

**VISA 2021/166967-8649-0-PC**

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2021-12-24

Commission de Surveillance du Secteur Financier

A handwritten signature in blue ink, appearing to be 'h3h', is written over a faint rectangular stamp.

# **GLOBAL INTERNATIONAL INVESTMENTS SICAV**

**SOCIETE D'INVESTISSEMENT A CAPITAL VARIABLE**

**PROSPECTUS**

**December 2021**

## IMPORTANT INFORMATION

### General

Global International Investments SICAV (the **Company**) is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment pursuant to Part I of the act of 17 December 2010 relating to undertakings for collective investment, as amended (the **2010 Act**) and qualifies as an undertaking for collective investments in transferable securities (**UCITS**) under the EC Directive 2009/65 of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended (**UCITS Directive**), and may therefore be offered for sale in European Union (**EU**) Member States (subject to applicable notification process). The Company is structured as an umbrella fund to provide both institutional and retail investors with a variety of sub-funds (the **Sub-funds**, each a **Sub-fund**).

The registration of the Company does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the assets held in the various Sub-funds.

### Definitions

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

### Stock Exchange Listing

Application may be made to list certain Classes of the Shares on the Luxembourg Stock Exchange and any other stock exchange, regulated market or other multilateral trading facility as determined by the board of directors of the Company (the **Board**).

The approval of any listing particulars pursuant to the listing requirements of the relevant stock exchange, regulated market or multilateral trading facility does not constitute a warranty or representation by such stock exchange, regulated market or multilateral trading facility as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the Shares for investment or for any other purpose.

### Reliance

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 offices of the Company and Administrative Agent. The annual report and the semi-annual report form an integral part of the Prospectus. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Prospectus and the Articles.

In addition to the General Section, investors must refer to the relevant Special Section(s) attached at the end of 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, conversion 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. 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.

## **Responsibility for the Prospectus**

The members of the Board, whose names appear under the Section "General Information" of the General Section, accept joint responsibility for the information and statements contained in this Prospectus and in the KIID 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.

## **Umbrella structure and Sub-funds**

Investors may, subject to applicable law, invest in any Sub-fund offered by the Company. Investors 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-funds and Classes thereof are expected to differ. 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.

## **General risk warnings**

An investment in the Company involves investment risks including those set out in SCHEDULE 2 – General risk factors. In addition, investors should refer to the Section "Specific risk factors" of the Special Section of the relevant Sub-fund (if any) in order to assess and inform themselves on the specific risks associated with an investment in such 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 is set out in SCHEDULE 2 – General risk factors. The Special Section relating to each Sub-fund will give more precise information on the types of derivatives, if any, which may be used by a Sub-fund for investment purposes.

## **Prescription and claims against Service Providers**

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.

## **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 US Securities Act of 1933, as amended (the **US 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 US 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 US Persons in offshore transactions that meet the requirements of Regulation S under the US Securities Act.

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

Each applicant for the Shares must certify that it is not a US Person as defined in Regulations under the US Securities Act and CFTC Rule 4.7 and not a US 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 US new issue equity securities (**US IPOs**) or directly participate in US 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 US 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.

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

The Foreign Account Tax Compliance Act (**FATCA**) requires financial institutions outside the US (**foreign financial institutions** or **FFIs**) to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service (**IRS**) on an annual basis. A 30% withholding tax is imposed on certain US 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 of America and a memorandum of understanding in respect thereof, to improve international tax compliance and provide for the implementation of FATCA based on domestic reporting and reciprocal automatic exchange pursuant to the convention between the Luxembourg and the U.S. for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital as amended by the protocol of 20 May 2009. The Company would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the **FATCA Law**) in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the

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

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

- a) 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 that shareholder's FATCA status;
- b) report information concerning a shareholder and his account holding in the Company to the Luxembourg tax authorities if such an account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA, and
- e) divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.
- f) The Company is responsible for the treatment of the personal data provided for in the FATCA Law. The personal data obtained will be used for the purposes of the FATCA Law and such other purposes indicated by the Company in the Prospectus in accordance with applicable data protection legislation, and may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*). The Investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and may contact the Company at its registered office to exercise their right.

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

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

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

**TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR**

**MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

### **Automatic Exchange of Information**

The Organisation for Economic Co-operation and Development (**OECD**) has developed a common reporting standard (**CRS**) to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis.

On 29 October 2014, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("DAC2") was adopted to implement the CRS among the EU Member States. The CRS and the DAC2 were implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in (i) an EU Member State other than Luxembourg or (ii) a jurisdiction which has signed the Multilateral Agreement and which is identified in the list of reportable jurisdictions published by Grand Ducal Decree ("CRS Reportable Accounts"). Luxembourg financial institutions will then report the information on such CRS Reportable Accounts to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

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

**Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.**

### **Prevailing language**

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

### **Processing of personal data**

Personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by or on behalf of, the Company (the **Controller**) will be processed by the Controller in accordance with the Privacy Notice referred to in section 16.2 of this Prospectus, a current version of which is available and can be accessed or obtained online (<http://docs.marcham.com/sources/marcham/legal/privacynoticeglobalinternational.pdf>). Investors and any person contacting, or otherwise dealing directly or indirectly with the Controller are invited to read and carefully consider the Privacy Notice, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any Data directly or indirectly to the Controller.

## Register of Beneficial Owners

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

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

The ultimate beneficial owner information to be recorded in the RBO will include: (i) name; (ii) first name; (iii) nationality; (iv) date and place of birth; (v) country of residence; (vi) private or professional address; (vii) national identification number; and (viii) nature and extent of the beneficial interest held). Save for the data referred to under (v), (vi) and (vii), the information above listed will in principle also be accessible to the general public. Under exceptional circumstances such as risk of fraud, kidnapping, blackmail, extortion, harassment, violence or intimidation, or where the beneficial owner is a minor or otherwise legally incapable, an exemption from such access by the general public may be granted on a case-by-case basis.

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

## **GENERAL INFORMATION**

### **Registered office**

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

### **Members of the Board**

- Enrique Ruiz Crespo, Director, Banca March S.A.
- Giovanni Mancuso, non-executive independent director; and
- Irene Samayoa Peñalver, Director, Head of Legal March Asset Management SGIIC S.A.U.

### **Management Company**

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

### **Investment Manager**

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

### **Global Distributor**

Banca March S.A.  
Calle Núñez de Balboa, 70 Bis - 1 Planta  
28006 Madrid  
Spain

### **Administrative Agent, Depositary and Paying Agent**

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

### **Auditor**

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



**Legal adviser**

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

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## DEFINITIONS

In this Prospectus, the following terms have the following meanings.

**144 A Securities** means Shares sold to US Persons who are "qualified institutional buyers" within the meaning of Rule 144A under the US Securities Act and "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act.

**1915 Act** means the Luxembourg act of 10 August 1915 on commercial companies, as amended.

**2010 Act** means the act dated 17 December 2010 on undertakings for collective investment, as amended.

**Accumulation Class** means a Class for which it is not intended to make distributions, as set out in the relevant Special Section.

**Administrative Agent** means RBC Investor Services Banks S.A., in its capacity as central administration, registrar and transfer agent and domiciliary agent of the Company.

**Affiliate** means in relation to any person, any entity Controlled by or Controlling such person or under common Control.

**Alternative Target Funds** means UCITS and other UCIs, within the meaning of article 41 (1)(e) of the 2010 Act and article 1 (2)(a) and (b) of the UCITS Directive, that invest pursuant to an alternative investment strategy and are eligible under the UCITS framework. For the avoidance of doubt, investments in Alternative Target Funds are subject to the limits foreseen by Schedule 1, section 1.4.(b)(i.e. a Sub-Fund may not invest more than 30% of its assets in Alternative Target Funds qualifying as other UCIs);

**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, unless otherwise defined in respect of a specific Sub-fund in the relevant Special Section, a day on which banks are generally open for business in Luxembourg during the whole day (excluding Saturdays, Sundays, public holidays, Good Friday and Christmas Eve).

**Central Administration Agreements** means the agreements entered into between the Company and the Administrative Agent as amended, supplemented or otherwise modified from time to time.

**CFTC** means the United States Commodity Futures Trading Commission.

**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 18/698** means CSSF circular 18/698 on the authorisation and organisation of investment fund managers incorporated under Luxembourg law.

**Circular 14/592** means the CSSF circular 14/592 on the guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues.

**Class** means a class of Shares issued in any Sub-fund.

**Class Launch Date** means the date, as determined by the Board, on which the Company (re)opens a Class for subscription.

**Clearstream** means Clearstream Banking, *société anonyme*.

**Company** means Global International Investments SICAV.

**Contingent Convertible Bonds or CoCos** means subordinated contingent capital securities, instruments issued by banking/insurance institutions to increase their capital buffers in the framework of new banking/insurance regulations. Under the terms of a Contingent Convertible Bond, certain triggering events (such as a decrease of the issuer's capital ratio below a certain threshold or a decision of the issuer's regulatory authority) could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity.

**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 fee that may be paid by Shareholders in the event of a conversion of Shares as described under Section 13.2(c) of the General Section.

**CSSF** means the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority of the financial sector.

**Depository** means RBC Investor Services Bank S.A., in its capacity as depository bank and paying agent of the Company.

**Depository Agreement** means the depository agreement and principal paying agent 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.

**Directors** means the directors of the Company, whose details are set out in this Prospectus and/or the annual and semi-annual reports.

**Distribution Class** means a Class for which it is intended to make distributions, as set out in the relevant Special Section.

**Distributors** means any person from time to time appointed or authorised by the Company to distribute the Shares of one or more Sub-funds or Classes (including, for the avoidance of doubt, the Management Company).

**EEA** means the European Economic Area.

**Eligible Investments** means eligible investments for UCITS within the meaning of Article 41 (1) of the 2010 Act.

**Eligible Investor** means, in relation to each Class in each Sub-fund, an investor that satisfies the relevant criteria to invest in the relevant Class as is stipulated in the relevant Special Section and that is not a Restricted Person.

**EPM Techniques** means techniques and instruments relating to Transferable Securities or Money Market Instruments (including SFT).

**ETC** means Exchange-Traded-Commodity.

**EU** means the European Union.

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

**EUR** or **€** means the Euro, the single currency of the Participating Member States.

**Euroclear** means Euroclear Bank S.A./N.V. as the operator of the Euroclear System.

**FATCA Eligible Investor** means (i) an "exempt beneficial owner" (as defined by FATCA), (ii) an "Active NFFE" (as defined in the IGA), (iii) a "U.S. person" that is not a "Specified U.S. Person" (each as defined in the IGA), or (iv) a "Financial Institution" that is not a "Nonparticipating Financial Institution" (each as defined in the IGA).

**First Class Institutions** means first class financial institutions selected by the Company, subject to prudential supervision and belonging to the categories approved by the CSSF for the purposes of the OTC Derivative transactions and specialised in this type of transaction.

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

**G20 Member State** means any member State of the G20.

**General Section** means the general section of the Prospectus that sets out the general terms and conditions applicable to all Sub-funds of the Company, unless otherwise provided in any of the Special Sections.

**Global Distributor** means Banca March S.A.

**Global Distributor Agreement** means the global distribution agreement entered into between the Company, the Management Company and the Global Distributor as amended, supplemented or otherwise modified from time to time.

**Initial Subscription Period** or **Initial Subscription Date** means, with respect 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 the price at which Shares are issued in respect of subscriptions received during the Initial Subscription Period or on the Initial Subscription Date or on the Class Launch Date, as determined for each Sub-fund and Class in the relevant Special Section.

**Institutional Investors** means investors who qualify as institutional investors according to article 174 of the 2010 Act.

**Investing Sub-fund** has the meaning ascribed to this term in SCHEDULE 1 – Investment restrictions and use of EPM techniques, Section 1.9.

**Investment Company Act** means the United States Investment Company Act of 1940, as amended.

**Investment Manager** means March Asset Management SGIIC S.A.U.

**Investment Objective** means the investment objective of a Sub-fund as specified in the relevant Special Section.

**Investment Policy** means the investment policy of a Sub-fund as specified in the relevant Special Section.

**Investment Restrictions** means the investment restrictions applicable to the Sub-funds. The investment restrictions applicable to all Sub-funds are set out in SCHEDULE 1 – Investment restrictions and use of EPM techniques. Additional investment restrictions may be applicable to each Sub-fund as set out in the relevant Special Section.

**KIID** means the key investor information document in respect of each Sub-fund.

**Late Trading** 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., 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.

**Launch Date** means the date on which the Company issues Shares relating to a Sub-fund in respect of subscriptions received during the Initial Subscription Period or on the Initial Subscription Date as set out in respect of each Sub-fund in the relevant Special Section.

**Luxembourg** means the Grand Duchy of Luxembourg.

**Luxembourg Law** means the applicable laws of the Grand Duchy of Luxembourg.

**Luxembourg Official Gazette** means the *Mémorial C, Recueil des Sociétés et Associations* or the *Recueil Electronique des Sociétés et Associations (RESA)*

**Management Company** means FundRock Management Company S.A.

**Management Company Agreement** means the 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 13.1(b) 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 the minimum number of Shares or amount which a Shareholder must hold at any time in a particular Class in a particular Sub-fund as set out in the relevant Special Section.

**Minimum Net Asset Value** means the minimum Net Asset Value for a Sub-fund to be operated in an economically efficient manner. Unless otherwise specified in respect of a Sub-fund in the relevant Special Section, the Minimum Net Asset Value per Sub-fund will be EUR 5 million (or the equivalent in the Reference Currency of the relevant Sub-fund). If the Net Asset Value of a Sub-fund falls below the Minimum Net Asset Value, the Board may decide to proceed to the liquidation of such Sub-fund (or to merge Sub-fund) in accordance with the terms of Section 12.5 of the General Section.

