

# **MARCH INTERNATIONAL**

**PROSPECTUS**

**25 JULY 2018**

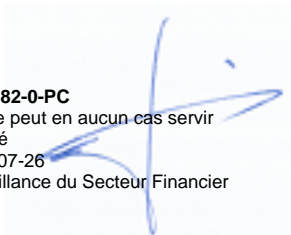
**VISA 2018/113291-6882-0-PC**

L'apposition du visa ne peut en aucun cas servir

d'argument de publicité

Luxembourg, le 2018-07-26

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**), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It 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. 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.

Under the IGA, a Luxembourg FFI, such as the Company, may be treated as a "**Reporting Financial Institution**" or a "**Non-Reporting Financial Institution**". A Luxembourg Reporting Financial Institution or Non-Reporting Financial Institution is not subject to withholding under FATCA on payments it receives. Further, a Luxembourg FFI would not be required to withhold under FATCA or the IGA (any such withholding being a **FATCA Withholding**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary", "withholding foreign partnership", or "withholding foreign trust" regimes). A Luxembourg Reporting Financial Institution is required to collect information aiming to identify its direct and indirect shareholders that are Specified U.S. Persons for FATCA purposes as well as its shareholders that are Non-participating Financial Institutions (**reportable accounts**) Any such information on reportable accounts provided to a Luxembourg Reporting Financial Institution must be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States pursuant to Article 28 of the convention between the Government of the United States and the Government of the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996.

The Company intends to qualify as a "**Collective Investment Vehicle**" (as defined in the IGA) and therefore expects to be treated as a Luxembourg Non-Reporting Financial Institution pursuant to the IGA. In order to qualify as a Collective Investment Vehicle, Shares and any other interests in the Company (including debt interests in excess of USD 50,000) may only be held by or through "exempt beneficial owners" (as defined by FATCA), "Active NFFEs" (as defined in the IGA), U.S. persons that are not Specified U.S. Persons, and FFIs that are not Non-participating Financial Institutions.



Against this background, the Company does not anticipate being subject to withholding under FATCA on payments it receives or being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Company will be treated as a Non-Reporting Financial Institution, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. If an amount in respect of FATCA were to be withheld either from amounts due to the Company or from any payments on the Shares, neither the Company nor any other person would be required to pay additional amounts. The Company will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA places upon it. As from the date of signature of the Luxembourg IGA and until the Grand Duchy of Luxembourg has implemented the national procedure necessary for the entry into force of the IGA, the United States Department of the Treasury will treat the Company as complying with and not subject to withholding under FATCA.

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; and
- deduct applicable U.S. withholding taxes from certain payments made to a Shareholder by or on behalf of the Company in accordance with FATCA and the Luxembourg IGA.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Company and to payments they may receive in connection with the Shares.

**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 Luxembourg law of 24 July 2015 concerning FATCA, 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**"), 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.

### **Data protection**

Certain personal data of investors (including, but not limited to, the name, address and invested amount of each Shareholder) may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Company and the Management Company as data controllers in the meaning of applicable data protection law. In particular, such data may be processed for the purposes of account and distribution fee administration, anti-money laundering and terrorism financing identification, tax identification and, as the case may be, reporting, under the EU Savings Directive, FATCA, Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU), the Common Reporting Standard or any other exchange of tax information regimes to which the Company may be subject to from time to time, maintaining the register of Shareholders, processing subscription, redemption and conversion orders and payments of dividends to Shareholders, to provide client-related services for fraud prevention purposes, to manage litigation, for accounting and marketing purposes and to the extent required to comply with applicable laws. Such information will not be passed on to any unauthorised third persons. Personal data may however be disclosed to third parties where necessary for legitimate business interests. This may include disclosure to third parties such as financial intermediaries, distributors and/or placing agents, service providers, Affiliates of the Management Company, auditors and the regulators or agents of the aforementioned entities who process the personal data for carrying out their services and complying with legal obligations including legal obligations under applicable company law and anti-money laundering legislation. Certain of the aforementioned entities and third parties may be situated in countries outside of the European Union which may not have data protection requirements deemed equivalent to those prevailing in the European Union.

In the frame of the services provided to the Company, the service providers, and notably the Administrative Agent, may process personal data on behalf of the Management Company (the **Processor**). When subscribing Shares in the Shareholders consent to the aforementioned processing of their personal data and in particular the disclosure of their personal data as described in the preceding paragraph including the transfer of their personal data to parties situated in countries outside of the European Union which may not have the same personal data protection laws as in Luxembourg. Reasonable measures will be taken by the Company and the Management Company to ensure confidentiality of the personal data transferred abroad. However, due to the fact that the personal data is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection regulation as currently in force in Luxembourg may not be guaranteed while the personal data is kept abroad. Each (individual related to a) Shareholder whose personal data has been processed has a right of access to his/her/its personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete. These rights may be executed by the individual by sending a letter to the registered office of the Company to the attention of the Administrative Agent. The Management Company may sub-contract to another entity (the **Processor**) (such as the Administrative Agent, the Investment Manager, the Global Distributor or other service providers or business partners to the extent necessary for the purposes referred to above) the processing of personal data. The Management Company undertakes not to transfer personal data to any third parties other than the Processor except if required by law or on the basis of a prior consent of the Shareholders. Personal data may be transferred to countries within or outside the EEA, including as the case may be to countries not ensuring an adequate level of protection of the personal data according to the European Commission.

