.

\*\*\*\*\* Class C Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide discretionary portfolio management services, and are not allowed to accept and retain commissions due to regulatory requirements.

\*\*\*\*\* Class S Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide advisory services, and are not allowed to accept and retain commissions due to regulatory requirements.

## 7. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the Distributor(s).

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00 p.m. (Luxembourg time) on the Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

## 8. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent or the Distributor(s). Redemption requests must be received by the

Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

## **9. CONVERSION**

Shares in the Sub-Fund may be converted on each Valuation Day.

Conversion requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 6 of this Special Section may be levied to cover conversion costs.

## **10. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for any investor type (institutional and retail investors) including those who are not interested in or informed about capital markets topics, but who see investment funds as a convenient "savings product". The Sub-Fund is also suitable for more experienced investors wishing to obtain defined investment objectives and seeking current income and stability along. Experienced with capital markets products is not required. The investor must be able to accept moderate temporary losses, thus the Sub-Fund is suitable for investors who can afford, in principle, to set aside their capital for a period of at least 3 years.

Investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## **11. SPECIFIC RISK FACTORS**

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section.

## **SPECIAL SECTION 2**

### **MARCH INTERNATIONAL – MARCH UNIVERSAL BRANDS**

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to March International – March Universal Brands (the **Sub-Fund**).

#### **1. INVESTMENT OBJECTIVE AND POLICY**

The aim of the Sub-Fund is to seek long-term capital appreciation by investing in listed equity securities of companies of capitalisation equal or greater than 2 billion EUR or equivalent, whose success is mainly based on intangible assets (network effect, brand equity, human capital and intellectual property, among others) that can be maintained over the long-term, and which represent a source of revenue creation for the target company, mainly in North America and South America, Europe, and Asia Pacific region.

The Sub-Fund is not constrained by geography, although investments in emerging markets will not exceed 20% of the Sub-Fund's net assets.

Notwithstanding the foregoing, the Sub-Fund also invests up to 20% of its net assets in fixed-income securities (bonds), and in bank deposits in order to limit equity-risk.

The Sub-Fund is actively managed and the investment objectives and strategy do not refer to a benchmark.

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. In order to achieve its investment goals and for treasury purposes, the Sub-Fund may also invest in bank deposits, money market instruments or money market funds pursuant to the applicable investment restrictions. On a temporary basis and if justified by exceptionally unfavourable market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of the shareholders, invest up to 100% of its net assets in such assets.

The Sub-Fund may not borrow for investment purposes.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out under Section 4 of the General Section. In particular, the Sub-Fund may invest, within the limits set forth under Section 4 of the General Section, in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

The Sub-Fund will not invest more than 10% of its net assets in undertakings for collective investment.

The Sub-Fund will use the commitment approach to monitor its global exposure.

The Sub-Fund will not use EPM Techniques or TRS.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the Euro.

#### **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### 4. VALUATION DAY

The Net Asset Value of the Sub-Fund is determined at each Business Day (each a **Valuation Day**) and is calculated the first Business Day following this Valuation Day (each a **NAV Calculation Day**).

#### 5. INVESTMENT MANAGER

The Management Company has, with the consent of the Company, delegated the investment management of the Sub-Fund to March Asset Management SGIIC S.A.U., (the **Investment Manager**), a Spanish public limited company (*sociedad anónima*) whose registered office is at 74, Calle de Castelló, 28006 Madrid (Spain). The Investment Manager is subject to the supervision of the Spanish financial regulator (*Comisión Nacional del Mercado de Valores*). The Investment Manager will provide or procure the Sub-Fund investment management services, in accordance with the investment policy, objective and restrictions of the Sub-Fund as set out in the Articles, this Prospectus and this Special Section and with the aim to achieve the Sub-Fund's investment objective.

The Investment Manager is entitled to receive a Global Fee out of the assets the Sub-Fund, as disclosed in Section 6 of this Special Section.

#### 6. CLASSES OF SHARES AVAILABLE

Unless otherwise indicated, the following Classes are available for subscription by the investors in the Sub-Fund with the following characteristics:

	<b>Classes I</b>	<b>Classes P</b>	<b>Classes A</b>	<b>Class C</b>	<b>Class S</b>
<b>Classes of Shares</b>	Class I-EUR Class I-USD hedged*	Class P-EUR Class P-USD hedged*	Class A-EUR	Class C-EUR Class C-USD hedged*	Class S-EUR Class S-USD hedged*
<b>Eligible Investors</b>	Institutional Investors	Unrestricted**	Unrestricted**	Institutional Investors (*****)	(*****)
<b>Reference Currency</b>	Class I-EUR: EUR Class I-USD: USD	Class P-EUR: EUR Class P-USD: USD	Class A-EUR: EUR	Class C-EUR: EUR Class-C USD: USD	Class S-EUR: EUR Class S-USD: USD
<b>Minimum Initial Subscription Amount***</b>	100,000 (in the Reference Currency of the relevant Class)	500,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A
<b>Minimum Holding Amount***</b>	100,000 (in the Reference Currency of the relevant Class)	500,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A
<b>Initial Subscription Price</b>	100 (in the Reference Currency of	10 (in the Reference Currency of	10 (in the Reference Currency of	10 (in the Reference	10 (in the Reference



	the relevant Class)	the relevant Class)	the relevant Class)	Currency of the relevant Class)	Currency of the relevant Class)
<b>Subscription Fee</b>	N/A	N/A	N/A	N/A	N/A
<b>Redemption Fee</b>	N/A	N/A	N/A	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A	N/A	N/A	N/A
<b>Global Fee****</b>	0.85%	0.85%	1.70%	0.40%	0.40%
<b>Distribution or Accumulation</b>	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
<b>Annual subscription tax (taxe d'abonnement)</b>	0.01%	0.05%	0.05%	0.01%	0.05%

\* Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA34-43-296.

\*\* Unrestricted means that the relevant Class of Shares is not restricted for investment by Institutional Investors. However, the Board may decide that certain Classes of Shares are reserved for distribution in certain countries or via certain Distributors.

\*\*\* Minimum requirement may be waived in any particular case at the sole discretion of the Board.

\*\*\*\* Global fee payable quarterly in arrears on the average Net Asset Value of the relevant Class over the relevant period.

\*\*\*\*\* Class C Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide discretionary portfolio management services, and are not allowed to accept and retain commissions due to regulatory requirements.

\*\*\*\*\* Class S Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide advisory services, and are not allowed to accept and retain commissions due to regulatory requirements. Class S Shares are also available to employees of Banca March group.

## 7. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the Distributor(s).

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00 p.m. (Luxembourg time) on the Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

## 8. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent or the Distributor(s). Redemption requests must be received by the

Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

## **9. CONVERSION**

Shares in the Sub-Fund may be converted on each Valuation Day.

Conversion requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 6 of this Special Section may be levied to cover conversion costs.

## **10. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for any investor (institutional and retail) who understands and is able to bear the risks of an investment in the Sub-Fund, including the risk of losing all or substantially all of his/her/its investment. The Sub-Fund is suitable for investors who can afford, in principle, to set aside their capital for a period of at least 5 years.

Investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## **11. SPECIFIC RISK FACTORS**

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. In addition, investors should pay attention to the specific risk factors outlined below.

As the Sub-Fund invests in equities, investors are exposed to stock market fluctuations and the financial performance of the companies held in the Sub-Fund's portfolio. Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

Also, investors should be aware that the Sub-Fund will be partially invested in emerging markets, which may be subject to additional political and economic risks, while stocks can be negatively impacted by low liquidity, poor transparency and greater financial risks.

This Sub-Fund is denominated in EUR and USD, but will have exposure to other currencies, including emerging market currencies. Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company and the Investment Manager do not intend to systematically hedge investments denominated in another currency against the EUR or USD as the case may be.

## **SPECIAL SECTION 3**

### **MARCH INTERNATIONAL – THE FAMILY BUSINESSES FUND**

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to March International – The Family Businesses Fund (the **Sub-Fund**).

#### **1. INVESTMENT OBJECTIVE AND POLICY**

The investment objective of the Sub-Fund is to seek long term capital appreciation by investing mainly in listed equity securities of companies that were initially set up by one or more families, in which one or more families still own a significant stake (i.e. at least 15%) or in which the management of one or more families are involved. Investments will focus on manufacturing, trading and service companies whose equities have been admitted to trading on a stock market all over the world. The Sub-Fund may invest in equities and occasionally in ADRs (American Depositary Receipts) and GDRs (Global Depositary Receipts) which may not embed derivatives.

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. In order to achieve its investment goals and for treasury purposes, the Sub-Fund may also invest in bank deposits, money market instruments or money market funds pursuant to the applicable investment restrictions. On a temporary basis and if justified by exceptionally unfavourable market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of the shareholders, invest up to 100% of its net assets in such assets.

The Sub-Fund is actively managed and the investment objectives and strategy do not refer to a benchmark.

The Sub-Fund may not borrow for investment purposes.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out under Section 4 of the General Section. In particular, the Sub-Fund may invest, within the limits set forth under Section 4 of the General Section, in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

Notwithstanding, and by way of derogation to, the relaxed investment limits set forth under Sections 4.2(e), 4.2(f) and 4.3(b) of the General Section, the Sub-Fund will not invest more than 20% of its net assets in any Eligible Investment referred to in these Sections issued by one and the same issuer.

The Sub-Fund will not invest more than 10% of its net assets in undertakings for collective investment.

The Sub-Fund will use the commitment approach to monitor its global exposure.

The Sub-Fund will not use EPM Techniques or TRS.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the Euro.

#### **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

#### 4. VALUATION DAY

The Net Asset Value of the Sub-Fund is determined at each Business Day (each a **Valuation Day**) and is calculated the first Business Day following this Valuation Day (each a **NAV Calculation Day**).

#### 5. INVESTMENT MANAGER

The Management Company has, with the consent of the Company, delegated the investment management of the Sub-Fund to March Asset Management SGIIC S.A.U., (the **Investment Manager**), a Spanish public limited company (*sociedad anónima*) whose registered office is at 74, Calle de Castelló, 28006 Madrid (Spain). The Investment Manager is subject to the supervision of the Spanish financial regulator (*Comisión Nacional del Mercado de Valores*). The Investment Manager will provide or procure the Sub-Fund investment management services, in accordance with the investment policy, objective and restrictions of the Sub-Fund as set out in the Articles, this Prospectus and this Special Section and with the aim to achieve the Sub-Fund's investment objective.

The Investment Manager is entitled to receive a Global Fee out of the assets the Sub-Fund, as disclosed in Section 6 of this Special Section.

#### 6. CLASSES OF SHARES AVAILABLE

Unless otherwise indicated, the following Classes are available for subscription by the investors in the Sub-Fund with the following characteristics:

	<b>Classes I</b>	<b>Class R</b>	<b>Class D</b>	<b>Classes P</b>	<b>Classes A</b>	<b>Class C</b>	<b>Class S</b>
<b>Classes of Shares</b>	Class I-EUR Class I-USD hedged* Class I-GBP hedged*	Class R-GBP hedged* <sup>2</sup>	Class D-EUR <sup>3</sup>	Class P-EUR Class P-USD hedged* Class P-GBP hedged*	Class A-EUR Class A-USD hedged* Class A-GBP hedged*	Class C-EUR Class C-USD hedged* Class C-GBP hedged*	Class S-EUR Class S-USD hedged* Class S-GBP hedged*
<b>Eligible Investors</b>	Institutional Investors	Unrestricted **	Unrestricted **	Unrestricted **	Unrestricted **	Institutional Investors (****)	(*****)
<b>Reference Currency</b>	Class I-EUR: EUR Class I-USD: USD Class I-GBP: GBP	GBP	EUR	Class P-EUR: EUR Class P-USD: USD Class P-GBP: GBP	Class A-EUR: EUR Class A-USD: USD Class A-GBP: GBP	Class C-EUR: EUR Class C-USD: USD Class C-GBP: GBP	Class S-EUR: EUR Class S-USD: USD Class S-GBP: GBP
<b>Minimum Initial Subscription Amount***</b>	100,000 (in the Reference Currency of the relevant Class)	N/A	N/A	500,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A

<sup>2</sup> Class R-GBP hedged is currently closed to subscriptions.

<sup>3</sup> Class D-EUR is currently closed to subscriptions.

<b>Minimum Holding Amount***</b>	100,000 (in the Reference Currency of the relevant Class)	N/A	N/A	500,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A
<b>Initial Subscription Price</b>	100 (in the Reference Currency of the relevant Class)	GBP10	EUR10	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)
<b>Subscription Fee</b>	N/A	N/A	Up to 5% of the Net Asset Value	N/A	N/A	N/A	N/A
<b>Redemption Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Global Fee****</b>	1.25%	0.90%	1.5%	1.25%	2%	0.95%	0.95%
<b>Distribution or Accumulation</b>	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
<b>Annual subscription tax (taxe d'abonnement)</b>	0.01%	0.05%	0.05%	0.05%	0.05%	0.01%	0.05%

\* Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA34-43-296.

\*\* Unrestricted means that the relevant Class of Shares is not restricted for investment by Institutional Investors. However, the Board may decide that certain Classes of Shares are reserved for distribution in certain countries or via certain Distributors.

\*\*\* Minimum requirement may be waived in any particular case at the sole discretion of the Board.

\*\*\*\* Annual fee payable quarterly in arrears on the average Net Asset Value of the relevant Class over the relevant period.

\*\*\*\*\* Class C Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide discretionary portfolio management services, and are not allowed to accept and retain commissions due to regulatory requirements.

\*\*\*\*\* Class S Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide advisory services, and are not allowed to accept and retain commissions due to regulatory requirements.

## 7. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the Distributor(s).

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00 p.m. (Luxembourg time) on the Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

## **8. REDEMPTION**

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent or the Distributor(s). Redemption requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

## **9. CONVERSION**

Shares in the Sub-Fund may be converted on each Valuation Day.

Conversion requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 6 of this Special Section may be levied to cover conversion costs.

## **10. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for any investor type (institutional and retail investors) who is interested in the growth potential of companies that were initially set up by one or more families or in which one or more families still own a significant stake and wish to participate in specialised equity markets. The Sub-Fund may be most appropriate for investors with an investment horizon of at least 5 years, as losses may occur due to market fluctuations. This Sub-Fund may be suitable for portfolio diversification purposes as it provides exposure to a particular segment of the equity market as specified in the investment policy of the Sub-Fund.

## **11. SPECIFIC RISK FACTORS**

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section.

In particular, the Sub-Fund may invest in small capitalisation companies and prospective investors should particularly consider the risk outlined in section 7.2(g) of the General Section with respect to investments in small capitalisation companies.

## **SPECIAL SECTION 4**

### **MARCH INTERNATIONAL – BELLVER LUX**

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to March International – Bellver Lux (the **Sub-Fund**).

#### **1. INVESTMENT OBJECTIVE AND POLICY**

The Sub-Fund seeks regular and current income through its emphasis on a balanced equilibrium between bonds and equity securities. It also aims to provide long-term capital appreciation through selected investments in equity securities.

The Sub-Fund will invest its assets in debt securities, bonds, notes, bank deposits, floating-rate securities, convertible bonds, convertible notes and warrant bonds as well as in equity securities on a global basis. The Sub-Fund may occasionally invest in ADRs (American Depositary Receipts) and GDRs (Global Depositary Receipts) which may not embed derivatives.

The Sub-Fund may not invest, on aggregate, more than of 25% of its net assets in unrated bonds, high yield bonds and European commercial papers. The Sub-Fund may invest in notes with embedded derivatives in accordance with article 41 of the 2010 Act and article 2(3) of the 2008 Regulation.