**Minimum Subscription Amount** means the minimum number of Shares or amount which a Shareholder or subscriber must subscribe for in a particular Class in a particular Sub-fund in which the Shareholder or subscriber does not hold Share(s) prior to such subscription as set out in the relevant Special Section.

**Minimum Subsequent Subscription Amount** means the minimum number of Shares or amount which a Shareholder must subscribe for in a particular Class in a particular Sub-fund when subscribing for additional Shares of the relevant Class as set out in the relevant Special Section.

**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** or **NAV** means the net asset value of the Company, each Sub-fund, each Class and each Share as determined in accordance with Section 11 of the General Section.

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

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

**OTC** means over-the-counter.

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

**Participating Member State** means any member state of the European Union that adopts or has adopted and, in each case, continues to adopt the Euro as its lawful currency in accordance with the legislation of the European Union.

**Prospectus** means this prospectus, as amended or supplemented from time to time.

**Redemption Cut-Off Time** means the deadline for the submission of redemption requests as set out in Section 7.1 of the General Section, unless otherwise specified in respect of a specific Sub-fund in the relevant Special Section.

**Redemption Fee** means the fee that may be levied in case of 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 and Class, the currency in which the Net Asset Value of such Sub-fund or Class is calculated, as stipulated in the relevant Special Section.

**Regulated Market** means a regulated market as defined in the Council Directive 2014/65/EU dated 15 May 2014 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.

**REIT** means a closed-ended real estate investment trust, the units of which qualify as transferable securities.

**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 US Person and 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 Board, (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, or (iv) such person is not a FATCA Eligible Investor.

**Retail Investor** means any investor not qualifying as an Institutional Investor.

**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 as defined under the SFTR; (iv) a margin lending transaction 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.

**Service Agreements** means the Depositary Agreement, the Management Company Agreement, the Central Administration Agreements and any other agreement between the Company and/or the Management Company on account of one or more Sub-fund(s) and any other Service Provider.

**Service Providers** means the Management Company, the Investment Manager, the Investment Adviser(s), the Depositary, the Administrative Agent and any other person who provides services to the Company from time to time (including, for the avoidance of doubt, any investment adviser or investment manager).

**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 any registered holder of Shares.

**Shares** means all shares issued by the Company from time to time, representing the total outstanding shares.

**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-Classes** means each sub-class of Shares which may be issued within each Class with a distinct valuation currency.

**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 Sub-funds do not have a legal existence distinct from the Company; however each Sub-fund is liable only for the debts, liabilities and obligations attributable to it. The specifications of each Sub-fund will be described in the relevant Special Section.

**Subscription Cut-Off Time** means the deadline for the submission of subscription requests as set out in Section 5.2(a) of the General Section, unless otherwise specified in respect of a specific Sub-fund in the relevant Special Section.

**Subscription Fee** means the fee that may be levied in case of subscription of Shares of 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 at a meeting where holders representing half of the issued share capital are present or represented and that is 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.

**Target Sub-fund** has the meaning ascribed to this term in SCHEDULE 1 – Investment restrictions and use of EPM techniques, Section 1.9.

**Transferable Securities** means:

- shares and other securities equivalent to shares;
- bonds and other debt instruments;
- 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.

**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), points a) and b) of the UCITS Directive, whether situated in a EU Member State or not, provided that:

- 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;
- the level of guaranteed protection for Shareholders in such UCI is equivalent to that provided for Shareholders 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;
- the business of such UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.

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

**UCITS-CDR** means Commission Delegated Regulation of 17 December 2015 supplementing the UCITS Directive 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 the UCITS Directive 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 currency of the United States of America.

**US Person** means a person that is a US person for purposes of Regulation S under the US Securities Act and CFTC Rule 4.7 or a US resident within the meaning of the Investment Company Act, which includes any natural person who is a resident of the United States, any partnership or corporation organised or incorporated under the laws of the United States, any estate of which any executor or administrator is a US person and the income of such estate is subject to United States income tax regardless of source, any trust of which any trustee

is a US person and the income of such trust is subject to United States income tax regardless of source and any other US person that is a US person or US resident for purposes of Regulation S under the US Securities Act, the Investment Company Act and CFTC Rule 4.7.

**US Securities Act** means the US Securities Act of 1933, 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.

## **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. STRUCTURE OF THE COMPANY**

#### **1.1 The Company**

The Company is an open-ended investment company organised under the laws of Luxembourg as a *société d'investissement à capital variable (SICAV)*, incorporated on 16 September 2015 under the form of a public limited liability company (*société anonyme*) and authorised as SICAV subject to part I of the 2010 Act. The Company is registered with the Luxembourg trade and companies register under number B200143. Its deed of incorporation was published in the Luxembourg Official Gazette on 29 September 2015.

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. The Company will exist for an indefinite period.

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.

There is no limit to the number of Shares which may be issued. Shares will be issued to subscribers in registered form or dematerialised form.

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 relevant Sub-fund'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.

The initial subscribed capital of the Company was EUR 31,000. The minimum share capital of the Company must at all times be EUR 1,250,000. The Company's share capital is at all times equal to its Net Asset Value. The Company's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.

#### **1.2 Shares**

Any Eligible Investor may acquire Shares in the Company against payment of the subscription price as defined in Section 5.1 of the General Section.

Shares may be issued in registered or dematerialised form. A holder of dematerialised Shares will have its Shares deposited on a securities account in the name of its beneficiary. All Shares must be fully paid up. Fractional Shares may be issued up to four (4) decimal places and will carry rights in proportion to the fraction of a Share they represent but will carry no voting rights.

The register of the Shareholders will be kept by the Administrative Agent on behalf of the Company, and the register (and the Shareholders' personal data contained therein) will be available for inspection by any Shareholder. The register will contain the name of each owner of registered Shares, his/her/its residence or elected domicile as indicated to the Company and the number and Class held by him/her/it and the transfer of Shares and the dates of such transfers. The ownership of the Shares will be established by the entry in this register.

Each registered Shareholder will provide the Company with an address, fax number and email address to which all notices and announcements may be sent. Such address will also be entered into the register of Shareholders. Shareholders may, at any time, change their address as entered into the register of Shareholders by way of a written notification sent to the Company.

Relevant notifications or other communications to Shareholders concerning their investment in the Company may be posted on the website <https://www.march-am.com/documentacion/global-international-investments-sicav/>. In addition, and where required by Luxembourg law or the CSSF, Shareholders will also be notified in writing or in such other manner as prescribed under Luxembourg law.

The Shares confer no preferential subscription rights at the time of the issue of new Shares.

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.

The Special Sections indicate, for each Sub-fund, which Classes are available and their characteristics.

For each Sub-fund, the Board 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.

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 5 of the General Section.

### 1.3 Umbrella structure - Sub-funds and Classes

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 Investment Policy applicable to that Sub-fund. The Investment Objective, Investment Policy, as well as the other specific features of each Sub-fund (such as risk profile and duration (including limited duration)) are set forth in the relevant Special Section.

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.

The Company may be comprised of one or more feeder Sub-funds, with each such feeder Sub-fund being authorised to invest up to 100% of its assets in units of another eligible master UCITS (or sub-fund thereof) under the conditions set out by applicable law, as may be set forth in the relevant Special Section.

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. The Board 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. Classes of some Sub-funds, indicated in the Special Sections, may, on the decision of the Board, be subdivided into several Sub-Classes with a different valuation currency. **The attention of investors is drawn to the fact that, depending on whether foreign exchange hedging instruments are used in respect of each Class, an investor may be exposed to the risk that the Net Asset Value**

**of one Class denominated in a given valuation currency may fluctuate in a way that compares unfavourably to that of another Class denominated in another valuation currency. It should nevertheless be noted that all expenses associated with the financial instruments, if any, used for the purpose of hedging foreign exchange risks related to the Sub-Class concerned will be allocated to that Sub-Class.** To the extent permitted by the Prospectus, and in relation to Sub-Classes that are denominated in a currency other than the Reference Currency of a Sub-fund or Class, the Company may (but is under no obligation to) employ techniques and instruments intended to provide protection, so far as possible, against movements of the currency in which the relevant Sub-Class is denominated.

The Sub-funds are described in more detail in the relevant Special Sections.

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 Institutional Investors only.

#### **1.4 Term of the Company – Term of the Sub-funds**

The Company will exist for an indefinite period. However, the Company will be automatically put into liquidation upon the liquidation of the last active Sub-fund.

The Sub-funds may be created with a limited duration in which case Shares for which no redemption request has been submitted in respect of the maturity date as set out in the relevant Special Section will be compulsory redeemed at the Net Asset Value per Share calculated as at such maturity date.

## **2. MANAGEMENT, ADMINISTRATION AND DISTRIBUTION**

### **2.1 The Board**

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.

The Board must be composed at all times of at least three Directors (including the chairman of the Board).

Any Director may be removed with or without cause or be replaced at any time by resolution adopted by the general meeting of Shareholders.

The Company may indemnify any Director or officer, and his/her/its heirs, executors and administrators against expenses reasonably incurred by him/her/it in connection with any action, suit proceeding to which he/she/it may be made a party by reason of him/her/it 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/she/it is not entitled to be indemnified, except in relation to matters as which he/she/it 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/she/it may be entitled.

The Board is currently composed as follows:

- Enrique Ruiz Crespo, Director, Banca March S.A.

- Giovanni Mancuso, non-executive independent director; and
- Irene Samayoa Peñalver, Director, Head of Legal March Asset Management SGIIC S.A.U

The Board will appoint a chairman. The chairman will have a casting vote in case of a tied vote.

## 2.2 **Management Company**

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 the Management Company Agreement and in accordance with the provisions of the 2010 Act. The rights and duties of the Management Company are further laid down in articles 107 et seq. of the 2010 Act.

The Management Company whose registered office is at 33, rue de Gasperich, L-5826 Hesperange, Grand Duchy of Luxembourg, was incorporated for an unlimited duration as a public limited liability company under the laws of Luxembourg 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 Luxembourg trade and companies register under number B104.196. The Management Company is approved under Chapter 15 of the 2010 Act. The subscribed capital of the Management Company is EUR 10,000,000 and is fully paid up.

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

- Mr Michel Marcel Vareika, Chairman – Independent Non-Executive Director, Luxembourg;
- Mr Romain Denis – Executive Director, Managing Director, FundRock Management Company S.A., Luxembourg;
- Mrs. Tracey McDermott, Independent Non-Executive Director, Luxembourg;
- Mr Xavier Parain – Executive Director – Chief Executive Officer, FundRock Management Company S.A., Luxembourg; and
- Mr Thibault Gregoire – Executive Director – Chief Financial Officer, FundRock Management Company S.A., Luxembourg.

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

- Mr Franck Caramelle, Director – Alternative Investments;
- Mr Romain Denis, Executive Director – Managing Director; and
- Mr Emmanuel Nantas, Director – Compliance.

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.

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:

- the global distribution function of the Company to Banca March S.A.; and
- the investment management function of all Sub-funds to March Asset Management SGIIC S.A.U. as further set forth in this Prospectus and in the relevant Special Sections; and
- the administrative function of the Company to RBC Investor Services Bank S.A..

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).

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**).

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.

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.

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>:

- 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);
- identification of the functions performed within the Management Company which may impact the performance of the entities under management;

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<sup>1</sup> It should be noted that the Management Company's remuneration policy may be subject to certain amendments and/or adjustments.

- calculation of remuneration and benefits based on the combination of individual and company's performance assessment;
- determination of a balanced remuneration (fixed and variable);
- implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration;
- deferral of variable remuneration over 3- (three-)year periods; and
- implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

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/remuneration-policy/> and a paper copy will be made available free of charge upon request at the Management Company's registered office.

The terms and conditions of the remuneration of the Management Company are set out in Section 13.1(b) of the General Section.

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.

### 2.3 **Investment Manager**

The Management Company has, with the consent of the Company, appointed March Asset Management SGIIC S.A.U., (the **Investment Manager**) as investment manager of all Sub-funds pursuant to an investment management agreement (the **Investment Management Agreement**). The Investment Manager will provide or procure each Sub-fund investment management services, pursuant to the provisions of the Investment Management Agreement and in accordance with the Investment Policy, Objective and Restrictions of the relevant Sub-fund as set out in the Articles, this Prospectus, the relevant Special Section and with the aim to achieve the Sub-fund's Investment Objective.

March Asset Management SGIIC S.A.U., whose registered office is at 74, Calle de Castelló, 28006 Madrid (Spain) and which was incorporated on 26 July 2000 is a Spanish public limited company (*sociedad anónima*) under the supervision of the Spanish financial regulator (*Comisión Nacional del Mercado de Valores*).

The Investment Manager may be assisted by the Investment Adviser(s) as further described in the relevant special section and may delegate its functions, with the approval of the CSSF, the Management Company and the Board, to one or more sub-managers.

Based on article 110(1)(g) of the 2010 Act, the Management Company may (i) give any further instructions to, and (ii) terminate the mandate of, any Investment Manager which is appointed in accordance with the above paragraph, at any time when this is in the interests of the Shareholders.

Unless otherwise stated in the relevant Special Section, the Investment Manager is responsible for, among other matters, identifying and acquiring the investments of the Company. The Investment Manager is granted full power and authority and all rights necessary to enable it to manage the investments of the relevant Sub-funds and provide other investment management services to assist the Company and the Management Company to achieve the investment objectives and policy set out in this Prospectus and any specific investment objective and policy set out in the relevant Special Section.