To the extent a Shareholder is not an individual but a legal entity, such Shareholder undertakes to adequately inform the individuals concerned of the acts of processing of personal data described herein (including their access rights), and to procure the necessary consents from individuals or representatives related to such Shareholder by subscribing to, or committing to subscribe for, Shares, to the processing of such personal data.

In addition, the investors, including their respective representatives and/or agents, are informed that for the purpose of serving as evidence of commercial transactions and/or any other commercial communications and of preventing or facilitating the settlement of any disputes or litigations (the **Purpose**), their telephone conversations with and/or instructions given to the Company, the Depositary, the Administrative Agent, the Management Company and/or any other agent of the Company may be recorded in accordance with the applicable laws and regulations. These recordings are stored during the period of time necessary for the achievement of the Purpose and in accordance with the applicable laws and regulations. These recordings shall not be disclosed to any third parties, unless the Company, the Depositary, the Administrative Agent, the Management Company and/or any other agent of the Company are/is compelled or are/is entitled to do so in accordance with applicable laws and regulations to achieve the Purpose.

## **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.

## MANAGEMENT AND ADMINISTRATION

### Registered office

11-13, boulevard de la Foire  
L-1528 Luxembourg  
Grand Duchy of Luxembourg

### Members of the board of directors

- Mr Iñigo Damborenea, head legal advice, March Asset Management (*Chairman*)
- Mr José Ramón Aranda Godlewski, head of private banking, Banca March S.A.
- Mr Enrique Ruiz Crespo, director, Banca March S.A:
- Mrs Maria Luisa Piñel Rubio, head of compliance, March Asset Management

### Management Company

FundRock Management Company S.A.  
33, rue de Gasperich  
L-5826 Hesperange  
Grand Duchy of Luxembourg

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

- Mr Kevin Brown, *Chairman*
- Mrs Lorna Cassidy
- Mrs Gudrun Goebel
- Mr Eric May
- Mr Michel Vareika
- Mr Revel Wood

### Depositary and Domiciliary Agent

RBC Investor Services Bank S.A.  
14, porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### Global Distributor

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

**Auditor**

Deloitte Audit S.à r.l.  
560, rue de Neudorf  
L-2220 Luxembourg  
Grand Duchy of Luxembourg

**Legal adviser**

Allen & Overy, *société en commandite simple*  
33, Avenue J.F. Kennedy  
L-1855 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.

## 1. 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 RBC Investor Services Bank S.A. in its capacity as central administration, and domiciliary agent of the Company;   |
| "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;   |
| "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;

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| "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 RBC Investor Services Bank S.A. 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;

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| "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. 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;   |

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| "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 the investment manager appointed by the Management Company, with the consent of the Company, for the management of the portfolio of any relevant Sub-Fund as described in the relevant Special Section;   |
| "KIID"                            | Means the key investor information document, as amended from time to time;  |
| "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"                 | Means, in relation to each Class in each Sub-Fund, the amount which is stipulated   |

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| Subscription Amount"        | 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;   |

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| "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;   |
| "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;  |

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| "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;  |
| "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</li> </ul> |

enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;

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| "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;   |
| "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 initial subscribed capital of the Company is EUR31,000. The minimum share capital of the Company must at all times be EUR1,250,000 which amount has to be attained within six months of the Company's authorisation to operate as a UCI. 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.

### **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 Vini Catena;
  - March International – Valores Iberian Equity;
  - March International – The Family Businesses Fund;
  - March International – Bellver (Lux); and
  - March International – Lluç Lux.
- 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(r) 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% in case of certain bonds issued 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 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.

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.

- (c) 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;
- (d) acquiring precious metals or related certificates;
- (e) investing in real estate and purchasing or selling commodities or commodities contracts;
- (f) 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;
- (g) 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.

## 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 authorised to employ techniques and instruments relating to Transferable Securities or Money Market Instruments (including SFT) (**EPM Techniques**) subject to the following conditions:
  - (i) they are economically appropriate in that they are realised in a cost-effective way;
  - (ii) they are entered into for one or more of the following specific aims:
    - (A) reduction of risk;
    - (B) reduction of cost;
    - (C) generation of additional capital or income for the relevant Sub-Fund with a level of risk which is consistent with the its risk profile and applicable risk diversification rules;