The Sub-Fund is actively managed and the investment objectives and strategy do not refer to a benchmark.

The Sub-Fund will invest between 25% and 75% of its net assets in equities and between 25% and 75% of its net assets in fixed-income securities.

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. In order to achieve its investment goals and for treasury purposes, the Sub-Fund may also invest in bank deposits, money market instruments or money market funds pursuant to the applicable investment restrictions. On a temporary basis and if justified by exceptionally unfavourable market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of the shareholders, invest up to 100% of its net assets in such assets.

The Sub-Fund may not borrow for investment purposes.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out under Section 4 of the General Section. In particular, the Sub-Fund may invest, within the limits set forth under Section 4 of the General Section, in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

The Sub-Fund will not invest more than 10% of its net assets in undertakings for collective investment.

The Sub-Fund will use the commitment approach to monitor its global exposure.

The Sub-Fund will not use EPM Techniques or TRS.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the Euro.

### 3. TERM OF THE SUB-FUND

The Sub-Fund has been created for an unlimited period of time.

### 4. LAUNCH DATE

The launch date is 16 July 2018.

### 5. VALUATION DAY

The Net Asset Value of the Sub-Fund is determined at each Business Day (each a **Valuation Day**) and is calculated the first Business Day following this Valuation Day (each a **NAV Calculation Day**).

### 6. INVESTMENT MANAGER

The Management Company has, with the consent of the Company, delegated the investment management of the Sub-Fund to March Asset Management SGIIC S.A.U., (the **Investment Manager**), a Spanish public limited company (*sociedad anónima*) whose registered office is at 74, Calle de Castelló, 28006 Madrid (Spain). The Investment Manager is subject to the supervision of the Spanish financial regulator (*Comisión Nacional del Mercado de Valores*). The Investment Manager will provide or procure the Sub-Fund investment management services, in accordance with the investment policy, objective and restrictions of the Sub-Fund as set out in the Articles, this Prospectus and this Special Section and with the aim to achieve the Sub-Fund's investment objective.

The Investment Manager is entitled to receive a Global Fee out of the assets the Sub-Fund, as disclosed in Section 7 of this Special Section.

### 7. CLASSES OF SHARES AVAILABLE

For the time being the following Classes are available for subscription by the investors in the Sub-Fund with the following characteristics:

	<b>Classes I</b>	<b>Class R</b>	<b>Class D</b>	<b>Classes P</b>	<b>Classes A</b>	<b>Class C</b>	<b>Class S</b>
<b>Classes of Shares</b>	Class I-EUR Class I-USD hedged* Class I-GBP hedged*	Class R-GBP hedged*	Class D-EUR	Class P-EUR Class P-USD hedged* Class P-GBP hedged*	Class A-EUR Class A- USD hedged* Class A-GBP hedged*	Class C-EUR Class C-USD hedged* Class C-GBP hedged*	Class S-EUR Class S-USD hedged* Class S-GBP hedged*
<b>Eligible Investors</b>	Institutional Investors	Unrestricted **	Unrestricted **	Unrestricted **	Unrestricted **	Institutional Investors (*****)	(*****)
<b>Reference Currency</b>	Class I-EUR: EUR Class I-USD: USD Class I-GBP: GBP	GBP	EUR	Class P- EUR: EUR Class P- USD: USD Class P- GBP: GBP	Class A- EUR: EUR Class A- USD: USD Class A- GBP: GBP	Class C- EUR: EUR Class-C USD: USD Class C- GBP: GBP	Class S- EUR: EUR Class S- USD: USD Class S- GBP: GBP
<b>Minimum Initial</b>	250,000 (in the	N/A	N/A	1,000,000 (in the	N/A	N/A	N/A



<b>Subscription Amount***</b>	Reference Currency of the relevant Class)			Reference Currency of the relevant Class)			
<b>Minimum Holding Amount***</b>	250,000 (in the Reference Currency of the relevant Class)	N/A	N/A	1,000,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A
<b>Initial Subscription Price</b>	100 (in the Reference Currency of the relevant Class)	GBP10	EUR10	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)
<b>Subscription Fee</b>	N/A	N/A	Up to 5% of the Net Asset Value	N/A	N/A	N/A	N/A
<b>Redemption Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Global Fee****</b>	1%	0.70%	1.25%	1%	1.20%	0.75%	0.75%
<b>Distribution or Accumulation</b>	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
<b>Annual subscription tax (taxe d'abonnement)</b>	0.01%	0.05%	0.05%	0.05%	0.05%	0.01%	0.05%

\* Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA34-43-296.

\*\* Unrestricted means that the relevant Class of Shares is not restricted for investment by Institutional Investors. However, the Board may decide that certain Classes of Shares are reserved for distribution in certain countries or via certain Distributors.

\*\*\* Minimum requirement may be waived in any particular case at the sole discretion of the Board.

\*\*\*\* Annual fee payable quarterly in arrears on the average Net Asset Value of the relevant Class over the relevant period.

\*\*\*\*\* Class C Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide discretionary portfolio management services, and are not allowed to accept and retain commissions due to regulatory requirements.

\*\*\*\*\* Class S Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide advisory services, and are not allowed to accept and retain commissions due to regulatory requirements.

## **8. INITIAL SUBSCRIPTIONS**

The Initial Offering Period of the Sub-Fund will start on 16 July 2018 and end on 31 July 2018.

Subscription requests during the Initial Offering Period must be sent in writing to the Administrative Agent or the Global Distributor or a sub-distributor and be received by the Administrative Agent or the Global Distributor or a sub-distributor no later than 4.00 p.m. (Luxembourg time) on last day of the Initial Offering Period. Payments for subscriptions must be received in the reference currency of the relevant Class, on the last day of the Initial Offering Period.

If the Depositary does not receive the funds in time the investor will be liable for the costs of late or non-payment in which the case the Board will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs.

## **9. ONGOING SUBSCRIPTIONS**

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the Distributor(s).

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

## **10. REDEMPTION**

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent or the Distributor(s). Redemption requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

## **11. CONVERSION**

Shares in the Sub-Fund may be converted on each Valuation Day.

Conversion requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 7 of this Special Section may be levied to cover conversion costs.

## **12. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for any investor type (institutional and retail investors) including those who are not interested in or informed about capital markets topics, but who see investment funds as a convenient "savings product". The Sub-Fund is also suitable for more experienced investors wishing to obtain defined investment objectives and seeking current income and stability along. Experienced with capital markets products is not required. The investor must be able to accept moderate temporary losses,

thus the Sub-Fund is suitable for investors who can afford, in principle, to set aside their capital for a period of at least 3 years.

Investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

### **13. SPECIFIC RISK FACTORS**

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. In addition, investors should pay attention to the specific risk factors outlined below.

The Shares Classes in the Sub-Fund are denominated in EUR, GBP and USD, but might nevertheless have exposure to other currencies, including emerging market currencies. Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company and the Investment Manager do not intend to systematically hedge investments denominated in another currency against the EUR, GBP or USD as the case may be.

## SPECIAL SECTION 5

### MARCH INTERNATIONAL – LLUC LUX

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to March International – Lluc Lux (the **Sub-Fund**).

#### 1. INVESTMENT OBJECTIVE AND POLICY

The Sub-Fund aims to provide long-term capital appreciation through selected investments in equity securities as well as, to a lesser extent, debt securities. The Sub-Fund will invest globally with no specific geographic focus.

The Sub-Fund may occasionally invest in ADRs (American Depositary Receipts) and GDRs (Global Depositary Receipts) which may not embed derivatives.

The Sub-Fund shall aim at an exposure of at least 50% of its assets into equity investments. Under exceptional circumstances and depending on market conditions, the exposure on equity securities may decrease below this threshold, but shall not be below 40%.

Debt security investments may encompass bonds, notes, similar fixed-income (including bank deposits) and floating-rate securities, convertible bonds, convertible notes and warrant bonds. The Sub-Fund may not invest, on aggregate, more than of 25% of its net assets in unrated bonds, high yield bonds and European commercial papers. The Sub-Fund may invest in notes with embedded derivatives in accordance with article 41 of the 2010 Act and article 2(3) of the 2008 Regulation.

The Sub-Fund is actively managed and the investment objectives and strategy do not refer to a benchmark.

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. In order to achieve its investment goals and for treasury purposes, the Sub-Fund may also invest in bank deposits, money market instruments or money market funds pursuant to the applicable investment restrictions. On a temporary basis and if justified by exceptionally unfavourable market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of the shareholders, invest up to 100% of its net assets in such assets.

The Sub-Fund may not borrow for investment purposes.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out under Section 4 of the General Section. In particular, the Sub-Fund may invest, within the limits set forth under Section 4 of the General Section, in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other Eligible Investments.

The Sub-Fund will not invest more than 10% of its net assets in UCIs.

The Sub-Fund will use the commitment approach to monitor its global exposure.

The Sub-Fund will not use EPM Techniques or TRS.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## 2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund is the Euro.

## 3. TERM OF THE SUB-FUND

The Sub-Fund has been created for an unlimited period of time.

## 4. LAUNCH DATE

The launch date is 16 July 2018.

## 5. VALUATION DAY

The Net Asset Value of the Sub-Fund is determined at each Business Day (each a **Valuation Day**) and is calculated the first Business Day following this Valuation Day (each a **NAV Calculation Day**).

## 6. INVESTMENT MANAGER

The Management Company has, with the consent of the Company, delegated the investment management of the Sub-Fund to March Asset Management SGIIC S.A.U., (the **Investment Manager**), a Spanish public limited company (*sociedad anónima*) whose registered office is at 74, Calle de Castelló, 28006 Madrid (Spain). The Investment Manager is subject to the supervision of the Spanish financial regulator (*Comisión Nacional del Mercado de Valores*). The Investment Manager will provide or procure the Sub-Fund investment management services, in accordance with the investment policy, objective and restrictions of the Sub-Fund as set out in the Articles, this Prospectus and this Special Section and with the aim to achieve the Sub-Fund's investment objective.

The Investment Manager is entitled to receive a Global Fee out of the assets the Sub-Fund, as disclosed in Section 7 of this Special Section.

## 7. CLASSES OF SHARES AVAILABLE

For the time being the following Classes are available for subscription by the investors in the Sub-Fund with the following characteristics:

	<b>Classes I</b>	<b>Class R</b>	<b>Class D</b>	<b>Classes P</b>	<b>Classes A</b>	<b>Class C</b>	<b>Class S</b>
<b>Classes of Shares</b>	Class I-EUR Class I-USD hedged* Class I-GBP hedged*	Class R-GBP hedged*	Class D-EUR	Class P-EUR Class P-USD hedged* Class P-GBP hedged*	Class A-EUR Class A-USD hedged* Class A-GBP hedged*	Class C-EUR Class C-USD hedged* Class C-GBP hedged*	Class S-EUR Class S-USD hedged* Class S-GBP hedged*
<b>Eligible Investors</b>	Institutional Investors	Unrestricted **	Unrestricted **	Unrestricted **	Unrestricted **	Institutional Investors (*****)	(*****)
<b>Reference Currency</b>	Class I-EUR: EUR Class I-USD: USD	GBP	EUR	Class P-EUR: EUR Class P-USD: USD	Class A-EUR: EUR Class A-USD: USD	Class C-EUR: EUR Class C-USD: USD	Class S-EUR: EUR Class S-USD: USD

	Class I-GBP: GBP			Class P- GBP: GBP	Class A- GBP: GBP	Class C- GBP: GBP	Class S- GBP: GBP
<b>Minimum Initial Subscription Amount***</b>	100,000 (in the Reference Currency of the relevant Class)	N/A	N/A	500,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A
<b>Minimum Holding Amount***</b>	100,000 (in the Reference Currency of the relevant Class)	N/A	N/A	500,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A
<b>Initial Subscription Price</b>	100 (in the Reference Currency of the relevant Class)	GBP10	EUR10	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)
<b>Subscription Fee</b>	N/A	N/A	Up to 5% of the Net Asset Value	N/A	N/A	N/A	N/A
<b>Redemption Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Global Fee****</b>	1.10%	0.85%	1.40%	1.10%	1.30%	0.95%	0.95%
<b>Distribution or Accumulation</b>	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
<b>Annual subscription tax (taxe d'abonnement)</b>	0.01%	0.05%	0.05%	0.05%	0.05%	0.01%	0.05%

\* Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA34-43-296.

\*\* Unrestricted means that the relevant Class of Shares is not restricted for investment by Institutional Investors. However, the Board may decide that certain Classes of Shares are reserved for distribution in certain countries or via certain Distributors.

\*\*\* Minimum requirement may be waived in any particular case at the sole discretion of the Board.

\*\*\*\* Annual fee payable quarterly in arrears on the average Net Asset Value of the relevant Class over the relevant period.

\*\*\*\*\* Class C Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide discretionary portfolio management services, and are not allowed to accept and retain commissions due to regulatory requirements.

\*\*\*\*\* Class S Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide advisory services, and are not allowed to accept and retain commissions due to regulatory requirements.

## **8. INITIAL SUBSCRIPTIONS**

The Initial Offering Period of the Sub-Fund will start on 16 July 2018 and end on 31 July 2018.

Subscription requests during the Initial Offering Period must be sent in writing to the Administrative Agent or the Global Distributor or a sub-distributor and be received by the Administrative Agent or the Global Distributor or a sub-distributor no later than 4.00 p.m. (Luxembourg time) on last day of the Initial Offering Period. Payments for subscriptions must be received in the reference currency of the relevant Class, on the last day of the Initial Offering Period.

If the Depositary does not receive the funds in time the investor will be liable for the costs of late or non-payment in which the case the Board will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs.

## **9. ONGOING SUBSCRIPTIONS**

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the Distributor(s).

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00 p.m. (Luxembourg time) on the Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

## **10. REDEMPTION**

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent or the Distributor(s). Redemption requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

## **11. CONVERSION**

Shares in the Sub-Fund may be converted on each Valuation Day.

Conversion requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 7 of this Special Section may be levied to cover conversion costs.

## **12. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is suitable for any investor type (institutional and retail investors) including those who are not interested in or informed about capital markets topics, but who see investment funds as a convenient "savings product". The Sub-Fund is also suitable for more experienced investors wishing to obtain defined investment objectives and seeking current income and stability along. Experienced with capital markets products is not required. The investor must be able to accept moderate temporary losses, thus the Sub-Fund is suitable for investors who can afford, in principle, to set aside their capital for a period of at least 5 years.

Investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## **13. SPECIFIC RISK FACTORS**

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. In addition, investors should pay attention to the specific risk factors outlined below.

The Shares Classes in the Sub-Fund are denominated in EUR, GBP and USD, but might nevertheless have exposure to other currencies, including emerging market currencies. Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company and the Investment Manager do not intend to systematically hedge investments denominated in another currency against the EUR, GBP or USD as the case may be.



## SPECIAL SECTION 6

### MARCH INTERNATIONAL – MEDITERRANEAN FUND

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to March International – Mediterranean Fund (the **Sub-Fund**). For the avoidance of doubt, the Sub-Fund's name is unrelated to its investment policy and is no indication on the allocation of its assets.

#### 1. INVESTMENT OBJECTIVE AND POLICY

The aim of the Sub-Fund is to provide long-term capital appreciation through selected investments in listed equity securities of companies involved in the design, manufacture or sale of products and services in connection with the seas and water management sectors.