Consequently, the responsibility for making decisions to buy, sell or hold a particular security or asset rests with the Board, the Management Company, the Investment Manager and, as the case may be, the relevant sub-investment manager appointed by them, subject always to the overall policies, direction, control and responsibility of the Board and the Management Company.

The Investment Manager is entitled to receive a remuneration out of the assets of each Sub-fund, as disclosed in the Special Sections.

#### 2.4 **Investment Adviser to the Investment Manager**

##### *Investment Adviser*

The Investment Manager may, with the consent of the Company, appoint one or more investment advisers (each, an **Investment Adviser**) in respect of one or more Sub-funds to provide advisory services alongside the Investment Manager. Any such Investment Adviser will be disclosed in the relevant Special Section.

Unless otherwise stated in the relevant Special Section, the Investment Adviser is responsible for, among other matters, assisting the Investment Manager identifying and acquiring the investments of the Company to achieve the investment objectives and policy set out in this Prospectus and any specific investment objective and policy set out in the relevant Special Section.

Any Investment Advisor will in principle be paid out of the Investment Manager's remuneration. If an Investment Adviser is entitled to receive a remuneration directly out of the assets of the relevant Sub-fund, then such remuneration will be disclosed in the relevant Special Section.

#### 2.5 **Administrative Agent**

RBC Investor Services Bank S.A., has been appointed as (i) administrative agent and registrar and transfer agent of the Company (the **Administrative Agent**) pursuant to an administrative services agreement entered into between the Company, the Management Company and the Administrative Agent and as (ii) domiciliary and corporate agent of the Company pursuant to a domiciliary and corporate agency agreement (together with the administrative services agreement referred as to the **Central Administration Agreements**) entered into between the Company and the Administrative Agent. The Central Administration Agreements provide that they 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.

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.

In consideration of the services rendered under the Central Administration Agreements, the Administrative Agent receives a fee as detailed in Section 13.1(c) of the General Section.

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).

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.

In order to provide its services, the Administrative Agent must enter into outsourcing arrangements with third party service providers in or outside the RBC group (the **Sub-contractors**). As part of those

outsourcing arrangements, the Administrative Agent may be required to disclose and transfer personal and confidential information and documents concerning Shareholders and individuals related to Shareholders (the **Related Individuals**)(the **Data transfer**) such as identification data – including Shareholders’ and/or the Related Individual’s name, address, national identifiers, date and country of birth, etc. – account information, contractual and other documentation and transaction information (the **Confidential Information**) to Sub-contractors.

In accordance with Luxembourg law, the Administrative Agent is due to provide a certain level of information about those outsourcing arrangements to the Company, which, in turn, must be provided by the Company to the Shareholders.

A description of the purposes of the said outsourcing arrangements, the Confidential Information that may be transferred to Sub-contractors thereunder, as well as the country where those Sub-contractors are located is therefore set out in the below table.

Type of Confidential Information transmitted to the Sub-contractors	Country where the Sub-contractors are established	Nature of the outsourced activities
Confidential Information (as defined above)	Belgium Canada Hong Kong India Ireland Jersey Luxembourg Malaysia Poland Singapore United Kingdom United States of America	<ul style="list-style-type: none"> <li>• Transfer agent/ shareholders services (incl. global reconciliation)</li> <li>• Treasury and market services</li> <li>• IT infrastructure (hosting services, including cloud services)</li> <li>• IT system management / operation Services</li> <li>• IT services (incl. development and maintenance services)</li> <li>• Reporting</li> </ul>

Confidential Information may be transferred to Sub-contractors established in countries where professional secrecy or confidentiality obligations are not equivalent to the Luxembourg professional secrecy obligations applicable to the Administrative Agent.

In any event, the Administrative Agent is legally bound to, and has committed to the Company that it will enter into outsourcing arrangements with Sub-contractors which are either subject to professional secrecy obligations by application of law or which will be contractually bound to comply with strict confidentiality rules.

The Administrative Agent further committed to the Company that it will take reasonable technical and organisational measures to ensure the confidentiality of the Confidential Information subject to the Data Transfer and to protect Confidential Information against unauthorised processing. Confidential Information will therefore only be accessible to a limited number of persons within the relevant Sub-contractor, on “a need to know” basis and following the principle of the “least privilege”. Unless otherwise authorised/required by law, or in order to comply with requests from national or foreign

regulatory authorities or law enforcement authorities, the relevant Confidential Information will not be transferred to entities other than the Sub-contractors.

## 2.6 **Depository and Paying Agent**

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 depository and principal paying agent (the **Depository**) with the responsibility for the:

- (a) safekeeping of the assets;
- (b) oversight duties;
- (c) cash flow monitoring; and
- (d) principal paying agent functions,

in accordance with the 2010 Act and the Depository Agreement.

RBC Investor Services Bank S.A. 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, as amended, 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.

The Depository has been authorised by the Company 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 Depository must exercise care and diligence when selecting safekeeping delegates and sub-custodians. The Depository's liability will not be affected by any delegation of its custody functions.

An up to date description of any safekeeping functions delegated by the Depository and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depository or via the following website link:

<http://gmi.rbcits.com/rt/gss.nsf/Royal+Trust+Updates+Mini/53A7E8D6A49C9AA285257FA8004999BF?opendocument>.

The Depository shall 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 Depository Agreement.

Under its oversight duties, the Depository 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.

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*

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.

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.

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.

An 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).

## 2.7 **Distributors and nominees**

The Management Company has appointed, at the request and with the consent of the Company, Banca March S.A. (the **Global Distributor**) as global distributor of the Sub-funds. The Global Distributor will provide coordination services in the context of the marketing of the Sub-funds' Shares and will appoint one or more sub-distributors in respect of the relevant Sub-fund(s).

The Company and the Management Company expect that in relation to Shares to be offered to investors the Global Distributor or any sub-distributor may 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.

All sub-distributors that are entitled to receive subscription monies and/or subscription, redemption or conversion orders on behalf of the Company 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 the Company and will have no direct right of recourse against the Company.

Any sub-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. The relevant nominee of Euroclear or Clearstream or the other relevant clearing system will be recognised as the registered Shareholder in the Register in such event, and in turn would hold the Shares for the benefit of the relevant accountholders in accordance with the relevant arrangements. 144A Shares 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.

The terms and conditions of the sub-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.

Investors may subscribe directly to the Company without having to go through the Global Distributor, a sub-distributor or a nominee.

The Global Distributor will be remunerated out of the Investment Management fee for the coordination services in the context of the marketing of the Sub-funds' Shares.

The Investment Manager and the Global Distributor may enter into retrocession fee arrangements with any sub-distributor in relation to their distribution services. Any such retrocession fee shall be paid by the Investment Manager and the Global Distributor out of their own assets (or remuneration). The Investment Manager and Global Distributor may instruct from time to time in writing the Company and/or the Management Company to pay a part of their own remuneration directly to the sub-distributors.

## 2.8 Auditor

Deloitte Audit S.à r.l. has been appointed as the Company's approved statutory auditor and will fulfil all duties prescribed by the 2010 Act.

## 3. INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

### 3.1 Investment Objective and Investment Policy

The Investment Objective and Investment Policy of each Sub-fund is as set out in respect of that Sub-fund in the relevant Special Section.

### 3.2 Investment Restrictions

The Company and the Sub-funds are subject to the Investment Restrictions set forth in SCHEDULE 1 – Investment restrictions and use of EPM techniques.

### 3.3 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the “Taxonomy Regulation”)

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

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

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

Even though the ESG commitment is taken into account in the stock picking process and asset selection process, the Investment Manager considers sustainability risks to be less relevant for the Sub-Funds as currently other factors considered in the stock picking and asset selection process outweigh this risk. The Investment Manager considers that sustainability risks will not significantly impact the returns of the Sub-Funds.

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

In application of the Taxonomy Regulation, investors should note that the investments underlying the Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities.

## 4. CO-MANAGEMENT AND POOLING

In order to ensure efficient management, the Board may decide in accordance with the Articles to manage all or a part of the assets of one or more Sub-funds together with those of other Sub-funds (the pooling technique), or to co-manage the entirety or part of the assets with, if necessary, the exception

of a reserve in cash, of one or several Sub-funds together with the assets of other Luxembourg investment funds, or of one or more sub-funds of other Luxembourg investment funds (the **Party or Parties to the Assets under Co-Management**) for which the Depositary has been designated as the depositary bank. The co-management of the relevant assets shall be carried out in accordance with the respective investment policies of the Parties to the Assets under Co-Management, where each pursues identical or comparable objectives (the assets so co-managed or pooled being the **Assets under Co-Management**). The Parties to the Assets under Co-Management will only participate in any such pooling or co-management arrangements authorised by their own individual prospectuses, and in compliance with their own specific investment restrictions.

Each Party to the Assets under Co-Management will participate in the Assets under Co-Management in proportion to their contribution to the Assets under Co-Management. The assets shall be attributed to each Party to the Assets under Co-Management in proportion to their contribution to the Assets under Co-Management.

The rights of each Party to the Assets under Co-Management which take part shall be applicable to each of the lines of investment of such Assets under Co-Management.

Such Assets under Co-Management shall be constituted by the transfer of cash or, if appropriate, other assets of each of the Parties to the Assets under Co-Management. Subsequently, the Board may proceed regularly to make transfers to the Assets under Co-Management. The Assets may equally be transferred back to one of the Parties to the Assets under Co-Management up to the value of the holding of that Party to the Assets under Co-Management.

Dividends, interest, and other distributions which are by nature earnings generated within the context of the Asset Co-Management shall be due to each of the Parties to the Assets under Co-Management in proportion to their holding. Such earnings may be retained by the Party to the Assets under Co-Management with a holding, or be reinvested in the Assets under Co-Management.

All of the costs and expenses incurred with the context of the Co-Management of Assets shall be debited from the Assets under Co-Management. Such costs and expenses shall be attributed to each Party to the Assets under Co-Management in proportion to the rights of each in respect of the Assets under Co-Management.

In the event of a breach of the Investment Restrictions affecting a Sub-fund, when such Sub-fund is a Party to the Assets under Co-Management, the Board shall, even if the Management Company or, if applicable, the Investment Manager has observed the Investment Restrictions by applying them to the Assets under Co-Management in question, require that the Management Company or, if applicable, the Investment Manager reduces the investments in question in proportion to the holding of the Sub-fund in question in the Assets under Co-Management or, if appropriate, shall reduce the holding in the Assets under Co-Management in question such that the Investment Restrictions are observed in respect of that Sub-fund.

In the event that the Company is dissolved or if the Board decides without the required notice to withdraw the holding of the Company or of a Sub-fund in the Assets under Co-Management, the Assets under Co-Management shall be allocated to the Parties to the Assets under Co-Management, each in proportion to their holding in the Assets under Co-Management.

**Investors should be aware of the fact that such Assets under Co-Management are employed solely in order to ensure effective management insofar as all of the Parties to the Assets under Co-Management have the same depositary bank. The Assets under Co-Management do not constitute distinct legal entities and are not directly accessible to investors. Nevertheless, the assets and liabilities of each of the Sub-funds must at all times be separate and identifiable.**

## **5. SUBSCRIPTION FOR SHARES**

### **5.1 Initial Subscription Period/Date and Ongoing Subscriptions**

During the Initial Subscription Period or on the Initial Subscription Date or on the Class Launch 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. If so provided for in a Special Section, the Board may extend the Initial Subscription Period and/or postpone the Launch Date subject to the terms of the relevant Special Section.

After the Initial Subscription Period, the Initial Subscription Date or the Class Launch 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 Company may decide that for a particular Class or Sub-fund no further Shares will be issued after the Initial Subscription Period or Initial Subscription 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.

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. 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.

Shareholders or prospective investors may subscribe for a Class in a Sub-fund at a subscription price per Share equal to:

- (a) the Initial Subscription Price where the subscription relates to the Initial Subscription Period, the Initial Subscription Date or the Class Launch Date; or
- (b) the Net Asset Value per Share as of the Valuation Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the Initial Subscription Period, the Initial Subscription Date or the Class Launch Date) of Shares of an existing Class in an existing Sub-fund.

A Subscription Fee 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 the Company, the Management Company or the Distributor, unless otherwise specified in respect of a Sub-fund in the relevant Special Section.

Subscriptions will be accepted in amounts and number of Shares.

With regard to the Initial Subscription Period or Initial Subscription Date, Shares will be issued on the Initial Subscription Date or the first Business Day following the end of the Initial Subscription Period. With regards to the Class Launch Date, Shares will be issued on the Class Launch Date.

### **5.2 Subscription procedure**

After the end of the Initial Subscription Period, the Initial Subscription Date or the Class Launch Date, subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax or swift allowed by the Administrative Agent to the Global Distributor, any sub-distributor or the Administrative Agent to be received by the Global Distributor, a sub-distributor or the Administrative Agent or such other person



as the Company may advise by such time as set out in the relevant Special Section (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time, will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;

- (b) 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 by such time as set out in the relevant Special Section.

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. 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 relevant Sub-fund. The Board may permit different Subscription Cut-Off Times for certain types of investors, such as investors in jurisdictions where a different time zone so justifies. The Subscription Cut-Off Times applied must always precede the time when the applicable Net Asset Value is determined. Different cut-off times may either be specifically agreed upon with the relevant Distributor or may be published in any supplement to the Prospectus or other marketing document used in the jurisdiction concerned.