- (iii) their risks are adequately captured by the Company's risk management process;
  - (iv) they are taken into account by the Management Company when developing its liquidity risk management process in order to ensure that the Company is able to comply at any time with its redemption obligations.
- (h) The Company and any of its Sub-Funds may in particular enter into swap contracts relating to any financial instruments or indices, including 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. As such, the use of TRS or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets.
- (i) The Company and any of its Sub-Funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFTs and TRS for investments purposes will be in line with the risk profile and risk diversification rules applicable to any Sub-Funds. Investors should refer to the risk factors in Section 7 for special risk considerations applicable to the use of SFTs and TRS.
- (j) The EPM Techniques that may be employed by the Sub-Funds in accordance with Section 5.1(g) above are subject to the conditions set out below:
- (i) When entering into a Securities Lending agreement, the Sub-Fund should ensure that it is able at any time to recall any security that has been lent out or terminate the Securities Lending agreement.
  - (ii) When entering into a reverse Repurchase Transaction agreement, the Sub-Fund should ensure that it is able at any time to recall:
    - (A) the full amount of cash or to terminate the reverse Repurchase Transaction agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse Repurchase Transaction agreement should be used for the calculation of the NAV of the relevant Sub-Fund; and/or
    - (B) any securities subject to the Repurchase Transaction agreement or to terminate the Repurchase Transaction agreement into which it has entered.
- (k) Fixed-term Repurchase Transaction agreements and reverse Repurchase Transaction agreements that do not exceed seven days will be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund.
- (l) The Management Company takes into account these EPM Techniques when developing its liquidity risk management process in order to ensure that the Company is able to comply at any time with its redemption obligations.
- (m) The maximum and expected proportions of assets that may be subject to SFTs or TRS, as well as the types of assets that are subject to SFTs or TRS will be set out for each Sub-Fund in the relevant Special Section. If a Sub-Fund intends to make use of SFTs or TRS, the relevant Special Section will include the disclosure requirements of the SFTR.
- (n) Except as otherwise set out in the relevant Special Section, all the revenues arising from the use of EPM Techniques, net of direct and indirect operational costs (if any), will be returned



to the relevant Sub-Fund in accordance with Circular 14/592. The revenues (if any) linked to the TRS will be fully allocated to the relevant Sub-Fund and will be included in the valuation of the TRS. There will neither be any costs nor fees specific to TRS charged to any Sub-Fund that would constitute revenue for the Management Company or the Investment Manager. All revenues resulting from the EPM Techniques and TRS will be disclosed in the annual report of the Company. The fees of any SFT Agents involved in EPM Techniques or TRS may not exceed 20% of the total income generated by these EPM Techniques or TRS. The remaining income will accrue to the relevant Sub-Fund. None of the SFT Agents or counterparties to the OTC Derivative transactions (including TRS) are affiliated with the Company or the Management Company.

- (o) The counterparties to SFTs and TRS will be selected and approved through a robust selection process and will be established in OECD Member States and have a minimum rating of BBB- or equivalent by any leading rating agencies. The Management Company's risk management team will assess the creditworthiness of the proposed counterparties, their expertise in the relevant transactions, the costs of service and others factors related to best execution in line the Management Company's best execution policy.
- (p) Assets subject to SFTs and TRS will be safe-kept by the Depositary.
- (q) The following information will be disclosed in the annual report of the Company:
  - (i) the exposure of each Sub-Fund obtained through EPM Techniques;
  - (ii) the identity of the counterparty(ies) to these EPM Techniques;
  - (iii) the type and amount of collateral received by the Sub-Funds to reduce counterparty exposure;
  - (iv) the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred;
  - (v) where collateral received from an issuer has exceeded 20% of the NAV of a Sub-Fund, the identity of that issuer; and
  - (vi) whether a Sub-Fund has been fully collateralised in securities issued or guaranteed by an EU Member State.
- (r) The Company's semi-annual and annual reports will further contain additional information on the use of SFTs and TRS in line with Section A of the Annex of the SFTR.
- (s) The counterparty risk arising from OTC Derivative and EPM Techniques may not exceed 10% of the assets of a Sub-Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.
- (t) 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 and EPM Techniques transactions with that counterparty, provided that:
  - (i) if there are legally enforceable netting arrangements in place, the risk exposure arising from OTC Derivative and EPM Techniques transactions with the same counterparty may be netted; and

- (ii) if collateral is posted in favour of a Sub-Fund and such collateral complies at all times with the criteria set out in Section 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(r) 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 and EPM Techniques, 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 and EPM Techniques 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.
- (u) 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 and EPM techniques

- (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 Section 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 or EPM Techniques transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-Fund may be fully

collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State, one or more of its local authorities 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) For the purpose of Section 5.2(a) above, all assets received by a Sub-Fund in the context of EPM Techniques should be considered as collateral.
- (c) Non-cash collateral received by a Sub-Fund may not be sold, re-invested or pledged.
- (d) 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.
- (e) Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral.
- (f) 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.
- (g) 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 (h) 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.

- (h) 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) 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) 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).

(g) 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. 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.

### 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.

(j) Specific risks relating to the use of TRS

Because it does not involve physically holding of the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication however involves counterparty risks. If a Sub-Fund engages in OTC Derivatives, there is a risks – beyond the general counterparty risks – that the counterparty may default or not be able to meet its

obligations in full. Where the Company and any of its Sub-Funds enters into TRS 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. TRS entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risks of loss with respect to TRS is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Company's or relevant Sub-Fund's risk of loss consists of the net amount of total return payments that the Company or the Sub-Fund is contractually entitled to receive.

#### 7.4 **EPM Techniques**

A Sub-Fund may enter into Repurchase Transaction agreements and reverse Repurchase Transaction agreements as a buyer or as a seller subject to the conditions and limits set out in Section 5 of the General Section. If the other party to a Repurchase Transaction agreement or reverse Repurchase Transaction agreement should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Sub-Fund in connection with the Repurchase Transaction agreement or reverse Repurchase Transaction agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the Repurchase Transaction agreement or reverse Repurchase Transaction agreement or its failure otherwise to perform its obligations on the repurchase date, the Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the Repurchase Transaction agreement or reverse Repurchase Transaction agreement.