The strategy has a supportive environment that is backed by global mega-trends such as population growth, environmental constraints, supportive regulation, and global wealth creation.

The Sub-Fund will be unrestricted in its choice of companies either by size, industry, or geography. The Sub-Fund is suitable for investors with a medium to long term investment horizon, who wish to invest in a diversified portfolio and to achieve a reasonable investment return, while being aware of the associated price fluctuations.

The Sub-Fund aims to invest in companies producing and distributing drinking water to consumers. The Sub-Fund also looks for companies active in collection and treatment of wastewater, as well as those developing water technologies for companies and consumers.

The Sub-Fund will also invest in companies developing efficient irrigation systems or improving waste management, thereby protecting groundwater quality. In general terms, the water investment universe is made of any company active in the water value-chain. In addition to the above strategy, the Sub-Fund will invest in sectors related with oceans and seas activities such as ocean's pollution prevention, carbon transition in maritime transportation, ocean health & food products from maritime products, reducing plastic pollution, maritime technologies, renewable energy, circular material flows, etc.

The Sub-Fund will mainly invest in equities and occasionally in ADRs (American Depositary Receipts) and GDRs (Global Depositary Receipts) which may not embed derivatives.

Notwithstanding the foregoing, the Sub-Fund may also invest on an ancillary basis in fixed-income securities (bonds) and bank deposits in order to limit equity-risk, including bonds, notes, similar fixed-income, floating-rate securities, convertible bonds, convertible notes, warrant bonds and bank deposits in order to limit equity-risk.

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. In order to achieve its investment goals and for treasury purposes, the Sub-Fund may also invest in bank deposits, money market instruments or money market funds pursuant to the applicable investment restrictions. On a temporary basis and if justified by exceptionally unfavourable market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of the shareholders, invest up to 100% of its net assets in such assets.

The Sub-Fund is actively managed and the investment objectives and strategy do not refer to a benchmark.

The Sub-Fund may not borrow for investment purposes.

The Sub-Fund is authorised to invest in other Eligible Investments in accordance with the authorised investments set out under Section 4 of the General Section. In particular, the Sub-Fund may invest, within the limits set forth under Section 4 of the General Section, in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on Transferable Securities and/or other eligible assets.

The Sub-Fund will not invest more than 10% of its net assets in undertakings for collective investment.

The Sub-Fund will use the commitment approach to monitor its global exposure.

The Sub-Fund will not use EPM Techniques or TRS.

## **2. ESG STRATEGY AND TAXONOMY REGULATION**

The Sub-Fund qualifies as an Article 8 product under SFDR. The Sub-Fund is managed to promote, among other characteristics, a combination of environmental and social characteristics (as provided under article 8 of SFDR) and will additionally invest a minimum proportion of 20% of its net assets in a combination of sustainable investments as defined by SFDR and investments in economic activities that qualify as environmentally sustainable as defined by the Taxonomy Regulation (the commitment to the latter is a 0% minimum proportion within the previously mentioned 20%). Additional information on ESG characteristics applicable to the Sub-Fund can be found in the pre-contractual disclosure contained in Part C of this Prospectus.

The Investment Manager integrates sustainability risks and opportunities into its research, analysis and investment decision-making processes. For further information on the Investment Manager's ESG policy please consult <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>.

In order to promote a combination of environmental and social characteristics (as provided under article 8 of SFDR), the Investment Manager will monitor the sustainability characters and indicators of the companies the Sub-Fund may invest in both directly and through third-party providers. Those characters and indicators are related to material ESG issues that could affect the company reputation, long term risks as a consequence of climate change, ethical considerations, regulatory compliance, externalities, etc. such as bribery and corruption, carbon intensity in own operations, emissions, waste disposal, water intensity use, corporate governance, independence and composition of the board and community relations amongst others.

### Taxonomy Regulation disclosure

Pursuant to the Taxonomy Regulation, the Sub-Fund, that promotes environmental characteristics in line with Article 8 of the SFDR and that partially invests in economic activities that contribute to one or more environmental objectives may contribute to one or more of the following environmental objectives set out in Article 9 of the Taxonomy Regulation: (a) climate change mitigation; (b) climate change adaptation; (c) sustainable use and protection of water and marine resources; (d) transition to a circular economy; (e) pollution prevention and control; (f) protection and restoration of biodiversity and ecosystems, with a commitment to make investments in taxonomy aligned sustainable activities for a minimum proportion of 0% of the Sub-Fund's net assets.

The Investment Manager currently ensures that such investments of the Sub-Fund contribute to the abovementioned objective(s) while not significantly harming any other sustainable objectives by using a combination of some or all of company sourced information, third-party data, and its own research; this will include the Sub-Fund's overall level of taxonomy alignment, assessment of the "Do No Significant Harm" principle and minimum safe wards.

The attention of the investors is drawn to the fact that the "Do No Significant Harm" principle applies only to those investments underlying the Sub-Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of

the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund's Investment Manager only considers (e.g., address, avoid or mitigate) principal adverse impact indicators (the 'PAI Indicators') on sustainability in the sustainable part of the portfolio.

Even using specialised data providers to access the investment's PAI data, the coverage for the data required for the PAI Indicators is heterogeneous and in some cases poor or inexistent. Due to lack of data, a Sub-Fund's Investment Manager cannot yet evaluate some PAI as the unadjusted gender pay gap of investee companies. Additionally, the data coverage related to water and waste is low and the related PAI Indicators are considered through exclusion of severe UN Global Compact controversies. Therefore, the Sub-Fund's Investment Manager will strive to increase data coverage for PAI Indicators with low data coverage. The Sub-Fund's Investment Manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include assessment of such data in the investment process.

### **3. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the Euro.

### **4. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

### **5. LAUNCH DATE**

The launch date is 16 September 2019 or any later date as decided by the Board at its discretion.

### **6. VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated as of each Business Day (each a **Valuation Day**) and is published the first Business Day following this Valuation Day.

### **7. INVESTMENT MANAGER**

The Management Company has, with the consent of the Company, delegated the investment management of the Sub-Fund to March Asset Management SGIIC S.A.U., (the **Investment Manager**), a Spanish public limited company (*sociedad anónima*) whose registered office is at 74, Calle de Castelló, 28006 Madrid (Spain). The Investment Manager is subject to the supervision of the Spanish financial regulator (*Comisión Nacional del Mercado de Valores*). The Investment Manager will provide or procure the Sub-Fund investment management services, in accordance with the investment policy, objective and restrictions of the Sub-Fund as set out in the Articles, this Prospectus and this Special Section and with the aim to achieve the Sub-Fund's investment objective.

The Investment Manager is entitled to receive a Global Fee out of the assets the Sub-Fund, as disclosed in Section 7 of this Special Section.

### **8. CLASSES OF SHARES AVAILABLE**

For the time being the following Classes are available for subscription by the investors in the Sub-Fund with the following characteristics:

	<b>Classes I</b>	<b>Classes P</b>	<b>Classes A</b>	<b>Class C</b>	<b>Class S</b>	<b>Class M*****</b>
<b>Classes of Shares</b>	Class I-EUR Class I-USD hedged*  Class I-GBP hedged*	Class P-EUR Class P-USD hedged* Class P-GBP hedged*	Class A-EUR Class A-USD hedged* Class A-GBP hedged*	Class C-EUR Class C-USD hedged* Class C-GBP hedged*	Class S-EUR Class S-USD hedged* Class S-GBP hedged*	Class M-EUR
<b>Eligible Investors</b>	Institutional Investors	Unrestricted**	Unrestricted**	Institutional Investors (*****)	(*****)	Unrestricted**
<b>Reference Currency</b>	Class I-EUR: EUR Class I-USD: USD  Class I GBP: GBP	Class P-EUR: EUR Class P-USD: USD Class P GBP: GBP	Class A-EUR: EUR Class A-USD: USD Class A GBP: GBP	Class C-EUR: EUR Class-C USD: USD  Class C GBP: GBP	Class S-EUR: EUR Class S-USD: USD Class S GBP: GBP	Class M-EUR: EUR
<b>Minimum Initial Subscription Amount***</b>	100,000 (in the Reference Currency of the relevant Class)	500,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A	N/A
<b>Minimum Holding Amount***</b>	100,000 (in the Reference Currency of the relevant Class)	500,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A	N/A
<b>Initial Subscription Price</b>	100 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)
<b>Subscription Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Redemption Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Global Fee****</b>	0.95%	0.95%	1.85%	0.95%	0.95%	1.00%
<b>Distribution or Accumulation</b>	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
<b>Annual subscription tax (taxe d'abonnement)</b>	0.01%	0.05%	0.05%	0.01%	0.05%	0.05%

\* Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk (deriving from a difference of the reference currency of the relevant Class of Shares and the Reference Currency of the Sub-Fund) against the EUR is applied. Further details on Hedged Classes of Shares can be found in sections 2.8. and 7.6. of the main part of the Prospectus.

\*\* Unrestricted means that the relevant Class of Shares is not restricted for investment by Institutional Investors. However, the Board may decide that certain Classes of Shares are reserved for distribution in certain countries or via certain Distributors.

\*\*\* Minimum requirement may be waived in any particular case at the sole discretion of the Board.

\*\*\*\* Annual fee payable quarterly in arrears on the average Net Asset Value of the relevant Class over the relevant period.

\*\*\*\*\* Class C Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide discretionary portfolio management services, and are not allowed to accept and retain commissions due to regulatory requirements.

\*\*\*\*\* Class S Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide advisory services, and are not allowed to accept and retain commissions due to regulatory requirements.

\*\*\*\*\* Class M Shares will be closed to subsequent investments immediately.

## **9. INITIAL SUBSCRIPTIONS**

The Initial Offering Period of the Sub-Fund will start on 9 September 2019 and end on 13 September 2019 or any later dates as decided by the Board at its discretion.

Subscription requests during the Initial Offering Period must be sent in writing to the Administrative Agent or the Global Distributor or a sub-distributor and be received by the Administrative Agent or the Global Distributor or a sub-distributor no later than 4.00 p.m. (Luxembourg time) on last day of the Initial Offering Period. Payments for subscriptions must be received in the reference currency of the relevant Class, on the last day of the Initial Offering Period.

If the Depositary does not receive the funds in time the investor will be liable for the costs of late or non-payment in which the case the Board will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs.

## **10. ONGOING SUBSCRIPTIONS**

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the Distributor(s).

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00 p.m. (Luxembourg time) on the Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

## **11. REDEMPTION**

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent or the Distributor(s). Redemption requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

## **12. CONVERSION**

Shares in the Sub-Fund may be converted on each Valuation Day.

Conversion requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 8 of this Special Section may be levied to cover conversion costs.

## **13. PROFILE OF THE TYPICAL INVESTOR**

This Sub-Fund aims to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through investment in equities and are more concerned with maximising long term returns than minimising possible short term losses, hence it requires an investment horizon of at least 5 years.

## **14. SPECIFIC RISK FACTORS**

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. In addition, investors should pay attention to the specific risk factors outlined below.

As the Sub-Fund invests in equities, investors are exposed to stock market fluctuations and the financial performance of the companies held in the Sub-Fund's portfolio. Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

This Sub-Fund may invest in companies of all types of capitalisation, including small capitalization companies. Prospective investors should therefore carefully consider the risk outlined in section 7.2 (g) of the General Section with respect to investments in small capitalization companies.

Also, investors should be aware that the Sub-Fund may invest in companies related to emerging markets, which may be subject to additional political and economic risks, while stocks can be negatively impacted by low liquidity, poor transparency and greater financial risks.

The Shares Classes in the Sub-Fund are denominated in EUR, GBP and USD, but might nevertheless have exposure to other currencies, including emerging market currencies. Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company and the Investment Manager do not intend to systematically hedge investments denominated in another currency against the EUR, GBP or USD as the case may be.

### **Risks related to using ESG criteria for investments**

Applying ESG and sustainability criteria to the investment process may exclude securities of certain issuers for non-investment reasons and therefore some market opportunities available to funds that do not use ESG or sustainability criteria may be unavailable for the Sub-Fund, and the Sub-Fund's performance may at times be better or worse than the performance of comparable funds that do not use ESG or sustainability criteria. The selection of assets may in part rely on a proprietary ESG scoring process or ban lists that rely partially on third party data. The lack of common or harmonised definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by managers when setting ESG objectives and determining that these objectives have been met by the funds they manage. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may to a certain extent be subjective or based on metrics that may share the same name but have different

underlying meanings. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from the Investment Manager's methodology. The lack of harmonised definitions may also potentially result in certain investments not benefitting from preferential tax treatments or credits because ESG criteria are assessed differently than initially thought.

## SPECIAL SECTION 7

### MARCH INTERNATIONAL – MARCH ALTERNATIVE STRATEGIES

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to March International – March Alternative Strategies (the **Sub-Fund**).

#### 1. INVESTMENT OBJECTIVE AND POLICY

The objective of this Sub-Fund is to provide its investors with capital growth, mainly by investing in units of UCITS and/or UCIs offering different strategies and the philosophy of which is to achieve an absolute performance.

At least two thirds of the assets, excluding cash, will be invested at all times in UCITS and/or UCIs having notably (but not limited to) the following alternative investment styles: "Long Short Equity", "Event-Driven", "Macro", "Relative-Value" and "Protection" (as defined below). The Sub-Fund's assets must be invested in at least three of these styles without any one of them accounting for more than 50% of the Sub-Fund's total net assets.

The Sub-Fund is actively managed and the investment objectives and strategy do not refer to a benchmark.

The portfolio management involves a four-step investment approach:

- The first step consist in the sourcing of the underlying UCITS and UCIs based on the Investment Manager's views, team's network and external sources.
- The second step consists in a quantitative and qualitative analysis and evaluation of the sourced UCITS and UCIs, including a risk review, with the aim of determining the behaviour of the strategies in different markets scenarios and assessing the risk involved and the quality of the UCITS' and UCIs' investment management team.
- During the third step, the UCITS and UCIs are analysed in light of the Sub-Fund's portfolio construction based on defined constraints and a mixture of top-down and bottom-up approaches.
- The fourth step consists in any analysis of the overall risk of the portfolio and of the compliance with internal risk guidelines.

The Sub-Fund may invest up to 20% of its net assets in:

- money market instruments and time-deposits;
- UCIs the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions.

Through its investment in UCITS and/or UCIs, the Sub-Fund may be exposed for up to 10% of its net asset in catastrophe bonds.

The Sub-Fund shall not invest more than 30% of its net assets in units of other UCIs (other than UCITS).

The Sub-Fund may invest in financial derivative instruments, including but not limited to FX forwards, for hedging and efficient portfolio management purposes.

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. In order to achieve its investment goals and for treasury purposes, the Sub-Fund may also invest in bank deposits, money market instruments or money market funds pursuant to the applicable investment restrictions. On a temporary basis and if justified by exceptionally unfavourable market conditions, the Sub-Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of the shareholders, invest up to 100% of its net assets in such assets.



The investment of the underlying UCITS and/or UCIs can be defined as follows:

"Long Short Equity" style:

This style comprises strategies that aim at generating returns by taking long and short positions in primarily equity and equity related derivative financial instruments. Investment decisions are based on the assessment of the fundamental value of a company and to a lesser extent on price momentum and/or anticipated specific price-relevant events. Net exposure to the market is variable and can span a broad range of values, including negative ones. However, over the medium term these strategies tend to display a positive correlation to equity markets.