Subscribers for Shares must make payment in the Reference Currency of the relevant Sub-fund or Class.

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. Subscription requests are irrevocable, unless in the period during which the calculation of the Net Asset Value is suspended in accordance with Section 11.2 of the General Section during which a Shareholder may withdraw a request for subscription of Shares by written notice to the Management Company (or its sub-contractor)(such notice to be received before the end of the suspension period).

In the event that the subscription order is incomplete (i.e., all requested papers are not received by the Administrative Agent, the Global Distributor, or a sub-distributor or a Distributor by the Subscription Cut-Off Time) the subscription order will be accepted as soon as the full set of documents is received.

The applicable Minimum Subscription Amount, Minimum Holding Amount and Minimum Subsequent Subscription Amount may be waived or varied on a case-by-case basis, by the Company.

In the event that the Company decides to reject any application to subscribe for 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).

### 5.3 **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 US Person or (b) a "qualified institutional buyer" within the meaning of Rule 144A under the US 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. Shares

may not be transferred to or owned by any Restricted Person. The Shares are subject to restrictions on transferability to a US Person and may not be transferred or re-sold except pursuant to an exemption from registration under the US Securities Act or an effective registration statement under the US Securities Act. In the absence of an exemption or registration, any resale or transfer of any of the Shares in the United States or to US Persons may constitute a violation of US 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 US Person or (b) in the case of 144 A Securities, are or become owned, directly or indirectly, by a US Person who is not a "qualified institutional buyer" within the meaning of Rule 144A under the US 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.

#### **5.4 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 the relevant Special Sections 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.

#### **5.5 Institutional Investors**

The sale of Shares of certain Sub-funds or Classes may be restricted to Institutional Investors and the Company will not issue or give effect to any transfer of Shares of such Sub-funds or Classes to any investor who may not be considered as an Institutional Investor. 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 Section 7.9 of this 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 or its agents, and notify the relevant Shareholder of such conversion.

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.

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 for direct ownership of the Shares.

## **5.6 Closed Classes – Launch of Classes**

In the event that a Class, closed for subscriptions because all the Shares issued in that Class have been redeemed, is reopened for subscriptions or in the event that no Shares of a Class are subscribed during the Initial Offering Period or Initial Offering Date of a Sub-fund, as set out in the relevant Special Section, the Initial Subscription Price per Share of the Class concerned will, at the time of the (re)launch of the Class, be equal to the Initial Subscription Price of the Shares initially issued in that Class.

# **6. CONVERSION OF SHARES**

## **6.1 General**

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 Class of another Sub-fund. However, the right to convert Shares is subject to compliance with any condition (including any Minimum 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 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 Subscription Period or Initial Subscription Date (as will be set forth in the relevant Special Section).

## **6.2 Procedure**

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 by swift or fax for conversion to the Global Distributor, a sub-distributor or the Administrative Agent. 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 Distributor or the Administrative Agent by such time as set out in the relevant Special Section on the relevant Valuation Day. Conversion requests received after this deadline will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first Valuation Day after the relevant 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.

## **6.3 10% Gate**

If any application for conversion is received in respect of any one Valuation Day (the **First Valuation Day**) which either singly or when aggregated with other applications so received (including redemption requests), is more than 10% of the total net assets of the relevant Sub-fund, the Company reserves the right in its sole and absolute discretion (and taking into account the best interests of the remaining Shareholders) to scale down pro rata each application with respect to such First Valuation Day so that not more than 10% of the total net assets of the Sub-fund be redeemed or converted on such First Valuation Day. To the extent that any application is not given full effect on such First Valuation Day by virtue of the exercise of the power to prorate applications, it will be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Valuation Day and, if necessary, subsequent Valuation Days. With respect to any

application received in respect of the First Valuation Day, to the extent that subsequent applications will be received in respect of following Valuation Days, such later applications will be postponed in priority to the satisfaction of applications relating to the First Valuation Day, but subject thereto will be dealt with as set out in the preceding sentence.

#### 6.4 **Conversion process**

Conversion of Shares will be effected on the first NAV Calculation Day after the relevant Valuation Day on which the conversion request is deemed received, by the simultaneous:

- (a) 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
- (b) 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.

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.

If conversion requests would result in a residual holding in any one Sub-fund or Class of less than the Minimum Net Asset Value applicable, the Company reserves the right to compulsorily redeem the residual Shares in that Sub-fund or Class at the relevant redemption price and make payment of the proceeds thereof to the Shareholders.

### 7. **REDEMPTION OF SHARES**

#### 7.1 **Timing, form of redemption request**

Shares in a Sub-fund may be redeemed at the request of the Shareholders on any day that is a Valuation Day. Redemption requests must be sent in writing by mail, fax or swift allowed by the Administrative Agent to the Global Distributor, a sub-distributor or the Administrative Agent or such other place as the Company may advise. Redemption requests must be received by the Administrative Agent at the time specified in the relevant Special Section (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day (unless another Redemption Cut-Off Time is specified in respect of a Sub-fund in the relevant Special Section) and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day.

The Board, the Administrative Agent and the Global Distributor or a relevant sub-distributor will ensure that the relevant Redemption Cut-Off Times of each Sub-fund are strictly complied with and will therefore take all adequate measures to prevent practices known as "Late Trading". The Board may permit different Redemption Cut-Off Times for certain types of investors, such as investors in jurisdictions where a different time zone so justifies. The Redemption Cut-Off Time applied must always precede the time when the applicable Net Asset Value is determined. Different Redemption Cut-Off Times may either be specifically agreed upon with the relevant Distributor or may be published in any supplement to the Prospectus or other marketing document used in the jurisdiction concerned.

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. Redemption requests must be addressed to the Administrative Agent, the Global Distributor or a sub-distributor. Redemption requests will not be

accepted by telephone or telex. Redemption requests are irrevocable, unless in the period during which the calculation of the Net Asset Value is suspended in accordance with Section 11.2 of the General Section during which a Shareholder may withdraw a request for redemption of Shares by written notice to the Management Company (or its sub-contractor)(such notice to be received before the end of the suspension period) and proceeds of the redemption will be remitted to the account indicated by the Shareholder in its subscription 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 Administrative Agent may result in the withholding of redemption proceeds.

## **7.2 Redemption Price**

A Shareholder who redeems his/her/its Shares will receive an amount per Share redeemed equal to the Net Asset Value per Share as of the applicable Valuation Day for the relevant Class in the relevant Sub-fund, less, as the case may be, the Redemption Fee as stipulated in the relevant Special Section and any tax or duty imposed on the redemption of the Shares.

## **7.3 Redemption Fee**

If a Shareholder wants to redeem Shares of the Company, a Redemption Fee may be levied on the amount to be paid to the Shareholder. The applicable Redemption Fee will be stipulated in the relevant Special Section. This fee will be payable to the Company, unless otherwise specified in respect of a Sub-fund in the relevant Special Section. For the avoidance of doubt, the Redemption Fee is calculated on the redemption price of the Shares.

## **7.4 Payment of the redemption price**

Payment of the redemption proceeds will be made generally within three (3) Business Days following the relevant NAV Calculation Day (unless otherwise specified in respect of a Sub-fund in the relevant Special Section). Where a Shareholder redeems Shares that he/she/it has not paid for within the required subscription settlement period, in circumstances where the redemption proceeds would exceed the subscription amount that he/she/it owes, the Company will be entitled to retain such excess for the benefit of the Company.

## **7.5 Minimum Holding Amount - Minimum Net Asset Value**

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.

If redemption requests would result in a residual holding in any one Sub-fund or Class of less than the Minimum Net Asset Value applicable, the Company reserves the right to compulsorily redeem the residual Shares in that Sub-fund or Class at the relevant redemption price and make payment of the proceeds thereof to the Shareholder.

## **7.6 Suspension of redemption**

Redemption of Shares may be suspended for certain periods of time as described under Section 11.2 of the General Section.

## **7.7 10% Gate**

If any application for redemption is received in respect of a Valuation Day which either singly or when aggregated with other applications so received (including conversion requests), is more than 10% of the total net assets of the relevant Sub-fund, the Company reserves the right in its sole and absolute

discretion (and taking into account the best interests of the remaining Shareholders) to scale down pro rata each application with respect to such Valuation Day so that not more than 10% of the total net assets of the Sub-fund be redeemed or converted on such Valuation Day. To the extent that any application is not given full effect on such Valuation Day by virtue of the exercise of the power to prorate applications, it will be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Valuation Day and, if necessary, subsequent Valuation Days. With respect to any application received in respect of the relevant Valuation Day, to the extent that subsequent applications will be received in respect of following Valuation Days, such later applications will be postponed in priority to the satisfaction of applications relating to the relevant Valuation Day, but subject thereto will be dealt with as set out in the preceding sentence.

## **7.8 Redemption in-kind**

The Company may, at the request of a Shareholder, agree to make, in whole or in part, a redemption 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 it determines 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 and will be confirmed by a special report of the Auditor.

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

## **7.9 Compulsory redemptions by the Company**

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

- (a) 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
- (b) the Shareholder is not or ceases to be an Eligible Investor; or
- (c) 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; or
- (d) the continuing ownership of Shares by such Shareholder may be prejudicial to the Company or any of its Shareholders; or
- (e) further to the satisfaction of a redemption request received by a Shareholder, the number or aggregate amount of Shares of the relevant Class held by this Shareholder is less than the Minimum Holding Amount.

## **8. PRICE ADJUSTMENT POLICY**

The basis on which the assets of each Sub-fund are valued for the purposes of calculating the Net Asset Value per Shares is set out in Section 11 of the General Section. The actual cost of purchasing or selling assets and investments for a Sub-fund may however deviate from the latest available price or net asset value used, as appropriate, in calculating the Net Asset Value per Shares due to duties and charges and spreads from buying and selling prices of the underlying investments. These costs have an adverse effect on the value of a Sub-fund and are known as "dilution". To mitigate the effects of dilution, the Company may, at its discretion, make a dilution adjustment to the Net Asset Value per Shares.

Shares will in principle be issued and redeemed on the basis of a single price, i.e., the Net Asset Value per Share. However – to mitigate the effect of dilution – the Net Asset Value per Share may be adjusted on any Valuation Day in the manner set out below depending on whether or not a Sub-fund is in a net subscription position or in a net redemption position on such Valuation Day. Where there is no dealing on a Sub-fund or Class of a Sub-fund on any Valuation Day, the applicable price will be the unadjusted Net Asset Value per Share. The Company will retain the discretion in relation to the circumstances under which to make such a dilution adjustment. As a general rule, the requirement to make a dilution adjustment will depend upon the volume of subscriptions or redemptions of Shares in the relevant Sub-fund. The Company may make a dilution adjustment if, in its opinion, the existing Shareholders (in case of subscriptions) or remaining Shareholders (in case of redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be made where, for example but without limitation:

- (a) a Sub-fund is in continual decline (i.e. is experiencing a net outflow of redemptions);
- (b) a Sub-fund is experiencing large levels of net subscriptions relevant to its size;
- (c) a Sub-fund is experiencing a net subscription position or a net redemption position on any Valuation Day;
- (d) in any other case where the Company is of the opinion that the interests of Shareholders require the imposition of a dilution adjustment.

The dilution adjustment will involve adding to, when the Sub-fund is in a net subscription position, and deducting from, when the Sub-fund is in a net redemption position, the Net Asset Value per Share such figure as the Board considers represents an appropriate figure to meet duties and charges and spreads. In particular, the Net Asset Value of the relevant Sub-fund will be adjusted (upwards or downwards) by an amount which reflects (i) the estimated fiscal charges, (ii) dealing costs that may be incurred by the Sub-fund and (iii) the estimated bid/offer spread of the assets in which the Sub-fund invests. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. Adjustments will however be limited to a maximum of 2% of the then applicable Net Asset Value per Share.

The NAV of each Class in the Sub-fund will be calculated separately but any dilution adjustment will in percentage terms affect the NAV of each Class in an identical manner.

## **9. RESTRICTIONS ON TRANSFER OF SHARES**

All transfers of Shares will be effected by a transfer in writing in any usual or common form or any other form approved by the Company and every form of transfer will state the full name and address of the transferor and the transferee. The instrument of transfer of a Share will be signed by or on behalf of the transferor and the transferee. 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 Company may

decline to register any transfer of a Share if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Share Class or Sub-fund as set out in this Prospectus or the relevant Special Section. The registration of transfer may be suspended at such times and for such periods as the Company may from time to time determine, provided, however, that such registration will not be suspended for more than five (5) days in any calendar year. The Company may decline to register any transfer of Shares unless the original instruments of transfer, and such other documents that the Company may require are deposited at the registered office of the Company or at such other place as the Company may reasonably require, together with such other evidence as the Company 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 US Person or acting for or on behalf of a US Person, (ii) is a Restricted Person or acting for or on behalf of a Restricted Person or (iii) does qualify as Institutional Investor.

The Company may decline to register a transfer of Shares:

- (a) if in the opinion of the Company, the 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
- (b) if the transferee is a US Person or is acting for or on behalf of a US Person; or
- (c) if the transferee is a Restricted Person or is acting for or on behalf of a Restricted Person; or
- (d) in relation to Classes reserved for subscription by Institutional Investors, if the transferee is not an Institutional Investor; or
- (e) in circumstances as set out in Section 10.2 of this General Section; or
- (f) if in the opinion of the Company, the transfer of the Shares 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.