A Sub-Fund may enter into Securities Lending transactions subject to the conditions and limits set out in Section 5 of the General Section. If the other party to a Securities Lending transaction should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Fund in connection with the Securities Lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the Securities Lending transaction or its failure to return the securities as agreed, the Sub-Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the Securities Lending agreement.

The Sub-Funds will only use Repurchase Transaction agreements, reverse Repurchase Transaction agreements or Securities Lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant Sub-Fund. When using such techniques, the Sub-Fund will comply at all times with the provisions set out in Section 5 of the General Section. The risks arising from the use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and Securities Lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of Repurchase Transaction agreements, reverse Repurchase Transaction agreements and Securities Lending transactions will generally not have a material impact on a Sub-Fund's performance, the use of such techniques may have a significant effect, either negative or positive, on a Sub-Fund's NAV.

As a Sub-Fund may reinvest the cash collateral received, there is a risk that the value on return of the reinvested cash collateral may decline below the amount owed by the Sub-Fund. The risk related to the reinvestment of cash collateral is mitigated by investing cash collateral in only highly liquid and diversified money market funds, reverse Repurchase Transaction agreements, time deposits and high-quality government bonds.

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

Securities Lending, Repurchase Transactions or reverse Repurchase Transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

The Company may enter into Securities Lending, Repurchase Transaction or reverse Repurchase Transaction agreements with other companies. Affiliated counterparties, if any, will perform their obligations under any Securities Lending, Repurchase Transaction or reverse Repurchase Transaction agreement concluded with the Company in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the respective Sub-Fund and its Shareholders. However, Shareholders should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

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

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

## **7.5 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.

## **7.6 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.

## **7.7 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.

## **7.8 Taxation**

Shareholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of

a Sub-Fund, capital gains within a Sub-Fund, whether or not realised, income received or accrued or deemed received within a Sub-Fund etc., and this will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder.

Shareholders should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Sub-Fund. Taxes might be calculated based on income received and/or deemed to be received and/or accrued in a Sub-Fund in relation to their direct investments, whereas the performance of a Sub-Fund, and subsequently the return Shareholders receive after redemption of the Shares, might partially or fully depend on the performance of underlying assets. This can have the effect that the investor has to pay taxes for income or/and a performance which he does not, or does not fully, receive.

Shareholders who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, Shareholders should be aware that tax regulations and their application or interpretation by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

#### **7.9 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.

#### **7.10 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.

#### **7.11 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.

#### **7.12 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.

### **Interested dealings**

- 8.2 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 Depositary 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 Depositary 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 Depositary 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 Anti-money laundering and terrorist financing requirements

- (a) The Directors will apply national and international regulations for the prevention of money laundering.
- (b) Measures aimed towards the prevention of money laundering require a detailed verification of an investor's identity in accordance with the applicable laws and regulations in Luxembourg (comprising but, not limited to, the Luxembourg law of 12 November 2004 on the fight against money laundering and financing terrorism, as amended) and the circulars of the CSSF in relation to money laundering obligations, as amended from time to time. The Company (and the Management Company (or its sub-contractor) acting on behalf of the Company) reserves the right to request such information as is necessary to verify the identity

of an investor in conformity with the before mentioned laws and regulations. Accordingly, the Management Company (or its sub-contractor) may require, pursuant to its risks based approach, investors to provide proof of identity. In any case, the Management Company (or its sub-contractor) may require, at any time, additional documentation to comply with applicable legal and regulatory requirements. In the event of delay or failure by the investor to produce any information required for verification purposes, the Company (and each of the intermediaries and Management Company (or its sub-contractor) acting on behalf of the Company) may refuse to accept the application and all subscription monies and in case of redemption request, the payment of the redemption proceeds and/or dividends may not be processed. Neither the Company nor the Management Company (or its sub-contractor) have any liability for delays or failure to process deals as a result of the investor providing no or only incomplete documentation.

- (c) Shareholders may be, pursuant to the Management Company's (or its sub-contractor's) risks based approach, requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

## 9.7 **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.

## 9.8 **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 Iñigo Damborenea, *Chairman*;
- Mr José Ramón Aranda Godlewski;
- Mr Enrique Ruiz Crespo; and
- Mrs Maria Luisa Pinel Rubio.

## 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 33, rue de Gasperich, L-5826 Hesperange, 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 Law of 17 December 2010. 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 Kevin Charles Brown, Chairman – Independent Non-Executive Director, London, United Kingdom

- Mrs Lorna Mary Cassidy – Executive Director, FundRock Management Company S.A., Luxembourg
- Mrs Gudrun Goebel – Executive Director, FundRock Management Company S.A., Luxembourg
- Mr Eric May – Director, Founding Partner, BlackFin Capital Partners, Paris, France
- Mr Michel Marcel Vareika – Independent Non-Executive Director, Director of Companies, Luxembourg
- Mr Revel Wood – Executive Director, Chief Executive Officer, FundRock Management Company S.A.