"Event-Driven" style:

This style comprises strategies that aim at generating returns by investing long and short in companies which are currently or may prospectively be involved in corporate transactions, such as mergers, restructurings, bankruptcies or capital structure adjustments. The investment universe may cover the entire corporate structure of a company and often involve the use of derivative financial instruments. Investment decisions are based on the perceived likelihood of an event and its potential impact of prices. The sub-manager may or may not directly influence the event itself. This style is particularly sensitive to idiosyncratic situations and often minimise its broad market exposure. However, over the medium term they tend to display a positive correlation to risky assets. It can also display, within the limits of the investment restrictions, a higher level of concentration and lesser degree of liquidity.

"Macro" style:

This style comprises a broad range of strategies that aim at generating returns by taking long and short positions across asset classes, namely equities, fixed income, currencies and/or commodities via eligible instruments. There is generally low to no exposure to single companies. Investment decisions are primarily based on macro-economic, geo-political and capital flow variables as well as past price actions. Despite being directional by nature, these strategies have a low correlation to major risk factors over the medium to long term.

"Protection" style:

This style comprises strategies that aim at generating returns during market corrections, whilst minimising losses during market rallies. Investment decisions are based on the relative valuations of protection solutions and/or on the identification of market regime shifts. By construction these strategies display a negative correlation to major risk factors, with pay-off profile ranging from linear to very convex.

"Relative-Value" style:

This style comprises strategies that aim at generating returns by investing long and short in related eligible instruments in equity, credit, rate and/or volatility markets, while keeping a low to neutral exposure to these markets. Trades can be structured as relative position between two or a few securities and/or as a portfolio against another. Investment decisions are based on the relative valuation of securities and generally rely on mean-reverting price movements. They also generally require to take precisely into account issues regarding financing and imbedded optionality. These strategies tend to display a very low correlation to major risk factors. They most of the time use a substantial amount of leverage.

The universe of alternative investments is very dynamic and encompasses numerous alternative investment styles, which are in constant evolution.

The descriptions of styles listed here above are given for information purposes only and do not aim to provide a comprehensive list of the strategies available.

The Sub-Fund will use the commitment approach to monitor its global exposure.  
The Sub-Fund will not use EPM Techniques or TRS.

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **2. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the Euro.

## **3. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

## **4. LAUNCH DATE**

The launch date was 27 April 2021.

## **5. VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated as at each Business Day (each a **Valuation Day**) and is published the second Business Day following this Valuation Day.

## **6. INVESTMENT MANAGER**

The Management Company has, with the consent of the Company, delegated the investment management of the Sub-Fund to March Asset Management SGIIC S.A.U., (the **Investment Manager**), a Spanish public limited company (*sociedad anónima*) whose registered office is at 74, Calle de Castelló, 28006 Madrid (Spain). The Investment Manager is subject to the supervision of the Spanish financial regulator (*Comisión Nacional del Mercado de Valores*). The Investment Manager will provide or procure the Sub-Fund investment management services, in accordance with the investment policy, objective and restrictions of the Sub-Fund as set out in the Articles, this Prospectus and this Special Section and with the aim to achieve the Sub-Fund's investment objective.

The Investment Manager is entitled to receive a Global Fee out of the assets the Sub-Fund, as disclosed in Section 8 of this Special Section.

## **7. INVESTMENT ADVISOR**

The Investment Manager has, with the consent of the Company, appointed Banca March S.A. (the **Investment Advisor**) as its Investment Advisor in respect of this Sub-Fund pursuant to an investment advisory agreement dated 25 March 2021 (the **Investment Advisory Agreement**).

The Investment Advisor is responsible for, among other matters, assisting the Investment Manager identifying and acquiring the investments of the Company to achieve the investment objectives and policy set out in this Prospectus and the specific investment objective and policy set out above.

## **8. CLASSES OF SHARES AVAILABLE**

For the time being the following Classes are available for subscription by the investors in the Sub-Fund with the following characteristics:

	<b>Classes I</b>	<b>Classes P</b>	<b>Classes A</b>	<b>Class C</b>	<b>Class S</b>
Classes of Shares	Class I-EUR Class I-USD hedged* Class I-GBP hedged*	Class P-EUR Class P-USD hedged* Class P-GBP hedged*	Class A-EUR Class A-USD hedged* Class A-GBP hedged*	Class C-EUR Class C-USD hedged* Class C-GBP hedged*	Class S-EUR Class S-USD hedged* Class S-GBP hedged*
Eligible Investors	Institutional Investors	Unrestricted**	Unrestricted**	Institutional Investors (*****)	(*****)
Reference Currency	Class I-EUR: EUR Class I-USD: USD  Class I-GBP: GBP	Class P-EUR: EUR Class P-USD: USD Class P-GBP: GBP	Class A-EUR: EUR Class A-USD: USD Class A-GBP: GBP	Class C-EUR: EUR Class-C USD: USD  Class C-GBP: GBP	Class S-EUR: EUR Class S-USD: USD Class S-GBP: GBP
Minimum Initial Subscription Amount***	100,000 (in the Reference Currency of the relevant Class)	250,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A
Minimum Holding Amount***	100,000 (in the Reference Currency of the relevant Class)	250,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A
Initial Subscription Price	100 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)
Subscription Fee	N/A	N/A	N/A	N/A	N/A
Redemption Fee	N/A	N/A	N/A	N/A	N/A
Conversion Fee	N/A	N/A	N/A	N/A	N/A
Global Fee****	0.70%	0.70%	0.85%	0.45%	0.45%
Total management fee*****	up to 3%	up to 3%	up to 3%	up to 3%	up to 3%
Distribution or Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
Annual subscription tax	0.01%	0.05%	0.05%	0.01%	0.05%

<i>(taxe d'abonnement)</i>					
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\* Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk (deriving from a difference of the reference currency of the relevant Class of Shares and the Reference Currency of the Sub-Fund) against the EUR is applied. Further details on Hedged Classes of Shares can be found in sections 2.8. and 7.6. of the main part of the Prospectus.

\*\* Unrestricted means that the relevant Class of Shares is not restricted for investment by Institutional Investors. However, the Board may decide that certain Classes of Shares are reserved for distribution in certain countries or via certain Distributors.

\*\*\* Minimum requirement may be waived in any particular case at the sole discretion of the Board.

\*\*\*\* Annual fee payable quarterly in arrears on the average Net Asset Value of the relevant Class over the relevant period.

\*\*\*\*\* Class C Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide discretionary portfolio management services, and are not allowed to accept and retain commissions due to regulatory requirements.

\*\*\*\*\* Class S Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide advisory services, and are not allowed to accept and retain commissions due to regulatory requirements.

\*\*\*\*\* The total management fee refers to the maximum management fee charged both to the Sub-Fund itself (as part of the Global Fee) and at the level of the underlying UCITS and/or UCIs in which the Sub-Fund invests in case such underlying UCITS and/or UCIs are managed, directly or by delegation, by the same Management Company or by any other company with which the Management Company is linked by common management or control or by a substantial direct or indirect holding.

## **9. INITIAL SUBSCRIPTIONS**

The Initial Offering Period of the Sub-Fund will be decided at a later stage by the Board at its discretion.

Subscription requests during the Initial Offering Period must be sent in writing to the Administrative Agent or the Global Distributor or a sub-distributor and be received by the Administrative Agent or the Global Distributor or a sub-distributor no later than 4.00 p.m. (Luxembourg time) on last day of the Initial Offering Period. Payments for subscriptions must be received in the reference currency of the relevant Class, on the last day of the Initial Offering Period.

If the Depositary does not receive the funds in time the investor will be liable for the costs of late or non-payment in which the case the Board will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs.

## **10. ONGOING SUBSCRIPTIONS**

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the Distributor(s).

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00 p.m. (Luxembourg time) on the Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

## **11. REDEMPTION**

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent or the Distributor(s). Redemption requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the fifth Business Day preceding

the Valuation Day. Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

## **12. CONVERSION**

Shares in the Sub-Fund may be converted on each Valuation Day.

Conversion requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 8 of this Special Section may be levied to cover conversion costs.

Shares of the Sub-Fund may not be converted into Shares of the sub-fund "*March International - March Climate Transition Credit*".

## **13. PROFILE OF THE TYPICAL INVESTOR**

This Sub-Fund is aimed more particularly at investors who:

- Wish to achieve capital growth by means of a dynamic diversification of their investments by investing mainly in units of UCITS and/or UCIs with a focus on various alternative strategies and styles, as further described above;
- Have at least a 5 years investment horizon period.

Investors are advised to invest only a part of their assets in such a Sub-Fund.

## **14. SPECIFIC RISK FACTORS**

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. In addition, investors should pay attention to the specific risk factors outlined below.

The Shares Classes in the Sub-Fund are denominated in EUR, GBP and USD, but might nevertheless have exposure to other European currencies. Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company and the Investment Manager do not intend to systematically hedge investments denominated in another currency against the EUR, GBP or USD as the case may be.

### **Risks linked to exposure to catastrophe bonds**

Through its investment in UCITS and/or UCIs, the Sub-Fund may be exposed to bonds which may lose part or all of their value in case trigger event occurs (i.e. natural disasters or financial or economic failures).

Catastrophes can be caused by various events, including, but not limited to, hurricanes, earthquakes, fires and explosions. The incidence and severity of such catastrophes are inherently unpredictable, and the underlying UCITS and/or UCI's losses from such catastrophes could be material. Any climatic or

other event might result in an increase in the likelihood and/or severity of such events (for example, global warming leading to more frequent and violent hurricanes).

Catastrophe bonds may provide for extensions of maturity which may increase volatility and may be rated by credit ratings agencies on the basis of how likely it is that the trigger event will occur. Catastrophe bonds have typically have a below investment grade credit rating (or considered equivalent if they are unrated).

## SPECIAL SECTION 8

### MARCH INTERNATIONAL – MARCH CLIMATE TRANSITION CREDIT

This Special Section is valid only if accompanied by the General Section of the Prospectus. This Special Section refers only to March International – March Climate Transition Credit (the **Sub-Fund**).

#### 1. GLOSSARY

For the purposes of this Special Section, the following defined terms shall have the following definition:

"Business Day"	Means a day on which banks are open (during the whole day) for business in Luxembourg, France and the United Kingdom.
"Currency Exposure"	Means the maximum percentage of the Sub-Fund's assets denominated in a currency as specified in the Sub-Fund's investment restrictions. Such percentage may only be exceeded if the amount exceeding this percentage is hedged against the aforementioned specified currency. Assets and liabilities in the same currency will be set off or netted for the purpose of calculating this limit. Investment instruments that are not denominated in a currency (i.e., no par shares) are considered to be denominated in the currency of the country in which the registered office of the issuer (i.e., the company, for equities) is located.
"Debt Securities"	Means any security which bears interest, including, but not limited to, government bonds, Money Market Instruments, mortgage bonds and similar foreign asset-backed securities issued by financial institutions, public-sector bonds, floating rate notes, instruments with loss-absorption features (including, but not limited to contingent convertible bonds), convertible debt securities, corporate bonds, ABS and MBS, as well as other collateralised bonds. Convertible debt securities include, but are not limited to, convertible bonds, bonds with warrants and/or equity warrant bonds. Debt securities also include index certificates and other certificates with a risk profile that typically correlates with the aforementioned assets or with the investment markets to which these assets can be allocated, as well as non-interest bearing securities such as zero coupon bonds.
"Emerging Market"	Means a country which is not classified by the World Bank as a high-income economy (high gross national income per capita).

#### 2. INVESTMENT OBJECTIVE AND POLICY

The Sub-Fund is a feeder sub-fund which invests at least 85% of its net assets in class WT6 of Allianz Climate Transition Credit (the "**Master Sub-Fund**"), a sub-fund of Allianz Global Investors Fund (the "**Master Fund**").

The Sub-Fund may invest the remaining assets, i.e. a maximum of 15% of its net assets, in ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) and/or in derivative instruments used for hedging purposes.

The objective of the Sub-Fund is to obtain a performance similar to that of the Master Sub-Fund. The Investment Manager takes investment decisions with the aim of achieving the objective and the investment policy of the Sub-Fund which is to invest at least 85% of its net assets in the Master Sub-Fund.

As the Sub-Fund will invest a very high percentage of its net assets in units of the Master Sub-Fund, the performance of the Sub-fund will be very close to the one of the Master Sub-Fund. The only (minor)

differences which might arise between their performances would be due to (i) the valuation of the ancillary liquid assets that the Sub-Fund may hold besides its investment in the Master Sub-Fund and (ii) the costs incurred by the Sub-Fund.

The Sub-Fund is actively managed without reference to a benchmark.

The Sub-Fund will use the commitment approach to monitor its global exposure.

In order to comply with the requirements of Article 42 (3) of the 2010 Act, the Sub-Fund calculates its global exposure related to financial derivative instruments by combining its own direct exposure with the effective exposure of the Master Sub-Fund to such instruments in proportion with the Sub-Fund's investments in the Master Sub-Fund.

The Sub-Fund will not use EPM Techniques nor TRS.

#### Information on the Master Fund

The Master Fund is a Luxembourg fund managed by Allianz Global Investors GmbH (**AllianzGI**), a German limited liability company (*Gesellschaft mit beschränkter Haftung*) whose registered office is at 42-44, Bockenheimer Landstraße 42 - 44, DE-60323 Frankfurt/Main (Germany). Allianz GI is subject to the supervision of the German financial regulator (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

The prospectus (including the Master Sub-Fund factsheet), the KID and the most recent annual and semi-annual reports of the Master Fund are available on request from the registered office of the Master Fund and on the following websites: <https://regulatory.allianzgi.com/en-gb/b2c/luxemburg-en/funds/mutual-funds> and <https://es.allianzgi.com/es-es/fondos>.

#### Investment objective and policy of the Master Sub-Fund

The investment objective of the Master Sub-Fund is to achieve long-term capital growth by investing in investment grade rated debt securities of OECD or EU bond markets denominated in Euro in accordance with the environmental and social characteristics promoted by the Master Sub-Fund (as further described below).

The Master Sub-Fund is subject to the following investment rules:

- Maximum 10% of Master Sub-Fund assets may be invested in Emerging Markets
- Maximum 10% of the Master Sub-Fund may have a non-EUR Currency Exposure
- Maximum 10% of Master Sub-Fund assets may be invested in Debt Securities with a rating between BB+ (inclusive) and BB- (inclusive) (Standard & Poor's). If two different ratings exist, the lower rating determines whether a Debt Security is included in the limits set out before; in case of three or more different ratings, the lower of the two best ratings shall be used
- Duration: between zero and 8 years;
- Benchmark: ICE Euro Corporate Climate Transition. Degree of Freedom: material. Expected Overlap: major

The risk profile of the Master Sub-Fund is similar to the risk profile of the Sub-Fund. The risk profile of the Master Sub-Fund is published on the website <https://regulatory.allianzgi.com> and is also contained in the KID of the Master Sub-Fund and the Sub-Fund SRI is contained in the KID published on the website <https://www.march-am.com/es/documentacion/sicav-luxemburgesas/>.



## Environmental and social characteristics promoted by the Master Sub-Fund

The Master Sub-Fund promotes a broad range of environmental, human rights, governance, and/or business behaviour characteristics (the last characteristic does not apply for financial instruments issued by a sovereign entity) and invests a minimum percentage, which is increasing over time, in issuers which have set the ambition and taken actions to reach the Paris Agreement's goal<sup>4</sup>. The goal of the Paris Agreement is to keep global temperature well below 2°Celsius. This requires a fixed greenhouse gas ("GHG") emission budget and GHG emissions to reach net zero, meaning that residual emissions would need to be balanced by carbon removals by around 2050 ("Net Zero"). The Master Sub-Fund's Investment Manager has developed a methodology to assess issuers' commitments, targets and ability to transition to meet Net Zero objective.