## **10. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS – MARKET TIMING AND LATE TRADING**

### **10.1 Anti-money laundering and terrorist financing requirements**

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the amended Law of 12 November 2004 on the fight against money laundering and financing of terrorism), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556 and 15/609 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from money laundering and financing of terrorism purposes. As result of such provisions the registrar and transfer agent of a Luxembourg UCI must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Administrative Agent as registrar and transfer agent of the Company may require subscribers to provide any document it deems necessary to effect such identification. In addition, the Administrative Agent, as delegate of the Management Company, may require any other information that the Company or the Management Company may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law.

An application form will be completed by each new investor. The list of identification documents to be provided by each investor will be based on the Anti-Money Laundering (“AML”) & Know Your Customers (“KYC”) requirements as stipulated in the CSSF's circulars and regulations as amended



from time to time and based on the AML & KYC Guidelines agreed between the Company, the Management Company and the Administrative Agent. These requirements may be amended, from time to time (for example, upon the introduction of new Luxembourg regulations).

Investors may be asked to produce additional documents for verification of their identity before acceptance of their applications. In case of refusal by the investor to provide the documents required, the application will not be accepted.

Before redemption proceeds are released, the Administrative Agent may require original documents or a certified true copy of original documents to comply with the Luxembourg regulations.

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in case of redemption, payment of redemption proceeds delayed. Neither the Company nor the Administrative Agent will be held responsible for said delay or failure to process deals resulting from the failure of the applicant to provide documentation or incomplete documentation.

From time to time, shareholders may be asked to supply additional or updated identification documents in accordance with clients' on-going due diligence obligations according to the relevant laws and regulations.

## **10.2 Market Timing and Late Trading**

Prospective investors and Shareholders should note that the Company may reject or cancel any subscription, conversion or redemption orders for any reason and in particular in order to comply with the Circular 04/146 relating to the protection of UCIs and their investors against Late Trading and Market Timing practices.

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, compulsorily redeem Shares or reject any subscription orders and conversions orders from any investor that the Company reasonably believes has engaged in Market Timing activity. For these purposes, the Company may consider an investor's trading history in the Sub-funds and accounts under common control or ownership.

In addition to the Subscription or Conversion Fees which may be of application to such orders as set forth in the Special Section of the relevant Sub-fund, the Company may impose a penalty of maximum 2% (two per cent.) 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. Neither the Company nor the Board will be held liable for any loss resulting from rejected orders or mandatory redemption.

Furthermore, the Company will ensure that the relevant deadlines 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.

## **11. CALCULATION AND SUSPENSION OF NET ASSET VALUE**

### **11.1 Net Asset Value calculation**

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 EUR. The Net Asset Value of each Sub-fund and Class will be calculated in the Reference Currency of the Sub-fund or Class, as it is stipulated in the relevant Special Section, and will be determined by the Administrative

Agent 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 and Class in accordance with the provisions of the Articles, and all fees attributable to the relevant Sub-fund and Class, which fees have accrued but are unpaid on the relevant Valuation Day.

The Net Asset Value per Share for a Valuation Day will be calculated in the Reference Currency of the relevant Sub-fund and will be calculated by the Administrative Agent 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 the relevant Sub-fund (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day in relation to such NAV Calculation Day). The Net Asset Value will be calculated up to four (4) decimal places, provided that the Administrative Agent can apply its own rounding policy to such calculation.

If the Sub-fund has more than one Class in issue, the Administrative Agent will calculate the Net Asset Value per Share of each Class for a Valuation Day 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).

The Net Asset Value per Share may be rounded up or down to the nearest whole hundredth share of the currency in which the Net Asset Value of the relevant Shares are calculated.

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.

The assets of the Company will be valued as follows:

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

their main Investment Policy, the valuation method of the OTC Derivative will be further specified in the relevant Special Section.

- (g) Accrued interest on securities will be taken into account if it is not reflected in the share price.
- (h) Cash will be valued at nominal value, plus accrued interest.
- (i) All assets denominated in a currency other than the Reference Currency of the respective Sub-fund/Class will be converted at the mid-market conversion rate as of the relevant Valuation Day between the Reference Currency and the currency of denomination.
- (j) All other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above paragraphs would not be possible or practicable, or would not be representative of their probable realisation value, will be valued at probable realisation value, as determined with care and in good faith pursuant to procedures established by the Board.

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 Administrative Agent, without liability for and 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.

For the purpose of determining the value of the Company's assets, the Administrative Agent, having due regards to the standard of care and diligence in this respect, may exclusively, when calculating the Net Asset Value, rely upon the valuations provided (i) by the Board, (ii) by various pricing sources available on the market such as pricing agencies (e.g., Bloomberg or Reuters) or administrators or investment managers of target UCI, (iii) by prime brokers and brokers or (iv) by (a) specialist(s) duly authorised to that effect by the Board.

In such circumstances, the Administrative Agent will not, in the absence of manifest error on its part, be responsible for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the Net Asset Value and the Net Asset Value per Share resulting from any inaccuracy in the information provided by the professional pricing sources, by the Board, by investment managers or administrative agents of target UCIs, by prime brokers and brokers or by specialist(s) duly authorised to that effect by the Board.

In circumstances where one or more pricing sources fails to provide valuations to the Administrative Agent preventing the latter to determine the subscription and redemption prices, the Administrative Agent will inform the Board thereof and the Administrative Agent will obtain from it authorised instructions in order to enable it to finalise the computation of the Net Asset Value and the Net Asset Value per Share. The Board may decide to suspend the Net Asset Value calculation, in accordance with Section 11.2 of the General Section below and the Articles. In such circumstances, the Administrative Agent will not, in the absence of manifest error on its part, be responsible for any loss suffered by the Company or any Shareholder. The Company will be responsible for notifying the suspension of the Net Asset Value calculation to the Shareholders, if required, or for instructing the Administrative Agent to do so. If the Board does not decide to suspend the Net Asset Value calculation in a timely manner, it will be liable for all the consequences of a delay in the Net Asset Value calculation, and the Administrative Agent may inform the relevant authorities and the Auditor in due course.

## 11.2 Suspension of Determination of Net Asset Value, Issue, Redemption and Conversion of Shares

The 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 and/or the issue of the Shares of such Sub-fund or Class to subscribers and/or 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 relevant Sub-fund or Class, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the relevant Sub-fund or 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 relevant Sub-fund or 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 relevant Sub-fund or Class or if, for any reason beyond the responsibility of the Board, the value of any asset of the relevant Sub-fund or 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;
- (e) in respect of a feeder Sub-fund, following the suspension of the calculation of the net asset value per share/unit, the issue, redemption and/or conversion at the level of a master fund in which the relevant Sub-fund invests in its capacity as feeder fund of such master fund;
- (f) 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;
- (g) in case of the Company's liquidation or in the case a notice of termination has been issued in connection with the liquidation of a Sub-fund or a Class;
- (h) where, in the opinion of the Board, circumstances which are beyond the control of the Board make it impracticable or unfair vis-à-vis the Shareholders to continue trading the Shares.

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

Such suspension as to any Sub-fund will have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Sub-fund.

Any request for subscription, redemption and conversion will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share in the relevant Sub-fund. Withdrawal of a subscription or of an application for redemption or conversion will only be effective if written

notification (by electronic mail, regular mail, courier or fax) is received by the Administrative Agent before termination of the period of suspension, failing which subscription, redemption applications not withdrawn will be processed on the first Valuation Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined for such Valuation Day.

## **12. GENERAL INFORMATION**

### **12.1 Fiscal Year - Reporting**

The Fiscal Year will begin on 1 January and terminate on 31 December of each year.

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 Administrative Agent.

The financial statements of each Sub-fund will be established in the Reference Currency of the Sub-fund but the consolidated accounts will be in EUR.

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.

The Net Asset Value per Share of each Class within each Sub-fund will be made public at the offices of the Company and the Administrative Agent on each NAV Calculation Day.

### **12.2 Documents available to Shareholders**

Documents available for inspection by Shareholders free of charge, during usual business hours at the offices of the Company in Luxembourg:

- (a) the Articles;
- (b) the Depositary Agreement;
- (c) the Central Administration Agreement;
- (d) the Global Distributor Agreement;
- (e) the Management Company Agreement; and
- (f) the most recent annual and semi-annual financial statements of the Company.

The above agreements may be amended from time to time by all the parties involved.

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

### **12.3 General meeting of Shareholders**

The annual general meeting of Shareholders will be held at the registered office of the Company or the place specified in the convening notice on 30 April of each year at 3.00 p.m. (Luxembourg time). If such day is not a Business Day, the annual general meeting of Shareholders will be held on the preceding Business Day.

Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-fund) will be mailed to each registered Shareholder 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. 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.

The convening notice to a general meeting of Shareholders may provide that the quorum and majority requirements will be assessed against the number of shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the relevant meeting (the **Record Date**), in which case the right of any Shareholder to participate in the meeting will be determined by reference to his/her/its holding as at the Record Date. In case of dematerialised Shares (if issued) the right of a holder of such Shares to attend a general meeting and to exercise the voting rights attached to such Shares will be determined by reference to the Shares held by this holder as at the time and date provided for by Luxembourg Law and regulations

#### 12.4 **Dividend policy**

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. A dividend may be distributed, either in cash or Shares. Further, dividends may include a capital distribution, provided that after distribution the net assets of the Company total more than EUR1,250,000 (being provided that Shares of a Target Sub-fund held by an Investing Sub-fund will not be taken into account for the purpose of the calculation of the EUR1,250,000 minimum capital requirement).

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.

The Company may issue Accumulation Classes and Distribution Classes within the Classes of each Sub-fund, as indicated in the Special Section. Accumulation Classes capitalise their entire earnings whereas Distribution Classes pay dividends.

For Distribution Classes, 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 Company within the conditions set forth by law, as further described in the relevant Special Section.

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.

#### 12.5 **Liquidation and merger of Sub-funds or Classes**

##### (a) **Dissolution of the Company**

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.

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 voting rights represented at the meeting.

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.

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 entitlement. Any amounts unclaimed by the Investors at the closing of the liquidation 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.

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.

(b) Liquidation of Sub-funds or Classes

If, for any reason, the net assets of a Sub-fund or of any Class fall below the equivalent of the Minimum Net Asset Value, 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. Any amounts unclaimed by the Investors at the closing of the liquidation 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.

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.

All the Shares redeemed will be cancelled.



(c) Merger of the Company and the Sub-funds

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 (including, for the avoidance of doubt, the Company) or another EU Member State. For the purpose of this Section 12.5(c), the term UCITS also refers to a sub-fund of a UCITS and the term Company also refers to a Sub-fund.

Any merger leading to termination of the Company must be approved by Supermajority Resolution at the Shareholders' meeting.

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.

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 12.5(c) and the 2010 Act.

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.

Under the same circumstances as provided by Section 12.5(b) above, the Board may decide to allocate the assets of a Sub-fund to those of another existing Sub-fund within the Company or to another Luxembourg UCITS or to another sub-fund within such other Luxembourg UCITS (the **New Sub-fund**) 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 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.

Notwithstanding the powers conferred to the Board by the paragraph 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 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.

If 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.

### **13. FEES AND EXPENSES**

#### **13.1 Fees and Expenses payable directly by the Company**

(a) Operation and administration expenses

The Company will pay out of the assets of the relevant Sub-fund all expenses incurred by it, which will include but not be limited to: all taxes which may be due on the assets and the income of the Company; the reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by the Depositary and any custody charges of banks and financial institutions to whom custody of assets of the Company is entrusted; usual banking and brokerage fees due on transactions involving securities or other assets (including derivatives) held in the portfolio of the Company (such fees to be included in the acquisition price and to be deducted from the selling price); the fees, expenses and all reasonable out-of-pocket expenses properly incurred by the Company, the Service Providers and any other agent appointed by the Company; legal expenses incurred by the Company or the Service Providers while acting in the interests of the Shareholders; the cost and expenses of preparing and/or filing and printing the Articles and all other documents concerning the Company (in such languages as are necessary), including registration statements, prospectuses and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Company or the offering of Shares of the Company; the cost of preparing, in such languages as are necessary for the benefit of the Shareholders (including the beneficial holders of the Shares), and distributing annual and semi-annual reports and such other reports or documents as may be required under applicable laws or regulations; the cost of accounting, bookkeeping and calculating the Net Asset Value; the cost of preparing and distributing notices to the Shareholders; a reasonable share of the cost of promoting the Company, as determined in good faith by the Company, including reasonable marketing and advertising expenses; the costs incurred with the admission and the maintenance of the Shares on the stock exchanges on which they are listed (if listed). The Company may accrue in its accounts for administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods. Brokerage fees may include fees for the provision of investment research.

(b) Remuneration payable to 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 the Company. This fee is payable monthly and based on the average net assets of the Company during the relevant month.

(c) Remuneration payable to the Depositary and the Administrative Agent

The Depositary and the Administrative Agent are entitled to receive, out of the assets of each Class within each Sub-fund, a fee corresponding to a maximum of 0.5% p.a. of the total Net Asset Value of the Company, with a minimum of EUR 32,600 per Sub-fund. Such fees are payable on a monthly basis.

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 Central Administration Agreements and in the Depositary Agreement.

(d) Remuneration of the Investment Manager(s), the Investment Adviser(s) and the Investment Adviser(s)

If an Investment Manager, an Investment Adviser or an Investment Adviser is entitled to receive a remuneration out of the assets of a Sub-fund, then such remuneration will be disclosed in the relevant Special Section.

(e) Formation and launching expenses

All formation expenses of the Company have been amortised.