15.4 The following persons are the conducting officers (*dirigeants*) of the Management Company

- Revel Wood, Executive Director – Chief Executive Officer
- Christophe Douche, Director – Risks and Operations
- Gudrun Goebel, Executive Director
- Romain Denis, Director – IT Projects & Data Management
- Gregory Nicolas, Director – Legal, Compliance & Corporate
- Enda Fahy, Director – Alternative Investments.

15.5 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.

15.6 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.;
- (b) the central administration function of the Company to RBC Investor Services Bank S.A.; 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.

- 15.7 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.
- 15.8 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).
- 15.9 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**).
- 15.10 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.
- 15.11 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.
- 15.12 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);
  - (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

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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.

(g) implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

15.13 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.

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

15.15 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.

15.16 The Management Company (or its delegates) may enter into soft commissions with brokers under which certain business services are obtained from third parties and are paid for by the brokers out of the commissions they receive from transactions of the Company. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Management Company (or its delegates) to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers. The entering into soft commission arrangements is subject to the following conditions: (i) the Management Company (and its delegates) will act at all times in the best interest of the Company; (ii) the services provided will be in direct relationship to the activities of the Management Company (or its delegates); (iii) brokerage commissions on portfolio transactions for the Company will be directed by the Management Company (or its delegates) to broker-dealers that are entities and not to individuals; (iv) the Management Company (or its delegates) will provide reports to the Board with respect to soft commissions including the nature of the services it receives; and (v) information concerning the soft commission arrangements will be disclosed in the financial statements of the Company.

## 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 as disclosed in the relevant Special Section.

## 17. DEPOSITARY AND DOMICILIARY AGENT

17.1 The Company has appointed RBC Investor Services Bank S.A. (**RBC**), having its registered office at 14, porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, as depositary and principal paying agent (the **Depositary**) with the responsibility for the:

(a) safekeeping of assets;

- (b) oversight duties;
- (c) cash flow monitoring; and
- (d) principal paying agent functions,

in accordance with the 2010 Act and the Depositary Agreement.

- 17.2 RBC is registered with the Luxembourg trade and companies register under number B 47192 and was incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector (the **1993 Law**) and specialises in custody, fund administration and related services. Its equity capital as at 31 October 2016 amounted to approximately EUR 1,059,950,131.
- 17.3 The Depositary has been authorised by the Fund to delegate its safekeeping duties (i) to delegates in relation to other assets and (ii) to sub-custodians in relation to financial instruments and to open accounts with such sub-custodians. The Depositary must exercise care and diligence when selecting safekeeping delegates and sub-custodians. The Depositary's liability will not be affected by any delegation of its custody functions.
- 17.4 An up-to-date description of any safekeeping functions delegated by the Depositary and an up-to-date list of the delegates and sub-custodians may be obtained, upon request, from the Depositary or via the following website link: <http://gmi.rbcits.com/rt/gss.nsf/Royal+Trust+Updates+Mini/53A7E8D6A49C9AA285257FA8004999BF?opendocument>.
- 17.5 The Depositary will act honestly, fairly, professionally, independently and solely in the interests of the Company and the Shareholders in the execution of its duties under the 2010 Act and the Depositary Agreement.
- 17.6 Under its oversight duties, the Depositary will:
- (a) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the 2010 Act and with the Articles;
  - (b) ensure that the value of Shares is calculated in accordance with the 2010 Act and the Articles;
  - (c) carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the 2010 Act or the Articles;
  - (d) ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits; and
  - (e) ensure that the income of the Company is applied in accordance with the 2010 Act or the Articles.
- 17.7 The Depositary will also ensure that cash flows are properly monitored in accordance with the 2010 Act and the Depositary Agreement.

*Depositary Bank's conflicts of interests*

- 17.8 From time to time conflicts of interests may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to Company. The Depositary analyses, on an ongoing basis and based on applicable laws and regulations, any potential conflicts of interests that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with RBC's conflicts of interests policy, which is subject to applicable laws and regulation for a credit institution according to and under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended.
- 17.9 Further, potential conflicts of interest may arise from the provision by the Depositary and/or its affiliates of other services to the Company, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company, the Management Company and/or other funds for which the Depositary (or any of its affiliates) act.
- 17.10 RBC has implemented and maintains a management of conflicts of interests policy, aiming namely at:
- (a) identifying and analysing potential situations of conflicts of interests;
  - (b) recording, managing and monitoring the conflicts of interests situations in:
    - (i) implementing a functional and hierarchical segregation making sure that operations are carried out at arm's length from the Depositary business;
    - (ii) implementing preventive measures to decline any activity giving rise to the conflict of interest such as:
      - (A) RBC and any third party to whom the custodian functions have been delegated do not accept any investment management mandates;
      - (B) RBC does not accept any delegation of the compliance and risk management functions;
      - (C) RBC has a strong escalation process in place to ensure that regulatory breaches are notified to compliance which reports material breaches to senior management and the board of directors of RBC; and
      - (D) a dedicated permanent internal audit department provides independent, objective risk assessment and evaluation of the adequacy and effectiveness of internal controls and governance processes.

RBC confirms that, based on the above, no potential situation of conflicts of interest could be identified.