The Master Sub-Fund does so by:

- As a first step promoting environmental and social characteristics, by excluding direct investments in certain issuers which are involved in controversial environmental or social business activities from the investment universe of the Master Sub-Fund by applying exclusion criteria. Within this process the Master Sub-Fund's Investment Manager excludes investee companies that severely violate good governance practices and principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights.

- In a second step, the Master Sub-Fund's Investment Manager selects from the remaining investment universe those corporate issuers that perform better within their sector with respect to sustainability aspects. With respect to sovereign issuers those issuers that generally perform better with respect to sustainability aspects. The score starts at 0 (lowest) and ends at 4 (highest). The score is based on environmental, social, governance and business behaviour factors (business behaviour does not apply to sovereign issuers) and represents an internal assessment assigned to a corporate or sovereign issuer by the Master Sub-Fund's Investment Manager.

- In a third step, the Master Sub-Fund's Investment Manager assesses issuers on multiple criteria such as 2050 ambition, emission reduction target, emissions performance relative to targets, emissions disclosure, transition plan, or capital allocation alignment. Issuers from high impact sectors have stricter fulfilment requirements than low impact sectors of the same bucket. Each issuer is then classified in one of the transition categories: (1) achieving Net Zero, (2) aligned to Net Zero, (3) aligning to Net Zero, (4) committed to Net Zero and (5) not aligned to Net Zero. Investments (excluding cash and derivatives) from issuers classified in (1) achieving Net Zero, (2) aligned to Net Zero, and (3) aligning to Net Zero are considered in the Net Zero Alignment Share before October 1, 2030. Based on this, the Master Sub-Fund's Investment Manager manages the Master Sub-Fund so that min. 30% of the portfolio is invested in investments contributing to the Net Zero Alignment Share.

From October 1, 2030 on, investments (excluding cash and derivatives) from issuers classified in (1) achieving Net Zero and (2) aligned to Net Zero are considered in the Net Zero Alignment Share and the Net Zero alignment share of the Master Sub-Fund's portfolio needs to be at 50% or above.

The Master Sub-Fund's current exclusion criteria may be updated from time to time and can be consulted on the website <https://regulatory.allianzgi.com/ESG/SRI-exclusions>. To undertake this exclusion, various external data and research providers are used.

As far as the use of derivatives is concerned, Appendix 1 Part A ("General Investment Principles") No. 6 ("Use of Techniques and Instruments") of the Master Sub-Fund's prospectus fully applies. This includes transactions with derivatives for efficient portfolio management (including hedging) and/or investment purposes which do not specifically promote environmental or social characteristics.

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<sup>4</sup> <https://www.un.org/en/climatechange/paris-agreement>

### **3. ESG STRATEGY AND TAXONOMY REGULATION**

The Master Sub-Fund, as well as the Feeder Sub-Fund, through its investments in the Master Sub-Fund, promote among other characteristics, environmental characteristics (as provided under article 8 of SFDR) and intend to have a minimum proportion of 20% of sustainable investments.

Within the 20% mentioned above, the Master Sub-Fund commits to invest minimum 0.01% of its assets in investments that take into account the EU criteria for environmentally sustainable economic activities (i.e. Taxonomy-aligned). Additional information on ESG characteristics applicable to the Sub-Fund can be found in the pre-contractual disclosure contained in Part C of this Prospectus.

The Technical Screening Criteria ("TSC") for environmentally sustainable economic have not yet been fully developed (in particular for the other four environmental objectives determined by the Taxonomy Regulation).

These detailed criteria will require the availability of multiple, specific data points regarding each investment, mainly relying on Company reported data. As at the date hereof, there is only limited reliable, timely and verifiable data available to be able to assess investments using the TSC. In, this context, the Master Sub-Fund's management company has selected an external Data and Research provider for determining the committed Taxonomy shares. The external Data and Research provider assesses corporate disclosures to evaluate if business activities of corporates meet the TSCs defined by the EU Commission. An additional Do No Significant Harm assessment on issuer is performed by the Master Fund's management company to evaluate the eligibility of the Taxonomy-aligned.

Further information on the way the Master Sub-Fund considers sustainability risks, principal adverse impact indicators and other ESG factors can be found in Appendix 1 of the Master Fund's prospectus.

### **4. REFERENCE CURRENCY**

The Reference Currency of the Sub-Fund is the USD.

### **5. TERM OF THE SUB-FUND**

The Sub-Fund has been created for an unlimited period of time.

### **6. LAUNCH DATE**

The launch date is 1 December 2021.

### **7. VALUATION DAY**

The Net Asset Value of the Sub-Fund is calculated as at each Business Day (each a **Valuation Day**) and is published on the same day.

The timing for the calculation of the Net Asset Values of the Sub-Fund and the Master Sub-Fund and their publication are coordinated in order to avoid market timing issues or any other arbitrage opportunities.

### **8. CLASSES OF SHARES AVAILABLE**

For the time being the following Classes are available for subscription by the investors in the Sub-Fund with the following characteristics:

	<b>Classes I</b>	<b>Classes A</b>	<b>Class C</b>	<b>Class S</b>
<b>Classes of Shares</b>	Class I-EUR hedged* Class I-USD Class I-GBP hedged*	Class A-EUR hedged* Class A-USD Class A-GBP hedged*	Class C-EUR hedged* Class C-USD Class C-GBP hedged*	Class S-EUR hedged* Class S-USD Class S-GBP hedged*
<b>Eligible Investors</b>	Institutional Investors	Unrestricted **	Institutional Investors (*****)	(*****)
<b>Reference Currency</b>	Class I-EUR: EUR Class I-USD: USD Class I GBP: GBB	Class A-EUR: EUR Class A-USD: USD Class A-GBP: GBP	Class C-EUR: EUR Class-C USD: USD Class C-GBP: GBP	Class S-EUR: EUR Class S-USD: USD Class S-GBP: GBP
<b>Minimum Initial Subscription Amount***</b>	100,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A
<b>Minimum Holding Amount***</b>	100,000 (in the Reference Currency of the relevant Class)	N/A	N/A	N/A
<b>Initial Subscription Price</b>	100 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)	10 (in the Reference Currency of the relevant Class)
<b>Subscription Fee at the level of the Sub-Fund and the Master Sub-Fund</b>	N/A	N/A	N/A	N/A
<b>Redemption Fee at the level of the Sub-Fund and the Master Sub-Fund</b>	N/A	N/A	N/A	N/A
<b>Conversion Fee at the level of the Sub-Fund and the Master Sub-Fund</b>	N/A	N/A	N/A	N/A
<b>Global Fee****</b>	0.12%	0.52%	0.08%	0.08%
<b>Total Fee *****</b>	0.51%	0.91%	0.47%	0.47%
<b>Distribution or Accumulation</b>	Accumulation	Accumulation	Accumulation	Accumulation

<b>Annual subscription tax (taxe d'abonnement)</b>	0.01%	0.05%	0.01%	0.05%
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\* Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk (deriving from a difference of the reference currency of the relevant Class of Shares and the Reference Currency of the Sub-Fund) against the USD is applied. Further details on Hedged Classes of Shares can be found in sections 2.8 and 7.6. of the main part of the Prospectus.

\*\* Unrestricted means that the relevant Class of Shares is not restricted for investment by Institutional Investors. However, the Board may decide that certain Classes of Shares are reserved for distribution in certain countries or via certain Distributors.

\*\*\* Minimum requirement may be waived in any particular case at the sole discretion of the Board.

\*\*\*\* Annual fee payable quarterly in arrears on the average Net Asset Value of the relevant Class over the relevant period.

\*\*\*\*\* Class C Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide discretionary portfolio management services, and are not allowed to accept and retain commissions due to regulatory requirements.

\*\*\*\*\* Class S Shares are available to distributors, platforms and other types of intermediaries who operate fee based arrangements with their clients to provide advisory services, and are not allowed to accept and retain commissions due to regulatory requirements.

\*\*\*\*\* The Total Fee refers to the total fees payable at the level of the Sub-Fund and the Master Sub-Fund.

## 9. INITIAL SUBSCRIPTIONS

The Initial Offering Period of the Sub-Fund will be decided at a later stage by the Board at its discretion.

Subscription requests during the Initial Offering Period must be sent in writing to the Administrative Agent or the Global Distributor or a sub-distributor and be received by the Administrative Agent or the Global Distributor or a sub-distributor no later than 4.00 p.m. (Luxembourg time) on last day of the Initial Offering Period. Payments for subscriptions must be received in the reference currency of the relevant Class, on the last day of the Initial Offering Period.

If the Depository does not receive the funds in time the investor will be liable for the costs of late or non-payment in which the case the Board will have the power to redeem all or part of the investor's holding of Shares in the Company in order to meet such costs.

## 10. ONGOING SUBSCRIPTIONS

Subscriptions to the Sub-Fund's Shares must be made using the documents available from the registered offices of the Company or the Distributor(s).

Subscriptions for Shares are accepted on each Valuation Day. Applications for subscriptions must be received by the Administrative Agent not later than 4.00 p.m. (Luxembourg time) on the Business Day preceding the Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

## 11. REDEMPTION

Shares in the Sub-Fund may be redeemed on each Valuation Day. Redemption requests must be sent in writing to the Administrative Agent or the Distributor(s). Redemption requests must be received by the

Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the Business Day preceding the Valuation Day.

Redemption requests received after this deadline will be processed on the next following Valuation Day.

Redemptions will be paid by the Depositary for each Class of Shares in the relevant currency of that Class of Shares within 3 (three) Business Days after the relevant Valuation Day.

Redemption proceeds may be converted into any freely convertible currency at a Shareholder's request and at his own expense.

## **12. CONVERSION**

Shares in the Sub-Fund may be converted on each Valuation Day.

Conversion requests must be received by the Administrative Agent no later than 4.00 p.m. (Luxembourg time) on the Business Day prior to the relevant Valuation Day. Conversion requests received after this deadline will be processed on the next following Valuation Day.

A Conversion Fee in favour of the original Sub-Fund or Class as set out under Section 8 of this Special Section may be levied to cover conversion costs.

## **13. PROFILE OF THE TYPICAL INVESTOR**

The Sub-Fund is aimed at investors who pursue the objective of general capital formation/asset optimization and/or above-average participation in price changes. It may not be suitable for investors who wish to withdraw their capital from the Sub-Fund within less than 5 years. The Sub-Fund is aimed at investors with basic knowledge and/or experience of financial products. Prospective investors should be capable of bearing a financial loss and should not attach any importance to capital protection.

## **14. MASTER-FEEDER AGREEMENT**

In accordance with article 79(1) of the 2010 Act an agreement has been put in place between the Company and the Master Fund with the aim of coordinating the relations between the Master Fund, the Company and their relevant management companies and by which the Master Fund's management company undertakes to provide the Management Company and the Company (on behalf of the Sub-Fund) all the documents and information necessary for them to comply with the obligations and requirements provided for by the 2010 Act (the "Master-Feeder Agreement"). In addition, the Master Fund, the Management Company and the Company (on behalf of the Sub-Fund) have agreed to adequately coordinate the frequency of the calculation and publication of their respective net asset value in order to avoid Market Timing practices and prevent arbitrage on their units or shares between book value and market value. The Master-Feeder Agreement also describes, among other things, the means to be implemented to mitigate cases of conflict of interest that could arise between the Management Company, the Company and the Master Fund and its management company, investment and disinvestment rules initiated by the Sub-Fund in the Master Fund, the standard transaction times and events that may affect these standards, including the deadlines for drawing up audited financial reports. The Master Feeder Agreement is available free of charge on request at the registered office of the Company and the Management Company.

## **15. SUSPENSION OF REPURCHASE, REDEMPTION OR SUBSCRIPTION OF SHARES**

In accordance with the 2010 Act, in case the Master Sub-Fund temporarily suspends the repurchase, redemption or subscription of its shares, whether on its own initiative or at the request of its competent authorities, the Sub-Fund is entitled to suspend the repurchase, redemption or subscription of its Shares within the same period of time as the Master Sub-Fund.

## **16. TAXATION**

Investment in the Master Sub-Fund has no tax implications for the Sub-Fund and the provisions of chapter "23. Tax Aspects" will apply.

## **17. SPECIFIC RISK FACTORS**

Before making an investment decision with respect to this Sub-Fund, prospective investors should carefully consider the risks of investing set out in Section 7 of the General Section. By investing in the Master Sub-Fund, the main risks to which investors will be exposed are the following:

- Emerging Markets Risk
- High Yield Investment Risk
- Sustainable Strategy Investment Risk / Investment Risk of a Specific Investment Strategy

The Shares Classes in the Sub-Fund are denominated in EUR, GBP and USD, but might nevertheless have exposure to other European currencies. Shareholders should be aware of the currency risk which may affect the portfolio of the Sub-Fund. The Company and the Investment Manager do not intend to systematically hedge investments denominated in another currency against the EUR, GBP or USD as the case may be.

**PART C – SFDR Additional Information**

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

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

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

**Product name:** MARCH INTERNATIONAL MEDITERRANEAN FUND  
**Legal entity identifier:** 2221001VDKDN5FSBQX58

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**
  **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of <b>20%</b> of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>
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### What environmental and/or social characteristics are promoted by this financial product?

Each asset in the portfolio has its environmental and social features examined as part of the investment process, providing the asset and the aggregated portfolio with an internal ESG rating. This internal rating, which is based on the degree of promotion of each individual asset comprising the portfolio, is obtained using data and methodology from leading ESG providers. Among other features, this financial instrument promotes:

- a. *Environmental features: Environmentally sound governance and processes are important, as are sustainable resource utilization (energy, water, and land), a decrease in emissions (carbon, waste, and air pollution), and improved environmental footprints from suppliers and goods.*
- b. *Social features: It promotes better employee relationships and working conditions, skill-enhancing training, and a reduction in accidents. Furthermore, it encourages improvements in the customer experience and accountability in the effects the company's product has on its customers and its products.*

No specific index has been defined to determine the alignment of the product with these characteristics.