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

(f) Annual subscription tax (*Taxe d'abonnement*)

The Company's assets are subject to tax (*taxe d'abonnement*) in Luxembourg at a rate of 0.05% p.a. on net assets (except for Sub-funds or Classes which are reserved to Institutional Investors which are subject to a tax at a reduced rate of 0.01% p.a. on net assets), payable quarterly. Some Sub-funds are exempt from the subscription tax, as more fully described in Section 0 of the General Section.

(g) Soft commissions

The Management Company or its delegates such as the Investment Manager 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.

### 13.2 Fees and expenses payable directly by the investor

(a) Subscription Fee

If an investor wants to subscribe for Shares, a Subscription Fee 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 the Company, the Management Company, the Global Distributor or the relevant sub-distributor, unless otherwise specified in respect of a Sub-fund in the relevant Special Section.

(b) Redemption Fee

If a Shareholder wants to redeem Shares of the Company, a Redemption Fee may be levied on the amount to be paid to the Shareholder. The applicable Redemption Fee will be stipulated in the relevant Special Section. This fee will be payable to the Company, unless otherwise specified in respect of a Sub-fund in the relevant Special Section.

(c) Conversion Fee

A Conversion Fee, in favour of Sub-fund from which the Shares are converted, of up to such percentage set out in each relevant Special Section of the Net Asset Value of the Shares of the relevant Class of the relevant new Sub-fund to be issued may be levied to cover conversion costs. The same rate of Conversion Fee will be applied to all conversion requests received on the same Valuation Day.

## 14. TAXATION

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### 14.1 Taxation of the Company

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

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

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

The Sub-funds are, nevertheless, in principle, subject to a subscription tax (taxe d'abonnement) levied at the rate of 0.05% per annum based on their net asset value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% per annum is however applicable to any Sub-fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% per annum is also applicable to any Sub-fund or Share Class provided that their shares are only held by or more institutional investors within the meaning of article 174 of the 2010 Act (an **Institutional Investor**).

A subscription tax exemption applies to:

- The portion of any Sub-fund's assets (prorata) invested in a Luxembourg investment fund or any of its sub-fund to the extent it is subject to the subscription tax;
- Any Sub-fund (i) whose securities are only held by Institutional Investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Share Classes are in issue in the relevant Sub-fund meeting (ii) to (iv) above, only those Share Classes meeting (i) above will benefit from this exemption;
- Any Sub-fund, whose main objective is the investment in microfinance institutions; and
- Any Sub-fund, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Share Classes are in issue in the relevant Sub-fund meeting (ii) above, only those Share Classes meeting (i) above will benefit from this exemption.

- Any Sub-fund only held by pension funds and assimilated vehicles.

## 14.2 **Withholding tax**

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The SICAV may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

## 14.3 **Taxation of the Shareholders**

### *Luxembourg resident individuals*

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

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

Distributions received from the Company will be subject to Luxembourg personal income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (contribution au fonds pour l'emploi) giving an effective maximum marginal tax rate of 45.78%.

### *Luxembourg resident corporate*

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 24.94% (in 2020 for entities having their registered office in Luxembourg-City) on capital gains realized upon disposal of Shares and on the distributions received from the Company.

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

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors except if the holder of the Shares is (i) a UCI subject to the 2010 Act, (ii) a vehicle governed by the

amended law of 22 March 2004 on securitisation, (iii) an investment company in risk capital subject to the law of 15 June 2004 on the investment company in risk capital, as amended, (iv) a specialized investment fund subject to the amended law of 13 February 2007 on specialised investment funds, as amended, (v) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies (as amended). The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

### ***Non-Luxembourg residents***

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

#### **14.4 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.

#### **15. CONFLICTS OF INTEREST**

The Directors, the Management Company, the Global Distributor, the sub-distributor(s), the Investment Manager, the Investment Adviser, the Depositary and the Administrative Agent may, in the course of their business, have potential conflicts of interests with the Company. Each of the Directors, the Management Company, the Global Distributor, the sub-distributor(s), the Investment Manager, the Investment Adviser, the Depositary and the Administrative Agent 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.

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

- 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;

- 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;
- act as counterparty to the derivative transactions or contracts entered on behalf of the Company or act as index sponsor or calculation agent in respect of underlyings to which the Company will be exposed via derivative transactions; and
- 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 or delegate thereof.

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 activity).

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.

Any such transactions must be carried out as if effected on normal commercial terms negotiated at arm's length.

Notwithstanding anything to the contrary herein and unless otherwise provided for in a Special Section for a particular Sub-fund, the Management Company, the Investment Manager or the Investment Adviser 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, the Investment Manager or the Investment Adviser 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, the Investment Manager or the Investment Adviser and their respective Affiliates used for other investment funds or accounts could conflict with the transactions and strategies advised by the Management Company, the Investment Manager or the Investment Adviser in managing a Sub-fund and affect the prices and availability of the securities and instruments in which such Sub-fund invests.

The Management Company, the Global Distributor, the sub-distributor(s), the Investment Manager, the Investment Adviser 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, the Investment Manager or the Investment Adviser have no obligation to advise any investment opportunities to a Sub-fund which they may advise to other clients.

The Management Company, the Global Distributor, the sub-distributor(s), the Investment Manager or the Investment Adviser will devote as much of their time to the activities of a Sub-fund as they deem necessary and appropriate. The Management Company, the Global Distributor, the sub-distributor(s), the Investment Manager or the Investment Adviser 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.

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.

## **16. DATA PROTECTION**

### **16.1 Data Subjects, Controller and Data**

The Controller processes information relating to several categories of identified or identifiable natural persons (including, in particular but not limited to, prospective or existing investors, their beneficial owners and other natural persons related to prospective or existing investors) who are hereby referred to as the "**Data Subjects**". This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controller directly from the Data Subjects or from other sources (including prospective or existing investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the "**Data**".

### **16.2 The Privacy Notice**

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

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

The Privacy Notice is available and can be accessed or obtained online (<http://docs.march-am.com/sources/marcham/legal/privacynoticeglobalinternational.pdf>) or upon request addressed to **contacto@march-am.com**. The Privacy Notice is available in both paper and e-format. The Privacy Notice may also be obtained from Mr. Gustavo Requena the data protection officer appointed by the Investment Manager, upon request to [dpo@bancamarch.com](mailto:dpo@bancamarch.com).

### **16.4 Content of the Privacy Notice**

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

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



- that telephone conversations may be recorded for the purpose of serving as evidence of commercial transactions and/or any other commercial communications and preventing or facilitating the settlement of any disputes or litigations.

#### 16.5 **Further questions and enquiry**

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to **contacto@march-am.com**.

## **PART B – SPECIAL SECTIONS**

## SPECIAL SECTION 1 – GLOBAL INTERNATIONAL INVESTMENTS SICAV – GLOBAL ACTIVE ALLOCATION

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to Global International Investments SICAV – Global Active Allocation (the **Sub-fund**).

### 1. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Sub-fund seeks regular and current income through making investments in bonds, equity securities and bank deposits on a global and opportunistic basis. It also aims to provide long-term capital appreciation through selected investments in equity securities.

### 2. STRATEGY

- 2.1 The Sub-fund will invest, directly or indirectly through UCITS or other eligible UCIs, its assets in debt securities, bonds, notes, fixed income securities, bank deposits, floating rate securities, convertible bonds (provided that investment in Contingent Convertible Bonds (CoCos) will not exceed 7% of the Sub-fund's Net Asset Value), convertible notes and warrant bonds as well as equity securities. The Sub-fund can also invest in UCIs and derivatives.
- 2.2 The choice of investments will neither be limited by geographic area (including emerging countries), an economic sector, nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country and/or in a single economic sector and/or in a single currency.
- 2.3 The total exposure to the asset classes listed below, whether direct or indirect, will not exceed the limits specified below (in percentage of the total net assets of the Sub-fund):

Asset class	Range
Cash and cash equivalent investments (including Money Market Instruments)	0%-40%
Government bonds issued by EU and non EU countries with a rating of not less than B-	0%-80%
Corporate bonds*	0%-80%
-Investment Grade bonds	0%-80%
-High Yield bonds	0%-80%
Equity	20%-80%
Alternative Target Funds	0%-25%

\*Corporate bonds generally mean corporate bonds with an investment grade or high yield rating (with a rating measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager).

- 2.4 The Sub-fund is also authorised to invest on an ancillary basis up to 10% of its assets in other Eligible Investments in accordance with the authorised investments set out under Schedule 1.

- 2.5 In order to achieve the above objective and to ensure the liquidity of the Sub-fund, the Sub-fund may invest in Money Market Instruments (i.e., cash and cash equivalents) at all times.
- 2.6 The Sub-fund may use financial derivative instruments 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 under Schedule 1. Investors should refer to Schedule 1 for special risk considerations applicable to financial derivative instruments.
- 2.7 The Sub-fund will not use EPM Techniques or TRS.
- 2.8 The Sub-Fund is actively managed without reference to a benchmark.

### 3. GLOBAL EXPOSURE

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

### 4. VALUATION DAY

The Net Asset Value of the Sub-fund is calculated on each Business Day (each, a **Valuation Day**).

### 5. CLASS OF SHARES

- 5.1 For the time being, the following Class is available for subscription by investors:

<b>Class</b>	<b>Class A (acc)*</b>
<b>ISIN</b>	LU1288047902
<b>Reference Currency</b>	EUR
<b>Eligible Investors</b>	Retail Investors and Institutional Investors
<b>Initial Subscription Price</b>	EUR10
<b>Minimum Subscription Amount</b>	N/A
<b>Minimum Holding Amount</b>	N/A
<b>Subscription Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Investment Management Fee</b>	From 0.20% p.a. up to 1.00% p.a.
<b>Subscription Tax Rate</b>	0.05%

\*(acc) refers to Accumulation Class, provided that each year, the Board may propose to the holders of accumulation Shares at the annual general meeting of the Shareholders the payment of a dividend in compliance with Luxembourg Law.

## **6. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS**

### **6.1 Ongoing Subscriptions**

Ongoing subscriptions for Shares can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax, swift or any other transmission method allowed by the Administrative Agent or the Global Distributor or a sub-distributor to the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 3 (three) Business Days following the relevant Valuation Day.

### **6.2 Redemption**

Redemption requests for Shares in part or in whole can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made generally 3 (three) Business Days following the relevant Valuation Day.

### **6.3 Conversion**

Shares of the Sub-fund may be converted into Shares of another Sub-fund in accordance with Section 6 of the General Section.

## **7. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **8. REFERENCE CURRENCY AND HEDGING**

### **8.1 The Reference Currency of the Sub-fund is the EUR.**

- 8.2 In relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

## **9. INVESTMENT MANAGEMENT FEE**

### **9.1 Investment Management Fee**

The Investment Manager is entitled to a management fee at such rate as set out in respect of each Class in Section 5 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

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

- 10.1 The Sub-fund is suitable for Retail Investors and Institutional Investors who understand and are able to bear the risks of an investment in the Sub-fund, including the risk of losing all or substantially all of their investment.
- 10.2 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.
- 10.3 Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## **11. SPECIFIC RISK FACTORS**

- 11.1 The assets of the Sub-fund are subject to market fluctuations and the risks inherent to any investment in bonds and equities. The Shareholders should refer to the risk factors set out in SCHEDULE 2 – General risk factors.
- 11.2 In addition, the Sub-fund is subject to specific risks linked to investments in Contingent Convertible Bonds (CoCos). The Shareholders should refer to the CoCos risk factor set out in section 1.9 of SCHEDULE 2 – General risk factors.

## **SPECIAL SECTION 2 – GLOBAL INTERNATIONAL INVESTMENTS SICAV – INTERNATIONAL MODERATE**

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to Global International Investments SICAV – International Moderate (the **Sub-fund**).

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

- 1.1 The investment objective of the Sub-fund is to seek long term capital appreciation by investing mainly in Transferable Securities or UCITS and other eligible UCIs that have mainly an exposure to the EEA or any other European country with the best balance between bonds and equity.
- 1.2 The Sub-fund will also have an exposure to the US market by investing up to 20% of its NAV into Transferable Securities or UCITS and other eligible UCIs that have mainly an exposure to the US Regulated Markets, with the best balance between bonds and equity.
- 1.3 The Sub-fund may invest up to 15% of its NAV in Transferable Securities or UCITS and other eligible UCIs that have an exposure to the following non-EEA Regulated Markets: (excluding the US), such as, Switzerland, Sweden, Norway, Turkey and, on an ancillary basis, Russia, Ukraine, Byelorussia, and also emerging countries such as Brazil, Peru, Chile, Colombia, Panamá, China (A, B, H Shares), India, Uruguay, South Korea, Taiwan, Vietnam, Nigeria, Egypt and South Africa.

### **2. STRATEGY**

- 2.1 The Sub-fund will mainly invest in the EEA and the US, directly or indirectly through UCITS or other eligible UCIs, its assets in debt securities, bonds, notes, fixed income securities, bank deposits, floating rate securities, convertible bonds (excluding Contingent Convertible Bonds (CoCos)), convertible notes and warrant bonds as well as equity securities. The Sub-fund can also invest in UCIs and derivatives.
- 2.2 Investments will be made directly or indirectly through UCITS or other eligible UCIs, provided that exposure to investments in Turkey, Russia, Ukraine and Byelorussia as well as exposure to the emerging countries will only be obtained through UCITS or other eligible UCIs.
- 2.3 The total exposure to the asset classes listed below, whether direct or indirect, will not exceed the limits specified below (in percentage of the total net assets of the Sub-fund):

<b>Asset class</b>	<b>Range</b>
Cash and cash equivalent investments (including Money Market Instruments)	3%-60%
Government bonds issued by EU and non EU countries with a rating of not less than BB+	0%-60%
Corporate bonds*	0%-80%
-Investment Grade bonds	0%-80%
-High Yield bonds	0%-70%
Equity	0%-60%
Alternative Target Funds	0%-40%

\*Corporate bonds generally mean corporate bonds with an investment grade or high yield rating (with a rating measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager).