- 17.11 Up-to-date information on conflicts of interest policy referred to above may be obtained, upon request, from the Depositary or via the following website link: [https://www.rbcits.com/AboutUs/CorporateGovernance/p\\_InformationOnConflictsOfInterestPolicy.aspx](https://www.rbcits.com/AboutUs/CorporateGovernance/p_InformationOnConflictsOfInterestPolicy.aspx).



## **18. PAYING AGENT**

RBC Investor Services Bank S.A., or any other bank mentioned in the periodic reports, will also provide paying agent services.

## **19. ADMINISTRATIVE AGENT**

19.1 RBC Investor Services Bank S.A., 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 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.

19.3 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.

19.4 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).

19.5 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.

## **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., 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

An Investment Adviser, if any, may be entitled to receive an Investment Advisory Fee out of the assets of a Sub-Fund, as 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, 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, postage, telephone and telex. The Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.
- (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 EUR1,250,000.
- 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**

The accounts of the Company are closed at 31 December each year and the first time on 31 December 2011.

### **26.3 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 Depository.

- (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.

#### 26.4 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.

#### 26.5 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.

## 26.6 **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.

## 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.

## **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 has not any benchmark.

The Sub-Fund may hold cash on an ancillary basis. Under exceptional circumstances and where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

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. 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., (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

There is 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<br>Class I-USD<br>hedged*<br>Class I-GBP<br>hedged* | Class R-GBP<br>hedged* | Class D-EUR        | Class P-EUR<br>Class P-USD<br>hedged*<br>Class P-GBP<br>hedged* | Class A-EUR<br>Class A-USD<br>hedged*<br>Class A-GBP<br>hedged* | Class C-EUR<br>Class C-USD<br>hedged*<br>Class C-GBP<br>hedged* | Class S-EUR<br>Class S-USD<br>hedged*<br>Class S-GBP<br>hedged* |
| <b>Eligible Investors</b>                     | Institutional Investors   | Unrestricted*<br>*     | Unrestricted*<br>* | Unrestricted*<br>*  | Unrestricted*<br>*  | Institutional Investors<br>(*****)                              | (*****)   |
| <b>Reference Currency</b>                     | Class I-EUR: EUR<br>Class I-USD: USD<br>Class I-GBP: GBP        | GBP                    | EUR                | Class P-EUR: EUR<br>Class P-USD: USD<br>Class P-GBP: GBP        | Class A-EUR: EUR<br>Class A-USD: USD<br>Class A-GBP: GBP        | Class C-EUR: EUR<br>Class C-USD: USD<br>Class C-GBP: GBP        | Class S-EUR: EUR<br>Class S-USD: USD<br>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</b>                   | 100 (in the Reference   | GBP10                  | EUR10              | 10 (in the Reference  | 10 (in the Reference  | 10 (in the Reference  | 10 (in the Reference  |



| Price  | Currency of the relevant Class) |              |                                 | Currency of the relevant Class) | Currency of the relevant Class) | Currency of the relevant Class) | 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%                           | 1.25%                           | 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.

## 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 Business Day before 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.

## **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 Business Day before 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 Business Day before 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 5 of this Special Section may be levied to cover conversion costs.

## **10. LISTING**

The Shares of the Sub-Fund are listed on the regulated market of the Luxembourg Stock Exchange.

## **11. 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 2-3 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.

## **12. 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 VINI CATENA**

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

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

The aim of the Sub-Fund is to provide investors with an opportunity to invest mainly in transferable securities listed or quoted in Europe, United States, and other countries, including emerging countries, focused in the wine and liquor industry, but extended to the "value chain" of the wine industry (distribution companies; wine cellars; producers; agricultural companies; auxiliary industry of wine). It is not constrained by market capitalisation and geography. Its benchmark is Morgan Stanley Capital International World Index (Bloomberg MSDLWI). Notwithstanding the foregoing, the Sub-Fund also invests in fixed-income securities (bonds) and bank deposits in order to limit equity-risk.

The Sub-Fund may hold cash on an ancillary basis. Under exceptional circumstances and where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

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. 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., (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

There is 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<br>Class I-USD<br>hedged*<br>Class I-GBP<br>hedged*   | Class R-GBP<br>hedged* | Class D-EUR     | Class P-EUR<br>Class P-USD<br>hedged*<br>Class P-GBP<br>hedged*   | Class A-EUR<br>Class A-USD<br>hedged*<br>Class A-GBP<br>hedged*   | Class C-EUR<br>Class C-USD<br>hedged*<br>Class C-GBP<br>hedged*   | Class S-EUR<br>Class S-USD<br>hedged*<br>Class S-GBP<br>hedged*   |
| <b>Eligible Investors</b>                     | Institutional Investors   | Unrestricted**         | Unrestricted**  | Unrestricted**  | Unrestricted**  | Institutional Investors<br>(*****)                                | (*****)   |
| <b>Reference Currency</b>                     | Class I-EUR:<br>EUR<br>Class I-USD:<br>USD<br>Class I-GBP:<br>GBP | GBP                    | EUR             | Class P-EUR:<br>EUR<br>Class P-USD:<br>USD<br>Class P-GBP:<br>GBP | Class A-EUR:<br>EUR<br>Class A-USD:<br>USD<br>Class A-GBP:<br>GBP | Class C-EUR:<br>EUR<br>Class-C USD:<br>USD<br>Class C-GBP:<br>GBP | Class S-EUR:<br>EUR<br>Class S-USD:<br>USD<br>Class S-GBP:<br>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</b>                           | N/A   | N/A                    | Up to 5% of the | N/A   | N/A   | N/A   | N/A   |

| Fee  |              |              | Net Asset Value |              |              |              |              |
|--|--------------|--------------|-----------------|--------------|--------------|--------------|--------------|
| <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%           | 1.25%        | 1.25%        |
| <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 Business Day before 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.