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

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

*A wide range of sustainable indicators are considered at the environmental level such as energy efficiency targets, use of renewable energies, total energy consumption, water consumption efficiency target, recycled water ratio, greenhouse gas emissions, waste treatment, indirect cost of supplier emissions, degree of environmental impact of products, environmental investments, environmental risk analysis, and the existence and analysis of the company's environmental team and its training.*

*On a social level, we consider not only objectives linked to the company and its environment but also to the rest of the stakeholders. The main sustainable indicators used on the social side are the existence of union policies and representation, training hours, employee days lost vs. total days, employee satisfaction, flexible working hours, remuneration and working conditions, employee turnover, occupational accident rate, occupational fatality rate, occupational health and safety incidents, diversity among its employees, employees with disabilities, rate of women in the company and among the management team, level of satisfaction among its customers, privacy policies, the existence of supplier management policies, the existence of whistleblowing policies, company community involvement projects and employment and local impact.*

*It must be specified that, at this precise moment, the coverage to collect all these sustainable indicators is heterogeneous and, in some circumstances, weak or nonexistent, even when employing trusted specialist data providers. Due to the present lack of data, it is feasible that the product manager is now unable to evaluate one or some sustainable indicators mentioned. Nevertheless, the financial product manager(s) will continuously assess whether data availability has improved enough to potentially include the indicator into consideration in the investment process.*

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

*The present product promotes environmental or social characteristics in accordance with the requirements set by Art.8 of Regulation (EU) 2019/2088 on Sustainability Disclosure Regulation ("SFDR"). Additionally, the product has a minimum of 20% of the portfolio allocated in sustainable investments, either through the sustainable definition according to SFDR or through investments aligned with economic activities that contribute to one or more of the environmental objectives set out in Art.9 of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investments (taxonomy); the minimum alignment with these environmental goals is 0% of the assets comprising the portfolio. Lastly, this financial instrument considers the Principal Adverse Incidents (PAIs) in its investment decision-making process but only in the sustainable investments part of the portfolio.*

*For this product, investments must fulfil one of the requirements listed below in order to be deemed sustainable:*

- a. *Their involvement in a well-defined GHG emissions reduction strategy aligned with the goals of the Paris Agreement; we use the worldwide project "Science Based Targets Initiative (SBTi)" to select these investments. SBTi is a partnership between the World Resources Institute (WRI), the UN Global Compact, the Carbon Disclosure Project (CDP), and the World Wildlife Fund for Nature (WWF). The SBTi initiative:*
  - *defines and promotes best practices in emissions reduction and net-zero emissions targets, in line with climate science.*
  - *provides technical assistance and expert resources to companies setting science-based targets (SBTs).*
  - *brings together a team of specialized experts to provide companies with independent advice and technical validation of their objectives.*
  - *is the Business Ambition for 1.5°C campaign lead partner, which is an urgent call to action from a worldwide coalition of UN agencies, business and industry leaders that aims to mobilize enterprises to establish net-zero SBT targets aligned with a 1.5°C future.*

The fund selects investments that have a reduction target in place or are committed to reducing their GHG emissions in accordance with the Paris Agreement targets. Additional information on the SBTi initiative can be found on the following website: <https://sciencebasedtargets.org/>.

- b. Have a measurable impact within the framework of the United Nations' 17 Sustainable Development Goals (SDGs), which are designed to spearhead the eradication of poverty and other forms of deprivation by enhancing health and education, reducing inequality, safeguarding the environment, and boosting prosperity. The selection process is based on the analysis of companies whose activity, management model and results are aimed at mitigating general social problems and the planet's resource sustainability identified by the SDGs. The degree of alignment with each of the 17 SDGs is monitored through data from external suppliers of recognized solvency; at the same time, the percentage of company revenues directly linked to the SDGs is analysed.
- c. Measurable impact indicators: Specific metrics related to SDG activities are regularly examined and monitored (using data from top-tier knowledgeable and established creditworthiness suppliers). These metrics are analysed at the company level and gauge the success or failure of the organization's operational or governance practices.

The process of identifying the associated key adverse impacts—those that can do significant harm to any environmental or social objective (DNSH under SFDR)—is undertaken at the time of selecting assets in which to invest. The above-mentioned internal exclusion criteria and norm-based analysis based on the UN Global Compact serve as the foundation for this screening. The UN Global Compact—March AM is a signatory partner of it— is a global initiative that encourages companies to act in a way that advances social objectives and the implementation of the SDGs by incorporating 10 universal principles relating to human rights, labour, the environment, and anti-corruption into their corporate and operational strategies.

The fund only considers sustainable investments for those companies with a low or moderate level of controversies, excluding from this part of sustainable investments all companies with a significant, high, or severe level of controversies. In addition to this negative screening, we consider the level and importance of controversies produced by the companies invested by the portfolio using data from external providers.

The companies in which the portfolio has investments exercise solid corporate governance. Protecting the company's value is our highest priority when it comes to governance. In our view, a management team must have objectives aligned with those of its minority shareholders. The fund manager should analyse the alignment of companies' management teams and boards of directors with the shareholders.

More specifically, key variables considered when analysing the governance practices of the management teams and boards of the companies analysed would be quality & integrity, structure, ownership & shareholder rights, remuneration, audit and financial reporting and stakeholder governance. Reputable third-party data providers are used to carry out the analysis. Except for those categorized as "underperformers" or "laggards," only companies whose governance is assessed as "leader," "outperformer," or "average performance" will be considered as companies that the fund manager deems to be sustainable investments.

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

Two filters are used to ensure that sustainable investments do not cause significant harm to any sustainable investment objectives:

The first filter is based on monitoring the indicators in Annex I of the Delegated Regulation (EU) 2022/1288 (RTS) (hereinafter "Annex 1 of the RTS") relating to PAI Indicators, based on available objective data and specific thresholds.

The second filter is based on the fact that the financial product only considers as potential sustainable investments those companies with a low or moderate level of controversies, excluding from this part of sustainable investments all companies with a significant, high or severe level of controversies. In addition to this negative screening, we consider the level and significance of controversies produced by the companies in which the portfolio invests using data from external providers.

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

**How have the indicators for adverse impacts on sustainability factors been taken into account?**

As indicated above, the main adverse impacts on sustainability factors are monitored through the measurement of the indicators in Annex 1 of the RTS.

The present coverage to collect the necessary data is heterogeneous and, in some circumstances, weak or non-existent, even when employing trusted specialist data providers to access PIA indicators. Due to the lack of data, it is feasible that the product manager is now unable to evaluate some investment PAIs.

Additionally, the coverage of data related to water, waste is reduced and the related PIA indicators are considered through the exclusions of severe controversies within the UN Global Compact (norm-based analysis). In that circumstance, it is important to note that the financial product may have problems to increase the data coverage of some PIA indicators. However, the financial product manager(s) will periodically assess whether data availability has improved enough to potentially include the data into consideration in the investment process.

**How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Investment Manager’s sustainable minimum exclusion list screens out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, and are embedded in the Sustainable Development Goals.

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

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

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



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

Yes,

No

No, however, they are considered in the sustainable investments part according to the PAI indicators in Annex 1 of the Delegated Regulation (EU) 2022/1288 (RTS).



**What investment strategy does this financial product follow?**

March AM follows a model based on fundamental analysis of each of the companies comprising the portfolio. This analysis integrates ESG factors through active and direct contact with the companies, as well as through the exercise of voting rights inherent to the position in each of the companies according to ESG criteria.

The company's investment process conducts an extra-financial examination analysis in accordance with ESG standards. In this regard, it should be noted that March AM is a signatory of the United Nations Principles for Responsible Investment, through which it commits to:

- a. incorporate ESG risks in the decision-making process;
- b. be an active shareholder through the exercise of its voting rights;
- c. promote the disclosure of ESG policies by the companies in which it invests;

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

- d. *promote the acceptance and implementation of the UNPRI in the investment sector;*
- e. *work collaboratively to increase the effectiveness of the application of the UNPRI; and*
- f. *publish regular reports on activities and progress in the application of the principles.*

*Additionally, March AM is a signatory member of the UN Global Compact and actively works to advance sustainability. The company has pledged to develop and convert its products to promote sustainable investing with the goal of more responsible returns and greater integration of risks derived from ESG factors.*

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

*This product applies, in its investment strategy, exclusion criteria based on March AM's exclusion policy currently in effect for SRI products (published on the website: <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>), which is based on three main blocks and considers environmental and social aspects and indicators in addition to extra-financial analysis carried out to choose the assets that are part of the product portfolio.*

- I. General exclusion policy: The excluded activities are controversial weapons, tobacco, and thermal coal (each of the activities are excluded based on specific thresholds set out in the March AM Exclusions Policy, published on the website: <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>). At the same time, the firm engages in the analysis of activities under oppressive regimes.*
- II. Exclusion policy for SRI products: In addition to the general policy, adult content/pornography, gambling/gaming, and GMOs. Alcohol exposure and the existence of a responsible drinking policy are excluded as well (each of these activities are excluded based on specific limits set out in the March AM Exclusions Policy, published on the website: <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>).*
- III. Lastly, March AM conducts a norm-based analysis to determine whether the company complies with the 10 principles of the United Nations Global Compact for each of the four categories comprising the pact (Human Rights, Labour, Environment, and Anti-Corruption), given the fact that the company is a signatory partner of the UNGC. Based on this analysis, companies that display evidence of violating one or multiple principles are eligible for exclusion.*

*Asset allocation is based on an in-house fundamental analysis. For this purpose, the Firm analyses the Investee's Annual and Periodic Financial Reports (Annual Reports, Balance Sheet, AnnualAccounts, Cash Flow Statements, etc), as well as the main Non-Financial Reports of the companies. Additionally, the governance structure and controversies surrounding the corporation are examined.*

*Furthermore, Fund's Investment Managers hold regular meetings with investees' companies. ESG matters, in addition to purely financial factors, are frequently discussed in the aforementioned meetings to analyse the development, commitment and vocation for improvement of these, as well as the measures taken by the investees' in this regard.*

*In order to promote a combination of both social and environmental product characteristics in accordance with Art. 8 of SFDR, the investment strategy aims to benefit companies with strong ESG ratings while detracting from and/or reducing the portfolio weight of companies with poor ESG ratings. The rating is based on an in-house ESG analysis, which uses top-tier external providers' data as a source, complemented with the managers' fundamental view.*

*March AM's proprietary valuation model is one of the key factors, along with the conviction degree and a thorough examination of the investees' business model and management teams, when deciding whether to buy or sell an asset and its weight in the fund's portfolio. In this sense, the investment manager will monitor how ESG risks could impact the target companies economic value as a result of ESG factors and will classify them into one of five risk categories: negligible-low-medium-high and severe. Although the investment strategy does not exclude companies that could at any given time show weak ESG ratings and accepted by the investment manager as potential improvers, the total amount of companies with high and/or severe ESG risk will never exceed 25% of the total portfolio.*

The management team's internal knowledge acquired from fundamental bottom-up analysis of the companies is integrated into the investment process together with ratings from specialized ESG data and information providers. Due diligence is applied when selecting and contracting these external suppliers, looking for both extensive experience and a solid reputation in the field in which they specialize.

The ESG rating given to corporations on each of the environmental, social, and corporate governance components are standardized, resulting in an aggregate ESG rating that has a favourable or negative impact on the company's upside revaluation potential. When the company's valuation is considerably harmed, companies with a low ESG rating will either have their portfolio weight reduced or be sold.

Thus, those companies that develop good ESG policies are rewarded in the portfolio and those with poor policies are penalized since the upside potential significantly determines, among other factors, the decision to buy or increase weight in the portfolio (if the potential is high enough) or the decision to sell or reduce the weight (if the appreciation potential is low).

In accordance with article 8 of the SFDR, at least 50% of the fund's assets will promote environmental or social features; such sustainability promotion will be based on a March AM ESG rating of 25 or less out of 100. (The best possible rating is 1, while a 100 is the worst). In other words, at least 50% of the portfolio's assets will be rated at or below 25.

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

The Sub-Fund does not commit to reduce the scope of the investments by a certain minimum rate.

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

The companies in which the portfolio has investments exercise solid corporate governance. Protecting the company's value is our highest priority when it comes to governance.

In our view, a management team must have objectives aligned with those of its minority shareholders. The fund manager should analyse the alignment of companies' management teams and boards of directors with the shareholders.

More specifically, key variables considered when analysing the governance practices of the management teams and boards of the companies analysed would be quality & integrity, structure, ownership & shareholder rights, remuneration, audit and financial reporting and stakeholder governance. Reputable third-party data providers are used to carry out the analysis.

Except for those categorized as "underperformers" or "laggards," only companies whose governance is assessed as "leader," "outperformer," or "average performance" will be considered as companies that the fund manager deems to be sustainable investments.

## What is the asset allocation planned for this financial product?

The asset allocation of this financial product follows the following criteria:

- a. All companies included in our funds will adhere to the exclusion criteria listed in this document's section: "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?".
- b. In accordance with article 8 of the SFDR, at least 50% of the fund's assets will promote environmental or social features; such sustainability promotion will be based on a March AM ESG rating of 25 or less out of 100. (The best possible rating is 1, while a 100 is the worst). In other words, at least 50% of the portfolio's assets will be rated at or below 25.
- c. At least 20% of total portfolio assets shall be considered assustainable investments according to SFDR, as defined in the document's section named "What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?".

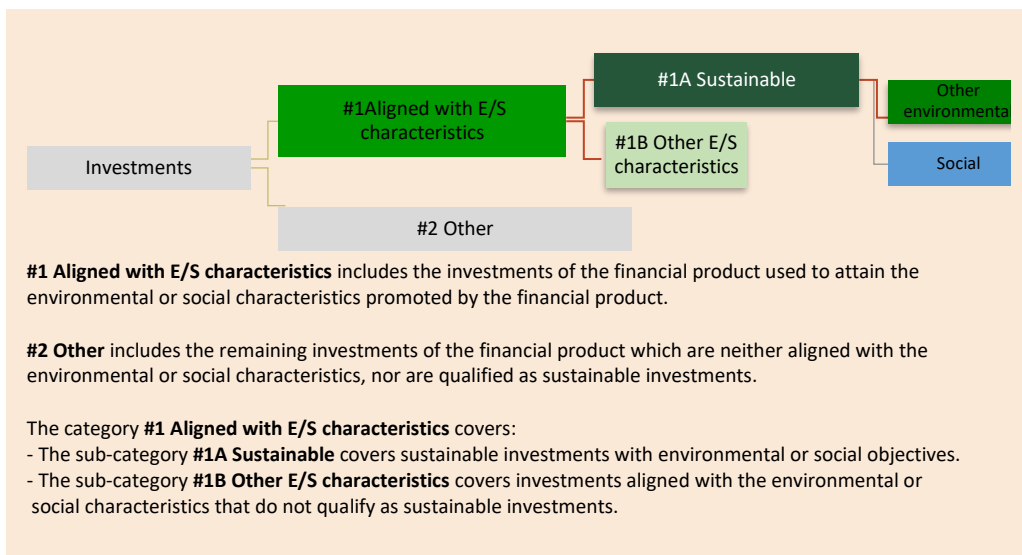
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



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

*Not Applicable.*



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

*The financial product does not currently intend to invest in sustainable investments that are aligned with the EU Taxonomy and the minimum share of taxonomy-aligned investments (including transitional and enabling activities) is therefore assessed to be 0%.*

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>5</sup>?**

Yes:

In fossil gas

In nuclear energy

No.

<sup>5</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

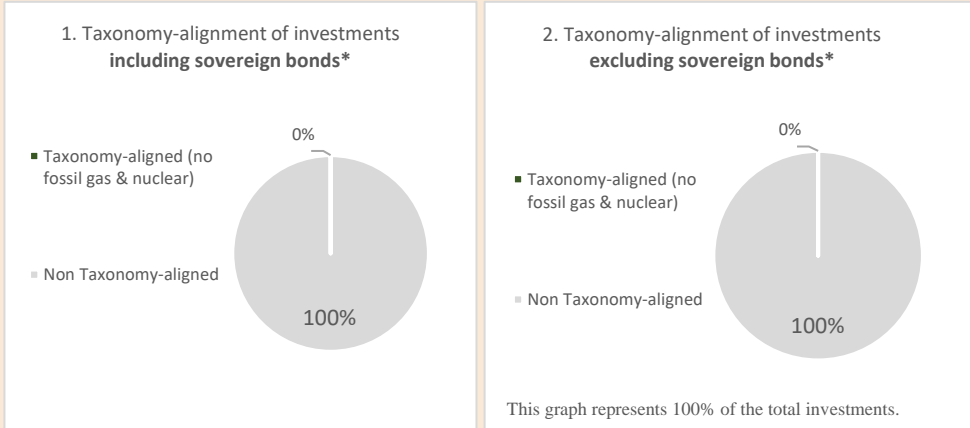
**Enabling activities**

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

**Transitional activities**

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

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



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

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

The Investment Manager does not commit to a split of minimum taxonomy alignment into own performance, transitional, and enabling activities.