- 2.4 The Sub-fund is also authorised to invest on an ancillary basis up to 10% of its assets in other Eligible Investments in accordance with the authorised investments set out under Schedule 1.
- 2.5 In order to achieve the above objective and to ensure the liquidity of the Sub-fund, the Sub-fund will invest in Money Market Instruments (i.e., cash and cash equivalents) at all times.
- 2.6 The Sub-fund may use financial derivative instruments 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 under Schedule 1. Investors should refer to Schedule 1 for special risk considerations applicable to financial derivative instruments.
- 2.7 The Sub-fund will not use EPM Techniques or TRS.
- 2.8 The Sub-Fund is actively managed without reference to a benchmark.

### 3. GLOBAL EXPOSURE

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

### 4. VALUATION DAY

The Net Asset Value of the Sub-fund is calculated on each Business Day (each, a **Valuation Day**).

### 5. CLASS OF SHARES

- 5.1 For the time being, the following Class is available for subscription by investors:

<b>Class</b>	<b>Class A (acc)*</b>
<b>ISIN</b>	LU1288048116
<b>Reference Currency</b>	EUR
<b>Eligible Investors</b>	Retail Investors and Institutional Investors
<b>Initial Subscription Price</b>	EUR10
<b>Minimum Subscription Amount</b>	N/A
<b>Minimum Holding Amount</b>	N/A
<b>Subscription Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Investment Management Fee</b>	From 0.30% p.a. up to 1.00% p.a.
<b>Subscription Tax Rate</b>	0.05%



\* (acc) refers to Accumulation Class, provided that each year, the Board may propose to the holders of accumulation Shares at the annual general meeting of the Shareholders the payment of a dividend in compliance with Luxembourg Law.

## **6. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS**

### **6.1 Ongoing Subscriptions**

Ongoing subscriptions for Shares can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax, swift or any other transmission method allowed by the Administrative Agent or the Global Distributor or a sub-distributor to the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 3 (three) Business Days following the relevant Valuation Day.

### **6.2 Redemption**

Redemption requests for Shares in part or in whole can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made generally 3 (three) Business Days following the relevant Valuation Day.

### **6.3 Conversion**

Shares of the Sub-fund may not be converted into Shares of another Sub-fund.

## **7. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **8. REFERENCE CURRENCY AND HEDGING**

8.1 The Reference Currency of the Sub-fund is the EUR.

8.2 In relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

## **9. INVESTMENT MANAGEMENT FEE**

### **9.1 Investment Management Fee**

The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 5 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

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

10.1 The Sub-fund is suitable for Retail Investors and Institutional Investors who understand and are able to bear the risks of an investment in the Sub-fund, including the risk of losing all or substantially all of their investment.

10.2 The Sub-fund is suitable for investors with a long-term investment horizon, as losses may occur due to market fluctuations.

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

## **11. SPECIFIC RISK FACTORS**

Shareholders should refer to the risk factors set out in SCHEDULE 2 – General risk factors.

### SPECIAL SECTION 3 – GLOBAL INTERNATIONAL INVESTMENTS SICAV – FORMENTOR

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to Global International Investments SICAV – Formentor (the **Sub-fund**).

#### 1. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Sub-fund seeks regular and current income through its emphasis on a conservative equilibrium between bond and equity securities all over the world, mainly in OECD Member countries. It also aims to provide long-term capital appreciation through selected investments in securities worldwide.

#### 2. STRATEGY

- 2.1 The Sub-fund will invest, directly or indirectly through UCITS or other eligible UCIs, its assets internationally in debt securities, bonds, notes, fixed income securities, bank deposits and floating rate securities, convertible bonds (provided that investment in Contingent Convertible Bonds (CoCos) will not exceed 5% of the Sub-fund's net assets), convertible notes and warrant bonds as well as equity securities. The Sub-fund can also invest in UCIs and derivatives.
- 2.2 Investments will be made directly or indirectly through UCITS or other eligible UCIs. Exposure to non OECD member countries will only be obtained through ADRS, GDRS, UCITS or other eligible UCIs.
- 2.3 The total exposure to the asset classes listed below, whether direct or indirect, will not exceed the limits specified below (in percentage of the total net assets of the Sub-fund):

Asset class	Range
Cash and cash equivalent investments (including Money Market Instruments)	3% -60%
Government bonds issued by EU and non EU countries with a rating of not less than BB+	0%-60%
Corporate bonds*	0%-50%
-Investment Grade bonds	0%-50%
-High Yield bonds	0%-40%
Equity	0% –65%
Alternative Target Funds	0%-40%

\*Corporate bonds generally mean corporate bonds with an investment grade or high yield rating (with a rating measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager).

- 2.4 The Sub-fund is also authorised to invest on an ancillary basis up to 10% of its assets in other Eligible Investments in accordance with the authorised investments set out under Schedule 1.
- 2.5 In order to achieve the above objective and to ensure the liquidity of the Sub-fund, the Sub-fund will invest in Money Market Instruments (i.e., cash and cash equivalents) at all times.

- 2.6 The Sub-fund may use financial derivative instruments 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 under Schedule 1. Investors should refer to Schedule 1 for special risk considerations applicable to financial derivative instruments.
- 2.7 The Sub-fund will not use EPM Techniques or TRS.
- 2.8 The Sub-Fund is actively managed without reference to a benchmark.

### 3. GLOBAL EXPOSURE

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

### 4. VALUATION DAY

The Net Asset Value of the Sub-fund is calculated on each Business Day (each, a **Valuation Day**).

### 5. CLASS OF SHARES

- 5.1 For the time being, the following Class is available for subscription by investors:

<b>Class</b>	<b>Class A (acc)*</b>
<b>ISIN</b>	LU1288048207
<b>Reference Currency</b>	EUR
<b>Eligible Investors</b>	Retail Investors and Institutional Investors
<b>Initial Subscription Price</b>	EUR10
<b>Minimum Subscription Amount</b>	N/A
<b>Minimum Holding Amount</b>	N/A
<b>Subscription Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Investment Management Fee</b>	From 0.30% p.a. up to 1.00% p.a.
<b>Subscription Tax Rate</b>	0.05%

\*(acc) refers to Accumulation Class, provided that each year, the Board may propose to the holders of accumulation Shares at the annual general meeting of the Shareholders the payment of a dividend in compliance with Luxembourg Law.

## **6. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS**

### **6.1 Ongoing Subscriptions**

Ongoing subscriptions for Shares can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax, swift or any other transmission method allowed by the Administrative Agent or the Global Distributor or a sub-distributor to the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 3 (three) Business Days following the relevant Valuation Day.

### **6.2 Redemption**

Redemption requests for Shares in part or in whole can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made generally 3 (three) Business Day following the relevant Valuation Day.

### **6.3 Conversion**

Shares of the Sub-fund may not be converted into Shares of another Sub-fund.

## **7. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **8. REFERENCE CURRENCY AND HEDGING**

### **8.1 The Reference Currency of the Sub-fund is the EUR.**

- 8.2 In relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

## **9. INVESTMENT MANAGEMENT FEE**

### **9.1 Investment Management Fee**

The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 5 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

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

- 10.1 The Sub-fund is suitable for Retail Investors and Institutional Investors who understand and are able to bear the risks of an investment in the Sub-fund, including the risk of losing all or substantially all of their investment.
- 10.2 The Sub-fund is suitable for investors with a long-term investment horizon, as losses may occur due to market fluctuations.
- 10.3 Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## **11. SPECIFIC RISK FACTORS**

Shareholders should refer to the risk factors set out in SCHEDULE 2 – General risk factors, and in particular with regards to the Sub-fund's investments in emerging markets, Section 1.2(f) and 1.21 of SCHEDULE 2 – General risk factors.

## **SPECIAL SECTION 4 – GLOBAL INTERNATIONAL INVESTMENTS SICAV – MORLANDA**

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to Global International Investments SICAV – Morlanda (the **Sub-fund**).

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

- 1.1 The investment objective of the Sub-fund is to seek long-term capital appreciation by investing mainly in UCITS and other eligible UCIs or Transferable Securities that have an exposure to the EEA or any European country, including, Switzerland, Sweden, Norway, and Turkey.
- 1.2 The Sub-fund may also invest on an ancillary basis in Transferable Securities and UCITS or eligible UCIs having an exposure to non-European OECD countries. For the avoidance of the doubt, the Sub-fund will mainly have a focus on Europe.

### **2. STRATEGY**

- 2.1 The Sub-fund will invest, directly or indirectly through UCITS or other eligible UCIs, its assets internationally in debt securities, bonds, notes, fixed income securities, bank deposits and floating rate securities, convertible bonds (provided that investment in Contingent Convertible Bonds (CoCos) will not exceed 5% of the Sub-fund's net assets), convertible notes and warrant bonds as well as equity securities. The Sub-fund can also invest in UCIs and derivatives.
- 2.2 Investments will be made directly or indirectly through UCITS or other eligible UCIs. Exposure to non OECD member countries will only be obtained through ADRS, GDRS, UCITS or other eligible UCIs.
- 2.3 The total exposure to the asset classes listed below, whether direct or indirect, will not exceed the limits specified below (in percentage of the total net assets of the Sub-fund):

<b>Asset class</b>	<b>Range</b>
Cash and cash equivalent investments (including Money Market Instruments)	3%-45%
Government bonds issued by EU and non EU countries with a rating of not less than BB+	0%-50%
Corporate bonds*	0%-50%
-Investment Grade bonds	0%-50%
-High Yield bonds	0%-40%
Equity	25%-75%
Alternative Target Funds	0%-55%

\*Corporate bonds generally mean corporate bonds with an investment grade or high yield rating (with a rating measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager).

- 2.4 The Sub-fund is also authorised to invest on an ancillary basis up to 10% of its assets in other Eligible Investments in accordance with the authorised investments set out under Schedule 1.
- 2.5 In order to achieve the above objective and to ensure the liquidity of the Sub-fund, the Sub-fund will invest in Money Market Instruments (i.e., cash and cash equivalents) at all times.
- 2.6 The Sub-fund may use financial derivative instruments 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 under Schedule 1. Investors should refer to Schedule 1 for special risk considerations applicable to financial derivative instruments.
- 2.7 The Sub-fund will not use EPM Techniques or TRS.
- 2.8 The Sub-Fund is actively managed without reference to a benchmark.

### 3. GLOBAL EXPOSURE

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

### 4. VALUATION DAY

The Net Asset Value of the Sub-fund is calculated on each Business Day (each, a **Valuation Day**).

### 5. CLASS OF SHARES

- 5.1 For the time being, the following Class is available for subscription by investors:

<b>Class</b>	<b>Class A (acc)*</b>
<b>ISIN</b>	LU1288048389
<b>Reference Currency</b>	EUR
<b>Eligible Investors</b>	Retail Investors and Institutional Investors
<b>Initial Subscription Price</b>	EUR10
<b>Minimum Subscription Amount</b>	N/A
<b>Minimum Holding Amount</b>	N/A
<b>Subscription Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Investment Management Fee</b>	From 0.30% p.a. up to 1.00% p.a.
<b>Subscription Tax Rate</b>	0.05%

\*(acc) refers to Accumulation Class, provided that each year, the Board may propose to the holders of accumulation Shares at the annual general meeting of the Shareholders the payment of a dividend in compliance with Luxembourg Law.



## **6. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS**

### **6.1 Ongoing Subscriptions**

Ongoing subscriptions for Shares can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax, swift or any other transmission method allowed by the Administrative Agent or the Global Distributor or a sub-distributor to the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 3 (three) Business Days following the relevant Valuation Day.

### **6.2 Redemption**

Redemption requests for Shares in part or in whole can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made generally 3 (three) Business Days following the relevant Valuation Day.

### **6.3 Conversion**

Shares of the Sub-fund may not be converted into Shares of another Sub-fund.

## **7. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **8. REFERENCE CURRENCY AND HEDGING**

### **8.1 The Reference Currency of the Sub-fund is the EUR.**

- 8.2 In relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

## **9. INVESTMENT MANAGEMENT FEE**

### **9.1 Investment Management Fee**

The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 5 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

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

- 10.1 The Sub-fund is suitable for Retail Investors and Institutional Investors who understand and are able to bear the risks of an investment in the Sub-fund, including the risk of losing all or substantially all of their investment.
- 10.2 The Sub-fund is suitable for investors with a long-term investment horizon, as losses may occur due to market fluctuations.
- 10.3 Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## **11. SPECIFIC RISK FACTORS**

Shareholders should refer to the risk factors set out in SCHEDULE 2 – General risk factors.

## SPECIAL SECTION 5 – GLOBAL INTERNATIONAL INVESTMENTS SICAV – ALCUDIA

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to Global International Investments SICAV – Alcudia (the **Sub-fund**).

### 1. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Sub-fund seeks regular and current income through its emphasis on a conservative equilibrium between bond and equity securities all over the world, mainly in OECD Member countries. It also aims to provide long-term capital appreciation through selected investments in securities worldwide.