## 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 Business Day before 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 Business Day before 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. LISTING**

The Shares of the Sub-Fund are listed on the regulated market of the Luxembourg Stock Exchange.

## **11. 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 2-3 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.

## **12. 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.

This Sub-Fund invests primarily in a portfolio of global wine industry-related equity securities.

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 the Sub-Fund's concentration on wine industry-related stocks limits the room for risk diversification within the Sub-Fund. However, there may also be greater potential for higher returns.

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, GBP 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, GBP or USD as the case may be.

### SPECIAL SECTION 3

#### MARCH INTERNATIONAL – VALORES IBERIAN EQUITY

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

#### 1. INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Sub-Fund is to provide investors with an opportunity to invest mainly in equity such as shares and other securities equivalent to shares listed or quoted in Spain and Portugal. In order to achieve this investment objective, the Investment Manager will invest for the account of the Sub-Fund in a select portfolio of equity, which it believes offer the best opportunities for future growth. The Sub-Fund is eligible for investment of French equity savings plan (*Plan d'Epargne en Actions*, **PEA**). Therefore, the Sub-Fund will ensure that at least 75% of its assets be invested at all times in equity of corporate issuers which have their registered offices in EEA countries (excluding Liechtenstein).

The Investment Manager may decide to cease managing the Sub-Fund in a manner consistent with the requirement of French PEA should the Investment Manager determine that doing so would (i) no longer enable the Sub-Fund to comply with the investment objectives set out above, (ii) not be in the interests of the Sub-Fund's Shareholders, or (iii) be impractical due to changing market conditions. If the Investment Manager decides to cease managing the Sub-Fund so that it is eligible for investment through PEA, the Investment Manager will notify the Shareholders resident in France at least one month in advance of the Sub-Fund ceasing to be managed to be eligible for investment through PEA.

The benchmark of the Sub-Fund is the IBEX 35 (Bloomberg IBEX35).

Notwithstanding the foregoing, the Sub-Fund may also invest in fixed-income securities (bonds) and bank deposits in order to limit equity-risk.

The Sub-Fund may hold cash on an ancillary basis. Under exceptional circumstances and where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification. 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. 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., (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

There is 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<br>Class I-USD<br>hedged*<br>Class I-GBP<br>hedged*   | Class R-GBP<br>hedged* | Class D-EUR        | Class P-EUR<br>Class P-USD<br>hedged*<br>Class P-GBP<br>hedged*   | Class A-EUR<br>Class A-USD<br>hedged*<br>Class A-GBP<br>hedged*      | Class C-EUR<br>Class C-USD<br>hedged*<br>Class C-GBP<br>hedged*    | Class S-EUR<br>Class S-USD<br>hedged*<br>Class S-GBP<br>hedged*   |
| <b>Eligible Investors</b> | Institutional<br>Investors  | Unrestricted*<br>*     | Unrestricted*<br>* | Unrestricted*<br>*  | Unrestricted*<br>*   | Institutional<br>Investors<br>(*****)                              | (*****)   |
| <b>Reference Currency</b> | Class I-EUR:<br>EUR<br>Class I-USD:<br>USD<br>Class I-GBP:<br>GBP | GBP                    | EUR                | Class P-EUR:<br>EUR<br>Class P-USD:<br>USD<br>Class P-GBP:<br>GBP | Class A-<br>EUR: EUR<br>Class A-<br>USD: USD<br>Class A-<br>GBP: GBP | Class C-<br>EUR: EUR<br>Class-C<br>USD: USD<br>Class C-GBP:<br>GBP | Class S-EUR:<br>EUR<br>Class S-USD:<br>USD<br>Class S-GBP:<br>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>                              | 1.25%   | 0.90%        | 1.5%                            | 1.25%   | 2%   | 1.25%  | 1.25%  |
| <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 Business Day before the relevant Valuation Day. Applications received after that time will be processed on the next Valuation Day.

Payments for subscriptions must be received in EUR 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 Business Day before 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 in EUR 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 Business Day before 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. LISTING**

The Shares of the Sub-Fund are listed on the regulated market of the Luxembourg Stock Exchange.

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

The Sub-Fund is suitable for any investor (institutional or 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 5-6 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.

## 12. 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.

This Sub-Fund invests primarily in a portfolio of Spanish and Portuguese equity securities.

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 the Sub-Fund's geographical concentration may limit the room for risk diversification within the Sub-Fund. However, there may also be greater potential for higher returns.

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.

This Sub-Fund is denominated in EUR, but may 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 as the case may be.

## **SPECIAL SECTION 4**

### **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, or in ADRs (American Depositary Receipts) and GDRs (Global Depositary Receipts).

The Sub-Fund may hold cash on an ancillary basis. Under exceptional circumstances and where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

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.