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

Taxonomy-aligned investments are considered a sub-category of Sustainable Investments. If an investment is not Taxonomy-aligned since the activity is not covered yet under the EU Taxonomy or the positive contribution is not substantial enough to comply with the Taxonomy technical screening criteria, the investment can still be considered an environmentally Sustainable Investment provided it complies with all criteria.

This financial product promotes Environmental/Social (E/S) characteristics and, while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments with:

- a. an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy, and;
- b. a social objective.

The Investment Manager considers but do not commit to a "specific" minimum share of environmentally Sustainable Investments that are not aligned with the EU Taxonomy, as the 20% minimum proportion committed refers to the combination of all the above-mentioned objectives.



**What is the minimum share of socially sustainable investments?**

This financial product promotes Environmental/Social (E/S) characteristics and, while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments with:

- a. an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy, and;
- b. a social objective.

The Investment Manager considers but do not commit to a "specific" minimum share of socially sustainable investments, as the 20% minimum proportion committed refers to the combination of all the above-mentioned objectives.

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



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

According to March AM, there may be a percentage of the portfolio (up to 50%) that has an ESG rating higher than 25, which means that it does not promote environmental or social features and may or may not have strong governance. It should be highlighted that this part of the portfolio will faithfully comply with the exclusion criteria set out in the fifth page of this document (Binding Elements of the Investment Strategy).

The purpose of these investments is to contribute to the long-term performance of the fund and an ongoing analysis will be made of their ESG risks and their evolution therein. In the long term, the percentage of this section may be reduced, as companies that do not align and improve will eventually be excluded due to the risks they may incur (reputational, litigation, sanctions, etc.).



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

No specific index has been defined to determine the alignment of the product with these characteristics.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not Applicable (NA).

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable (NA).

- **How does the designated index differ from a relevant broad market index?**

Not Applicable(NA).

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable (NA).



## Where can I find more product specific information online?

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

<https://www.march-am.com/es/fondos-y-sicav/march-international-sicav-lux/mediterranean-fund.html>.

### Reference

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



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

**Product name:** MARCH INTERNATIONAL – MARCH CLIMATE TRANSITION CREDIT  
**Legal entity identifier:** 22210071PF66GDW4QH85

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

<p><input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b></p> <p><input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 17 % of sustainable investments</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

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



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

*March Climate Transition Credit (the "Sub-Fund") is a feeder sub-fund which invests at least 85% of its net assets in class WT6 of Allianz Climate Transition Credit (the "Master Sub-Fund"), a sub-fund of Allianz Global Investors Fund (the "Master Fund").*

*The Sub-Fund may invest the remaining assets, i.e. a maximum of 15% of its net assets, in ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) and/or in derivative instruments used for hedging purposes.*

*The Master Sub-Fund promotes a broad range of environmental, human rights, governance, and/or business behaviour characteristics (the last characteristic does not apply for financial instruments issued by a sovereign entity) and invests a minimum percentage, which is increasing over time, in issuers which have set the ambition and taken actions to reach the Paris Agreement's goal<sup>1</sup>. The goal of the Paris Agreement is to keep global temperature well below 2°Celsius. This requires a fixed greenhouse gas ("GHG") emission budget and GHG emissions to reach net zero, meaning that residual emissions would need to be balanced by carbon removals by around 2050 ("Net Zero"). The Investment Manager has developed a methodology to assess issuers' commitments, targets and ability to transition to meet Net Zero objective. The Master Sub-Fund does so by:*

- *As a first step promoting environmental and social characteristics, by excluding direct investments in certain issuers which are involved in controversial environmental or social business activities from the investment univers of the Master Sub-Fund by applying exclusion criteria. Within this process the Investment Manager excludes investee companies that severely violate good governance practices and principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations*

#### Guiding Principles for Business and Human Rights.

• In a second step, the Investment Manager selects from the remaining investment universe those corporate issuers that perform better within their sector with respect to sustainability aspects. With respect to sovereign issuers those issuers that generally perform better with respect to sustainability aspects. The score starts at 0 (lowest) and ends at 4 (highest). The score is based on environmental, social, governance and business behaviour factors (business behaviour does not apply to sovereign issuers) and represents an internal assessment assigned to a corporate or sovereign issuer by the Investment Manager.

• In a third step, the Investment Manager assesses issuers on multiple criteria such as 2050 ambition, emission reduction target, emissions performance relative to targets, emissions disclosure, transition plan, or capital allocation alignment. Issuers from high impact sectors have stricter fulfilment requirements than low impact sectors of the same bucket. Each issuer is then classified in one of the transition categories: (1) achieving Net Zero, (2) aligned to Net Zero, (3) aligning to Net Zero, (4) committed to Net Zero and (5) not aligned to Net Zero. Investments (excluding cash and derivatives) from issuers classified in (1) achieving Net Zero, (2) aligned to Net Zero, and (3) aligning to Net Zero are considered in the Net Zero Alignment Share before October 1, 2030. Based on this, the Investment Manager manages the Sub-Fund so that min. 30% of the portfolio is invested in investments contributing to the Net Zero Alignment Share. From October 1, 2030 on, Investments (excluding cash and derivatives) from issuers classified in (1) achieving Net Zero and (2) aligned to Net Zero are considered in the Net Zero Alignment Share and the Net Zero alignment share of the Sub-Fund's portfolio needs to be at 50% or above.

• Further, the Master's Sub-Fund Investment Manager will adhere to a minimum percentage of 20.00% of Sustainable Investments and a minimum percentage of 0.01% investments that are aligned with the EU Taxonomy.

No reference benchmark has been designated for the purpose of attaining the characteristics promoted by the Master Sub-Fund. The Sub-Fund is actively managed without reference to a benchmark.

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

To measure the attainment of the environmental and/or social characteristics the following sustainability indicators are used and reported on, at the fiscal year end:

- Confirmation that the exclusion criteria have been adhered to throughout the Master Sub-Fund's financial year.
- Percentage of the portfolio with a proprietary sustainability score of 1 or more is compared to the percentage of the benchmark. The scoring process is described within the section "What investment strategy does this financial product follow?". The basis for the calculation is the Master Sub-Fund's net asset value except instruments that are not scored by nature, e.g., cash and deposits. Derivatives are generally not scored. Derivatives (other than credit default swaps), whose underlying is a single rated corporate issuer are, however, generally scored. The size of the not scored part of the portfolio varies subject to the Master Sub-Fund's general investment strategy described in the prospectus.
- The Net Zero Alignment Share of the portfolio: Percentage of the Master Sub-Fund's portfolio invested in issuers allocated to categories (1) to (3) before October 01, 2030 and percentage of the Master Sub-Fund's portfolio invested in issuers allocated to categories (1) and (2) from October 01, 2030 on. The calculation is described below in the section "What investment strategy does this financial product follow?".
- Percentage of the portfolio in issuers which have been assessed and been allocated into categories (1) to (5). The calculation is described below in the section "What investment strategy does this financial product follow?".
- Percentage of Sustainable Investments at the end of the financial year.
- Percentage of taxonomy-aligned investments at the end of the financial year.

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

The objectives of the Sustainable Investments that the Master Sub-Fund partially intends to make include a broad range of environmental and social topics, for which the Investment Manager uses as

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

reference, among others, the UN Sustainable Development Goals (SDGs)<sup>1</sup>, as well as the EU Taxonomy objectives which are: Climate Change Mitigation, Climate Change Adaptation, Sustainable Use and Protection of Water and Marine Resources, Transition to a Circular Economy, Pollution Prevention and Control as well as Protection and Restoration of Biodiversity and Ecosystems.

The Investment Manager measures how the Sustainable Investments contribute to the objectives based on a proprietary methodology as follows:

- Business activities of an issuer are broken down into revenues generated by the various business activities based on external data. In cases where the split of business activities received is not granular enough, it is determined by the Investment Manager. The business activities are internally assessed as to whether they contribute positively to an environmental or a social objective. The revenue share of each business activity that contributes positively to an environmental or social objective is allocated to the Sustainable Investment share, provided the issuer passes the Do No Significant Harm (“DNSH”) assessment and is satisfying the Good Governance principles.

- For issuers whose business activities amount to a Sustainable Investment share of at least 20% and who are transitioning or are already aligned with a Net Zero pathway, the Investment Manager increases the Sustainable Investment share by 20%. The issuers are considered transitioning to Net Zero if they are (1) achieving Net Zero, (2) aligned to Net Zero or (3) aligning to Net Zero. Issuer (4) committed to Net Zero or (5) not aligned to Net Zero are not considered to be transitioning or aligned with a Net Zero pathway.

- For securities, which finance specific projects (“Project Bonds”) contributing to environmental or social objectives, the overall investment is considered to contribute to environmental and/or social objectives, but also for these a DNSH as well as a Good Governance check for issuers (or in some cases at project level) is performed.

- The Sustainable Investment share of each issuer and each Project Bond is weighted based on the percentage of the portfolio invested in such issuer or Project Bonds, respectively. The individual weighted Sustainable Investment shares of all issuers and Project Bonds are aggregated in order to compute the Sustainable Investment share of the Sub-Fund.

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

In order to assess that Sustainable Investments do not significantly harm any other environmental and/or social objective, the Investment Manager is using indicators regarding PAI indicators on the sustainability factors.

### **How have the indicators for adverse impacts on sustainability factors been taken into account?**

All mandatory PAI indicators are taken into account as follows:

- Investments in issuers violating the exclusion criteria for controversial weapons, severely violating principles, and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights or sovereign issuer with an insufficient Freedom House Index score are excluded and do not pass the DNSH assessment. The exclusion criteria are described in the section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

- Thresholds are determined for all PAI indicators except for the “share of non-renewable energy consumption and production” which is indirectly reflected in other PAI indicators. In detail, the Investment Manager has taken the following steps:

- Defined significance thresholds to identify significantly harmful issuers. Issuers are measured against the significance thresholds at least bi-annually. Depending on the respective indicator, the thresholds are determined either relative to the sector, absolute or based on events or situations in which companies allegedly have a negative environmental, social or governance impact (controversies). The

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

Investment Manager can engage with issuers not meeting the significance thresholds in order to allow the issuer to remediate the adverse impact.

- Weighing the PAI indicator according to the level of confidence in the quality of data available which are computed to an overall DNSH score relevant for the issuer. The overall DNSH score is determined based on the threshold for each PAI and the confidence weight. A company is considered to not pass the DNSH assessment if the overall DNSH score is one or more. If the issuer does not meet the overall DNSH score twice subsequently or in case of a failed engagement, it does not pass the DNSH assessment. Investments in securities of issuers which do not pass the DNSH assessment are not counted as Sustainable Investments.

- In certain circumstances where backward-looking or forward-looking information is inconsistent with the DNSH assessment, the Investment Manager may override the DNSH assessment. The override decision is made by an internal decision-making body which is composed of functions including Investments, Compliance and Legal.

There is a lack of data coverage for PAI indicators. Equivalent data points are used to assess PAI indicators when applying the DNSH assessment, when relevant, for the following indicators for corporates: share of non-renewable energy consumption and production, activities negatively affecting biodiversity-sensitive areas, emissions to water, lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises; for sovereigns: GHG Intensity and investee countries subject to social violations. In the case of Project Bonds equivalent data at project level might be used to ensure that Sustainable Investments do not significantly harm any other environmental and/or social objective. The Investment Manager will strive to increase data coverage for PAI indicators with low data coverage by engaging with issuers and data providers. The Investment Manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include assessment of such data in the investment process.

### ● **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Investment Manager's exclusions as described in the section "What investment strategy does this financial product follow?" exclude companies severely violating one of the following frameworks: Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights.

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

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

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



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

✘ **Yes,**

The Investment Manager considers PAIs through measures directly impacting the investment strategy such as applying exclusion criteria and indirect measures such as engagement with corporate issuers and joining relevant industry initiatives. Considering PAIs does not mean avoiding PAIs but aiming to mitigate such PAIs. The overall mitigation aim is also dependent on the management of the portfolio according to the general investment strategy.

The following PAI indicators are considered through the direct measures set out in the table below:

PAI indicator applicable to corporate issuers:	Direct measure (as described in the section: "What investment strategy does this financial product follow?")
- GHG Emissions	- Application of exclusion criteria relating to coal extraction and utility companies generating revenues from coal - Use of information on PAI indicator in internal score - Target to invest at least 30% of the Sub-Fund's portfolio into issuers contributing to the Net Zero alignment share, categories (1) to (3). From October 01, 2030, the Net Zero alignment share, categories (1) and (2), of the Sub-Fund's portfolio needs to be at 50% or above
- Carbon footprint	
- GHG Intensity of investee companies	
- Exposure to companies active in the fossil fuel sector	
- Activities negatively affecting biodiversity-sensitive areas	- Application of exclusion criteria relating to severe violation of international norms such as the UN Global Compact (UN GC). The following principles of the UN GC are related to the other environmental PAIs: <ul style="list-style-type: none"> <li>• Principle 7: Businesses should support a precautionary approach to environmental challenges</li> <li>• Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility</li> <li>• Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies</li> </ul>
	- Use of information on PAI indicator in internal score
- Emissions to water	
- Hazardous waste ratio	
- Violation of UN Global compact principles	- Application of exclusion criteria relating to severe violation of international norms such as the UN Global Compact (UN GC)
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles	
- Board gender diversity	- Use of voting rights to promote board gender diversity - Use of information on PAI indicator in internal score
- Exposure to controversial weapons	- Application of exclusion criteria relating to controversial weapons
PAI indicator applicable to sovereign and supranational issuers	
- Investee countries subject to social violation	- Application of exclusion criteria related to sovereign issuers identified as "not free" from the Freedom House Index

*The data coverage for the data required for the PAI indicators is heterogenous. The Investment Manager will strive to increase data coverage for PAI indicators with low data coverage through engagement with data providers and/or issuers. The Investment Manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include assessment of such data in the investment process.*

The principal adverse impact indicators are also considered through the following indirect measures:

- The Investment Manager actively encourages and conducts dialogues with investee companies on broader sustainability issues which include PAI indicators such as Gender Diversity, also to prepare voting decisions in advance of shareholder meetings (regularly for direct investments in shares). In deciding how to exercise voting rights, the Investment Manager also considers broader sustainability issues. Further details on the Investment Manager's approach to the exercise of voting rights and company engagement is set out in the Investment Manager's Stewardship Statement.

- The Investment Manager has joined the Net Zero Asset Manager Initiative<sup>1</sup>. This is an international group of asset managers committed to reduce GHG emissions in partnership with institutional investors.

The information on the PAI indicators will be available in the end-year report of the Sub-Fund.

No



## What investment strategy does this financial product follow?

The Master Sub-Fund's investment objective is to generate long-term capital growth by investing in Investment Grade rated Debt Securities of OECD or EU Bond Markets denominated in Euro in accordance with the environmental and social characteristics promoted by the Sub-Fund. The Master Sub-Fund's general investment is described in the Master Fund prospectus.

With respect to environmental and social characteristics of the Investment Strategy, the following applies:

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

As a first step, the Master Sub-Fund's Investment Manager applies the following exclusion criteria, i.e., does not directly invest in securities issued by companies:

- severely violating principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights,

- developing, producing, using, maintaining, offering for sale, distributing, storing, or transporting controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons),

- deriving more than 10% of their revenues from (i) weapons, or (ii) military equipment, and military services,

- deriving more than 10% of their revenue from thermal coal extraction,

- active within the utility sector and generating more than 20% of their revenues from coal,

- involved in the production of tobacco, or deriving more than 5% of their revenues from the distribution of tobacco.