#### **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., (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

There is 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<br>Class I-USD<br>hedged*<br>Class I-GBP<br>hedged* | Class R-GBP<br>hedged* | Class D-EUR        | Class P-EUR<br>Class P-USD<br>hedged*<br>Class P-GBP<br>hedged* | Class A-EUR<br>Class A-USD<br>hedged*<br>Class A-GBP<br>hedged* | Class C-EUR<br>Class C-USD<br>hedged*<br>Class C-GBP<br>hedged* | Class S-EUR<br>Class S-USD<br>hedged*<br>Class S-GBP<br>hedged* |
| <b>Eligible Investors</b>                     | Institutional Investors   | Unrestricted*<br>*     | Unrestricted*<br>* | Unrestricted*<br>*  | Unrestricted*<br>*  | Institutional Investors<br>(*****)                              | (*****)   |
| <b>Reference Currency</b>                     | Class I-EUR: EUR<br>Class I-USD: USD<br>Class I-GBP: GBP        | GBP                    | EUR                | Class P-EUR: EUR<br>Class P-USD: USD<br>Class P-GBP: GBP        | Class A-EUR: EUR<br>Class A-USD: USD<br>Class A-GBP: GBP        | Class C-EUR: EUR<br>Class C-USD: USD<br>Class C-GBP: GBP        | Class S-EUR: EUR<br>Class S-USD: USD<br>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</b>                        | 100,000 (in the Reference                                       | N/A                    | N/A                | 500,000 (in the Reference                                       | N/A   | N/A   | N/A   |

| <b>Amount***</b>                                   | Currency of the relevant Class)                       |              |                                 | Currency of the relevant Class)                      |  |  |  |
|--|---|--------------|---------------------------------|--|--|--|--|
| <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%   | 1.25%  | 1.25%  |
| <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 Business Day before 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.

## **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 Business Day before 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 Business Day before 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 5 of this Special Section may be levied to cover conversion costs.

## **10. LISTING**

The Shares of the Sub-Fund are listed on the regulated market of the Luxembourg Stock Exchange.

## **11. 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 a long-term investment horizon, 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.

## **12. 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 5**

### **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 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 does not have 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 cash and cash equivalents on an ancillary basis.

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. 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., (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

There is 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<br>Class I-USD<br>hedged*<br>Class I-GBP<br>hedged* | Class R-GBP<br>hedged* | Class D-EUR        | Class P-EUR<br>Class P-USD<br>hedged*<br>Class P-GBP<br>hedged* | Class A-EUR<br>Class A-USD<br>hedged*<br>Class A-GBP<br>hedged* | Class C-EUR<br>Class C-USD<br>hedged*<br>Class C-GBP<br>hedged* | Class S-EUR<br>Class S-USD<br>hedged*<br>Class S-GBP<br>hedged* |
| <b>Eligible Investors</b>                     | Institutional Investors   | Unrestricted*<br>*     | Unrestricted*<br>* | Unrestricted*<br>*  | Unrestricted*<br>*  | Institutional Investors<br>(*****)                              | (*****)   |
| <b>Reference Currency</b>                     | Class I-EUR: EUR<br>Class I-USD: USD<br>Class I-GBP: GBP        | GBP                    | EUR                | Class P-EUR: EUR<br>Class P-USD: USD<br>Class P-GBP: GBP        | Class A-EUR: EUR<br>Class A-USD: USD<br>Class A-GBP: GBP        | Class C-EUR: EUR<br>Class C-USD: USD<br>Class C-GBP: GBP        | Class S-EUR: EUR<br>Class S-USD: USD<br>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</b>                        | 250,000 (in the Reference                                       | N/A                    | N/A                | 1,000,000 (in the Reference                                     | N/A   | N/A   | N/A   |

| <b>Amount***</b>                                   | Currency of the relevant Class)                       |              |                                 | Currency of the relevant Class)                      |  |  |  |
|--|---|--------------|---------------------------------|--|--|--|--|
| <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%   | 1.50%  | 1.00%  | 1.00%  |
| <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 Business Day before 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 Business Day before 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 Business Day before 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.

## **12. LISTING**

The Shares of the Sub-Fund are listed on the regulated market of the Luxembourg Stock Exchange.

### **13. 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 2-3 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.

### **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 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 – 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 – Llux 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 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 does not follow a benchmark though its medium term investment objective is to obtain higher returns than the MSCI World Index with lower volatility.

The Sub-Fund may hold cash and cash equivalents on an ancillary basis (i.e. up to 49% of its net assets). Under exceptional circumstances and where financial market conditions so require, up to 100% of the assets of the Sub-Fund may be held on a temporary basis in cash and cash equivalents, subject to compliance with the principle of risk diversification.

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.

#### **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., (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

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



|  |   |              |                                 |   |  |  |  |
|--|---|--------------|---------------------------------|---|--|--|--|
|  | Class)  |              |                                 | Class)  |  |  |  |
| <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%   | 1.75%  | 1.10%  | 1.10%  |
| <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 Business Day before 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 Business Day before 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 Business Day before 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 5 of this Special Section may be levied to cover conversion costs.

## **12. LISTING**

The Shares of the Sub-Fund are listed on the regulated market of the Luxembourg Stock Exchange.

### **13. 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 2-3 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.

### **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 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.