Direct investments in securities issued by sovereign issuers qualified with a score as "not free" by the Freedom House Index<sup>2</sup> and by sovereign issuers which have not ratified the Paris Agreement are excluded.

The Master Sub-Fund's Investment Manager applies the exclusion criteria to a specific issuer based on information provided by external data providers and in certain circumstances internal research. The assessment of issuers against the exclusion criteria is performed at least half yearly. In certain circumstances, the Investment Manager may override the information received. The override decision is made by an internal decision-making body which is composed of functions including Investments, Compliance and Legal. Further information on external data providers and the override process are available on the respective SFDR Website Product Disclosure.

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

*As a second step, the Master Sub-Fund's Investment Manager selects from the remaining investment universe those corporate issuers that perform better within their sector based on a score for environmental, social, governance, and business behaviour factors ("Sustainability Factors"). With respect to sovereign issuers, the ones that generally perform better with respect to sustainability aspects. The score starts at 0 (lowest) and ends at 4 (highest). The score represents an internal assessment assigned to a corporate or sovereign issuer by the Investment Manager.*

*Scores are reviewed at least twice a year.*

*At least 90% of the Master Sub-Fund's portfolio is internally scored on a scale from 0-4. The basis for the calculation of the 90% threshold is the Master Sub-Fund's net asset value except instruments that are not scored by nature, e.g., cash and deposits. Derivatives are generally not scored. Derivatives (other than credit default swaps), whose underlying is a single rated corporate issuer are, however, generally scored. The size of the not scored part of the portfolio varies subject to the Master Sub-Fund's general investment strategy described in the prospectus.*

*The scoring process comprises the following:*

*- The Investment Manager receives quantitative and qualitative information on a regular basis related to indicators on Sustainability Factors for specific issuers from external data providers.*

*The Investment Manager supplements information on Sustainability Factors with internal quantitative and qualitative analysis for instance where information from external data providers is not available, incomplete, outdated or does not match the Investment Manager's assessment.*

*- The Investment Manager computes a score for each of the Sustainability Factors for each issuer on the basis of a set of indicators. Within this process, the Investment Manager determines a specific weight for Sustainability Factors based on sector materiality. Based on those Sustainability Factors, the Investment Manager determines an overall score for each issuer reflecting its sustainability profile.*

*- In addition, the score is set at zero if the Investment Manager sets a human rights flag based on a methodology which leverages external data providers and internal research. For corporate issuers, setting of the flag is triggered by the issuer's lack of respect for human rights in its business conduct, including lack of (i) integration of the Universal Declaration of Human Rights principles, (ii) respect for major International Labour Organization conventions and/or (iii) signature of the United Nations Global Compact. This prospective tool both monitors human rights controversies (breaches & violations of human rights) as well as the management of human rights controversies (adequacy between prevention mechanisms like policies, commitments, systems or grievance mechanisms and risk exposure). For sovereigns, the Investment Manager assesses the political rights conferred to citizens (Electoral Process, Political Pluralism and Participation, Functioning of Government), civil liberties (Freedom of Expression and belief, Associational and Organizational Rights, Rule of Law & Personal Autonomy and Individual Rights) and freedom of the press. For this purpose, the Investment Manager also uses the work of Freedom House Organisation which captures the principles defined in 1948's Universal Declaration of Human Rights.*

*- For certain issuers, the Investment Manager conducts additional qualitative research. Based on such research, the Investment Manager may determine an upward or downward adjustment of the internal score and the human rights flag.*

*With respect to scored issuers, the Investment Manager will invest only issuers with an internal score of 1 or more.*

*As a third step, the Investment Manager has developed a methodology, which leverages external data providers and internal research, to assess issuers' commitments, targets and ability to transition to meet Net Zero objective. The Investment Manager assesses issuers on multiple criteria, based on data at issuer level from external data providers, such as 2050 ambition, emission reduction target, emissions performance relative to targets, emissions disclosure, transition plan, or capital allocation alignment. Issuers from high impact sectors have stricter fulfilment requirements than low impact sectors of the same bucket. Each issuer is then classified in one of the transition categories: (1) achieving Net Zero, (2) aligned to Net Zero, (3) aligning to Net Zero, (4) committed to Net Zero and (5) not aligned to Net Zero. The Investment Manager will periodically review the methodology including framework and criteria as issuers' datasets are developing.*

*For at least 80% of the Master Sub-Fund's portfolio, issuers need to be classified into one of the five categories. The basis for the calculation of the 80% threshold is the Master Sub-Fund's net asset value except instruments for which the required data is not available such as cash and derivatives. Derivatives are generally not classified. Derivatives (other than credit default swaps), whose underlying is a single corporate issuer are, however, generally classified.*

The Investment Manager will strive to increase data coverage through engagement with data providers and/or issuers. The size of the portfolio for which no category is available varies subject to the Master Sub-Fund's general investment strategy described in the Master Fund's prospectus.

- Investments (excluding cash and derivatives) from issuers classified in categories: (1) achieving Net Zero, (2) aligned to Net Zero, and (3) aligning to Net Zero are considered in the Net Zero Alignment Share before 1 October 2030. The Net Zero Alignment Share of the Sub-Funds is computed by aggregating the portfolio weights of the investments from issuers in the categories (1) to (3) before 1 October 2030.

- Investments (excluding cash and derivatives) from issuers classified in categories: (1) achieving Net Zero and (2) aligned to Net Zero are considered in the Net Zero Alignment Share from 1 October 2030 on. The Net Zero Alignment Share of the Master Sub-Funds is computed by aggregating the portfolio weights of the investments from issuers in the categories (1) to (2) after 1 October 2030.

- Until 30 September 2030, the Net Zero Alignment Share of the Sub-Fund's portfolio needs to be at 30% or above. From 1 October 2030, the Net Zero Alignment Share of the Master Sub-Fund's portfolio needs to be at 50% or above. In particular, thresholds applicable after 2030 will be set before 1 October 2030.

- The Investment Manager selects and weights from the remaining (i.e. after application of the exclusion criteria) investment universe issuers, so that the Sub-Fund's portfolio Net Zero Alignment Share is in line with or higher than requirement.

Min. 68% of the Sub-Funds' assets (derived from the 80% investments from binding requirement that the Master Sub-Fund is subject to) are used to meet the environment or social characteristics promoted by the Master Sub-Fund. Minimum 17% of the Sub-Funds' assets will be invested in Sustainable Investments. The minimum percentage of investments that are aligned with the EU Taxonomy is 0.0085%.

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

The Master Sub-Fund does not commit to reduce the scope of the investments considered prior to the application of the Investment Strategy by a certain minimum rate.

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

Companies are excluded based on verified failure to respect established norms corresponding to four good governance practices: sound management structures, employee relations, remuneration of staff and tax compliance. The excluded companies are based on information provided by external data providers and in certain circumstances internal research. In certain circumstances, the Investment Manager may override the information received. The override decision is made by an internal decision-making body which is composed of functions including Investments, Compliance and Legal.

Further, the Investment Manager actively encourages and conducts dialogues with investee companies on governance issues, also to prepare voting decisions in advance of shareholder meetings (regularly for direct investments in shares). Decisions on how to exercise voting rights also consider broader sustainability issues.

Further details on the Investment Manager's approach to the exercise of voting rights and company engagement is set out in the Master Fund's Management Company's Stewardship Statement.

### **What is the asset allocation planned for this financial product?**

Minimum 68% of the Sub-Funds' assets are used to meet the environment or social characteristics promoted by the Master Sub-Fund. A low portion of the Sub-Fund might contain assets which do not promote environmental or social characteristics. Example of such instruments are derivatives and cash. Minimum 17% of the Sub-Funds' assets will be invested in Sustainable Investments. The minimum percentage of investments that are aligned with the EU Taxonomy is 0.0085%.

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



**Asset allocation** describes the share of investments in specific assets.



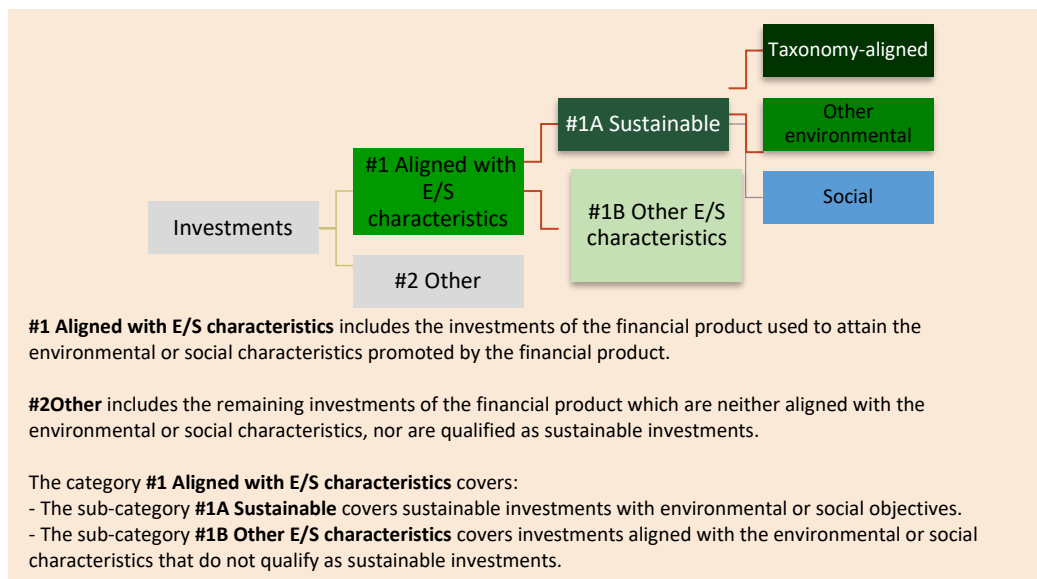
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The Master Sub-Fund's Investment Manager, and therefore the Sub-Fund one, do not commit to a minimum share of environmentally Sustainable Investments that are not aligned with the EU Taxonomy or a minimum share of socially sustainable investments.



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

Not Applicable (N/A).



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

The Taxonomy-aligned investments include debt and/or equity in environmentally sustainable economic activities aligned with the EU-Taxonomy. Taxonomy-aligned data is provided by an external data provider. The Master Sub-Fund's Investment Manager has assessed the quality of such data. The data will not be subject to an assurance provided by auditors or a review by third parties. The data will not reflect any data in government bonds. As of today, there is no recognized methodology available to determine the proportion of Taxonomy-aligned activities when investing in government bonds.

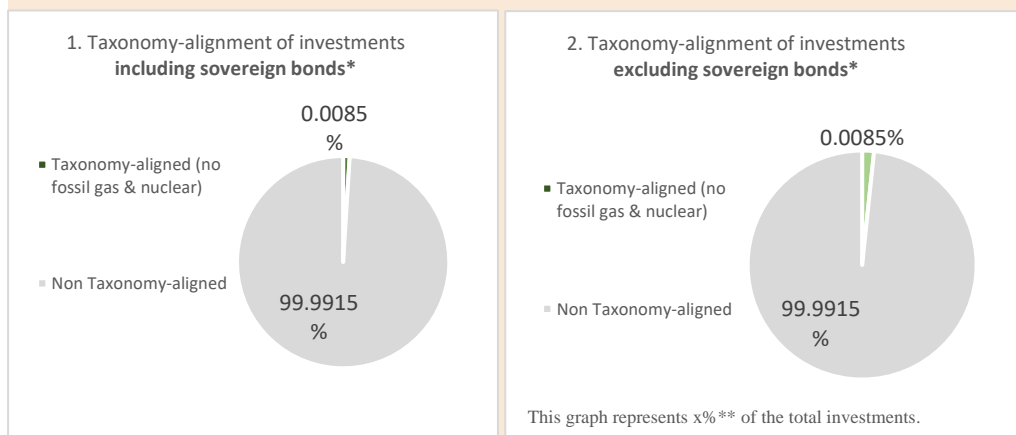
Taxonomy-aligned activities in this disclosure are based on share of turnover. Taxonomy-aligned data is only in rare cases data reported by companies in accordance with the EU Taxonomy. The data provider has derived Taxonomy-aligned data from other available equivalent company data.

The Sub-Fund has established a minimum alignment with these environmental goals for the portfolio of, at least, 0.0085%.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>6</sup>?**

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

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



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* It is noted that the Master's Sub Fund does not provide for a binding minimum quota for investments in sovereign bonds. Therefore, this Sub-Fund may have (but must not have) an exposure to sovereign bonds. In the absence of a binding minimum quota for investments in sovereign bonds, this graph does not generate any additional added value compared to the left-hand graph.

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

The Master Sub-Fund's Investment Manager does not commit to a split of minimum taxonomy alignment into own performance, transitional, and enabling activities.



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


Taxonomy-aligned investments are considered a sub-category of Sustainable Investments. If an investment is not Taxonomy-aligned since the activity is not covered yet under the EU Taxonomy or the positive contribution is not substantial enough to comply with the Taxonomy technical screening criteria, the investment can still be considered an environmentally Sustainable Investment provided it complies with all criteria.

<sup>6</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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

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

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

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

*This Sub-Fund promotes Environmental/Social (E/S) characteristics and, while it does not have as its objective a sustainable investment, it will have an overall minimum proportion of 17% of sustainable investments with:*

- a. an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy;*
- b. an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy, and;*
- c. a social objective.*

*The Investment Manager considers but do not commit to a “specific” minimum share of environmentally Sustainable Investments that are not aligned with the EU Taxonomy, as the 17% minimum proportion committed refers to the combination of all the above-mentioned objectives.*



## **What is the minimum share of socially sustainable investments?**

*The overall sustainable investment share may also include investments with a social objective.*

*This Sub-Fund promotes Environmental/Social (E/S) characteristics and, while it does not have as its objective a sustainable investment, it will have an overall minimum proportion of 17% of sustainable investments with:*

- a. an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy;*
- b. an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy, and;*
- c. a social objective.*

*The Sub-Fund’s Investment Managers considers but do not commit to a specific minimum share of socially Sustainable Investments, as the 17% minimum proportion committed refers to the combination of all the above-mentioned objectives.*



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

*Under “#2 Other” investments into cash or derivatives can be included. Derivatives might be used for efficient portfolio management (including risk hedging) and/or investment purposes. For those investments no environmental or social safeguards are applied.*



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

*The Sub-Fund is actively managed without reference to a benchmark to determine alignment with the environmental and/or social characteristics that the Sub-Fund promotes.*

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

*As afore-mentioned, both the Sub-Fund and the Master Sub-Fund are actively managed without reference to a benchmark.*

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

*N/A*

- **How does the designated index differ from a relevant broad market index?**

*N/A*

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

- **Where can the methodology used for the calculation of the designated index be found?**

*Details of the Benchmarks' methodology may be found at*

*[https://www.ice.com/publicdocs/Corporate\\_Climate\\_Indices\\_Rules\\_and\\_Methodology.pdf](https://www.ice.com/publicdocs/Corporate_Climate_Indices_Rules_and_Methodology.pdf) or at [www.msci.com](http://www.msci.com)*



### **Where can I find more product specific information online?**

*More product-specific information can be found on the website: <https://www.march-am.com/es/fondos-y-sicav/march-international-sicav-lux/march-green-transition-bond.html>.*