### 2. STRATEGY

- 2.1 The Sub-fund will invest, directly or indirectly through UCITS or other eligible UCIs, its assets internationally in debt securities, bonds, notes, fixed income securities, bank deposits and floating rate securities, convertible bonds (provided that investment in Contingent Convertible Bonds (CoCos) will not exceed 5% of the Sub fund's net assets), convertible notes and warrant bonds as well as equity securities. The Sub-fund can also invest in UCIs and derivatives.
- 2.2 Investments will be made directly or indirectly through UCITS or other eligible UCIs. Exposure to non OECD member countries will only be obtained through ADRS, GDRS, UCITS or other eligible UCIs.
- 2.3 The total exposure to the asset classes listed below, whether direct or indirect, will not exceed the limits specified below (in percentage of the total net assets of the Sub-fund):

Asset class	Range
Cash and cash equivalent investments (including Money Market Instruments)	3%-45%
Government bonds issued by EU and non EU countries with a rating of not less than BB+	0%-50%
Corporate bonds*	0%-50%
-Investment Grade bonds	0%-50%
-High Yield bonds	0%-40%
Equity	25%-100%
Alternative Target Funds	0%-55%

\*Corporate bonds generally mean corporate bonds with an investment grade or high yield rating (with a rating measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager).

- 2.4 The Sub-fund is also authorised to invest on an ancillary basis up to 10% of its assets in other Eligible Investments in accordance with the authorised investments set out under Schedule 1.
- 2.5 In order to achieve the above objective and to ensure the liquidity of the Sub-fund, the Sub-fund will invest in Money Market Instruments (i.e., cash and cash equivalents) at all times.

- 2.6 The Sub-fund may use financial derivative instruments 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 under Schedule 1. Investors should refer to Schedule 1 for special risk considerations applicable to financial derivative instruments.
- 2.7 The Sub-fund will not use EPM Techniques or TRS.
- 2.8 The Sub-Fund is actively managed without reference to a benchmark.

### 3. GLOBAL EXPOSURE

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

### 4. VALUATION DAY

The Net Asset Value of the Sub-fund is calculated on each Business Day (each, a **Valuation Day**).

### 5. CLASS OF SHARES

- 5.1 For the time being, the following Class is available for subscription by investors:

<b>Class</b>	<b>Class A (acc)*</b>
<b>ISIN</b>	LU1288048462
<b>Reference Currency</b>	EUR
<b>Eligible Investors</b>	Retail Investors and Institutional Investors
<b>Initial Subscription Price</b>	EUR10
<b>Minimum Subscription Amount</b>	N/A
<b>Minimum Holding Amount</b>	N/A
<b>Subscription Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Investment Management Fee</b>	From 0.30% p.a. up to 1.00% p.a.
<b>Subscription Tax Rate</b>	0.05%

\*(acc) refers to Accumulation Class, provided that each year, the Board may propose to the holders of accumulation Shares at the annual general meeting of the Shareholders the payment of a dividend in compliance with Luxembourg Law.

## **6. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS**

### **6.1 Ongoing Subscriptions**

Ongoing subscriptions for Shares can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax, swift or any other transmission method allowed by the Administrative Agent or the Global Distributor or a sub-distributor or the Global Distributor or a sub-distributor to the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 3 (three) Business Days following the relevant Valuation Day.

### **6.2 Redemption**

Redemption requests for Shares in part or in whole can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made generally 3 (three) Business Days following the relevant Valuation Day.

### **6.3 Conversion**

Shares of the Sub-fund may not be converted into Shares of another Sub-fund.

## **7. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **8. REFERENCE CURRENCY AND HEDGING**

### **8.1 The Reference Currency of the Sub-fund is the EUR.**

- 8.2 In relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

## **9. INVESTMENT MANAGEMENT FEE**

### **9.1 Investment Management Fee**

The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 5 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

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

- 10.1 The Sub-fund is suitable for Retail Investors and Institutional Investors who understand and are able to bear the risks of an investment in the Sub-fund, including the risk of losing all or substantially all of their investment.
- 10.2 The Sub-fund is suitable for investors with a long-term investment horizon, as losses may occur due to market fluctuations.
- 10.3 Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## **11. SPECIFIC RISK FACTORS**

Shareholders should refer to the risk factors set out in SCHEDULE 2 – General risk factors, and in particular with regards to the Sub-fund's investments in emerging markets, Section 1.2(f) of SCHEDULE 2 – General risk factors.

## SPECIAL SECTION 6 – GLOBAL INTERNATIONAL INVESTMENTS SICAV – EQUITY

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to Global International Investments SICAV – Equity (the **Sub-fund**).

### 1. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The investment objective of the Sub-fund is to provide investors with an opportunity to invest mainly in UCIs or Transferable Securities listed in all over the world, mainly the U.S., Europe, including, Switzerland, Sweden, Norway, Turkey and, on an ancillary basis, Russia, Ukraine and Byelorussia, as well as emerging countries such as Brazil, Peru, Chile, Colombia, Panamá, China (A, B, H Shares), India, Uruguay, South Korea, Taiwan, Vietnam, Nigeria, Egypt, South Africa.

### 2. STRATEGY

- 2.1 The Investment Manager will invest in investment funds and a select portfolio of securities, which it believes offer the best opportunities for future growth.
- 2.2 Investments will be made directly or indirectly through UCITS or other eligible UCIs, provided that exposure to investments in Turkey, Russia, Ukraine and Byelorussia as well as exposure to the emerging countries will only be obtained through UCITS or other eligible UCIs.
- 2.3 The Sub-fund will invest its assets mainly in equity securities but also in fixed-income securities (bonds) and bank deposits.
- 2.4 The total exposure to the asset classes listed below, whether direct or indirect, will not exceed the limits specified below (in percentage of the total net assets of the Sub-fund):

Asset class	Range
Cash and cash equivalent investments (including Money Market Instruments)	0%-100%
Government bonds issued by EU and non EU countries with a rating of not less than BB+	0%-50%
Corporate bonds*	0%-50%
Investment Grade bonds	0%-50%
High Yield bonds	0%-50%
Equity	0%-100%
Alternative Target Funds	0%-55%

\*Corporate bonds generally mean corporate bonds with an investment grade or high yield rating (with a rating measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager).

- 2.5 The Sub-fund is also authorised to invest on an ancillary basis up to 10% of its assets in other Eligible Investments in accordance with the authorised investments set out under Schedule 1.

- 2.6 In order to achieve the above objective and to ensure the liquidity of the Sub-fund, the Sub-fund will invest in Money Market Instruments (i.e., cash and cash equivalents) at all times.
- 2.7 The Sub-fund may use financial derivative instruments 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 under Schedule 1. Investors should refer to Schedule 1 for special risk considerations applicable to financial derivative instruments.
- 2.8 The Sub-fund will not use EPM Techniques or TRS.
- 2.9 The Sub-Fund is actively managed without reference to a benchmark.

### 3. GLOBAL EXPOSURE

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

### 4. VALUATION DAY

The Net Asset Value of the Sub-fund is calculated on each Business Day (each, a **Valuation Day**).

### 5. CLASS OF SHARES

- 5.1 For the time being, the following Class is available for subscription by investors:

<b>Class</b>	<b>Class A (acc)*</b>
<b>ISIN</b>	LU1288048546
<b>Reference Currency</b>	EUR
<b>Eligible Investors</b>	Retail Investors and Institutional Investors
<b>Initial Subscription Price</b>	EUR10
<b>Minimum Subscription Amount</b>	N/A
<b>Minimum Holding Amount</b>	N/A
<b>Subscription Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Investment Management Fee</b>	From 0.30% p.a. up to 1.00% p.a.
<b>Subscription Tax Rate</b>	0.05%

\*(acc) refers to Accumulation Class, provided that each year, the Board may propose to the holders of accumulation Shares at the annual general meeting of the Shareholders the payment of a dividend in compliance with Luxembourg Law.



## **6. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS**

### **6.1 Ongoing Subscriptions**

Ongoing subscriptions for Shares can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax, swift or any other transmission method allowed by the Administrative Agent or the Global Distributor or a sub-distributor to the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 3 (three) Business Days following the relevant Valuation Day.

### **6.2 Redemption**

Redemption requests for Shares in part or in whole can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made generally 3 (three) Business Days following the relevant Valuation Day.

### **6.3 Conversion**

Shares of the Sub-fund may not be converted into Shares of another Sub-fund.

## **7. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **8. REFERENCE CURRENCY AND HEDGING**

### **8.1 The Reference Currency of the Sub-fund is the EUR.**

- 8.2 In relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

## **9. INVESTMENT MANAGEMENT FEE**

### **9.1 Investment Management Fee**

The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 5 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

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

- 10.1 The Sub-fund is suitable for Retail Investors and Institutional Investors who understand and are able to bear the risks of an investment in the Sub-fund, including the risk of losing all or substantially all of their investment.
- 10.2 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.
- 10.3 Shareholders should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment.

## **11. SPECIFIC RISK FACTORS**

Shareholders should refer to the risk factors set out in SCHEDULE 2 – General risk factors, and in particular with regards to the Sub-fund's investments in emerging markets, Section 1.2(f) of SCHEDULE 2 – General risk factors.

## SPECIAL SECTION 7 – GLOBAL INTERNATIONAL INVESTMENTS SICAV – TALAIA

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to Global International Investments SICAV – Talaia (the **Sub-fund**).

### 1. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Sub-fund seeks regular and current income through its emphasis on a conservative equilibrium between bond and equity securities all over the world, mainly in OECD Member countries. It also aims to provide long-term capital appreciation through selected investments in securities worldwide, as further detailed below.

### 2. STRATEGY

- 2.1 The Sub-fund will invest, directly or indirectly through UCITS or other eligible UCIs, its assets internationally in debt securities, bonds (including inflation linked bonds), notes, fixed income securities, bank deposits and floating rate securities, convertible bonds (provided that investment in Contingent Convertible Bonds (CoCos) will not exceed 5% of the Sub-fund's net assets), convertible notes, REITS and warrant bonds as well as equity securities.
- 2.2 Exposure to non OECD member countries will only be obtained through ADRS, GDRS, UCITS or other eligible UCIs. The ADR/GDR will not embed derivatives.
- 2.3 The total exposure to the asset classes listed below, whether direct or indirect, will not exceed the limits specified below (in percentage of the total net assets of the Sub-fund):

Asset class	Range
Cash and cash equivalent investments (including Money Market Instruments)	1%-40%
Government bonds issued by EU and non EU countries with a rating of not less than BB+	0%-65%
Corporate bonds*	0%-55%
-Investment Grade bonds	0%-55%
-High Yield bonds	0%-45%
Equity	60% --100%
Alternative Target Funds	0%-25%
Commodities <sup>2</sup>	0%-20%
REITS	0%-20%

\*Corporate bonds generally mean corporate bonds with an investment grade or high yield rating (with a rating measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager).

<sup>2</sup> Exposure to commodities will be gained through investments in ETCs.

- 2.4 The Sub-fund is also authorised to invest on an ancillary basis up to 10% of its assets in other Eligible Investments in accordance with the authorised investments set out under Schedule 1.
- 2.5 In order to achieve the above objective and to ensure the liquidity of the Sub-fund, the Sub-fund will invest in Money Market Instruments (i.e., cash and cash equivalents) at all times.
- 2.6 The Sub-fund may use financial derivative instruments 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 under Schedule 1. Investors should refer to Schedule 1 for special risk considerations applicable to financial derivative instruments.
- 2.7 The Sub-fund will not use EPM Techniques or TRS.
- 2.8 The Sub-Fund is actively managed without reference to a benchmark.

### 3. GLOBAL EXPOSURE

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

### 4. VALUATION DAY

The Net Asset Value of the Sub-fund is calculated on each Business Day (each, a **Valuation Day**).

### 5. CLASS OF SHARES

- 5.1 For the time being, the following Class is available for subscription by investors:

<b>Class</b>	<b>Class A (acc)*</b>
<b>ISIN</b>	LU2289115771
<b>Reference Currency</b>	EUR
<b>Eligible Investors</b>	Retail Investors and Institutional Investors
<b>Initial Subscription Price</b>	EUR10
<b>Minimum Subscription Amount</b>	N/A
<b>Minimum Holding Amount</b>	N/A
<b>Subscription Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Investment Management Fee</b>	From 0,30% p.a. up to 1% p.a.
<b>Total Management Fee**</b>	Up to 3%
<b>Subscription Tax Rate</b>	0.05%

\*(acc) refers to Accumulation Class, provided that each year, the Board may propose to the holders of accumulation Shares at the annual general meeting of the Shareholders the payment of a dividend in compliance with Luxembourg Law.

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

## **6. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS**

### **6.1 Ongoing Subscriptions**

Ongoing subscriptions for Shares can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax, swift or any other transmission method allowed by the Administrative Agent or the Global Distributor or a sub-distributor to the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 3 (three) Business Days following the relevant Valuation Day.

### **6.2 Redemption**

Redemption requests for Shares in part or in whole can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made generally 3 (three) Business Days following the relevant Valuation Day.

### **6.3 Conversion**

Shares of the Sub-fund may not be converted into Shares of another Sub-fund.

## **7. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **8. REFERENCE CURRENCY AND HEDGING**

8.1 The Reference Currency of the Sub-fund is the EUR.

8.2 In relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

## **9. INVESTMENT MANAGEMENT FEE**

### **9.1 Investment Management Fee**

The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 5 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

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

10.1 The Sub-fund is suitable for Retail Investors and Institutional Investors who understand and are able to bear the risks of an investment in the Sub-fund, including the risk of losing all or substantially all of their investment.

10.2 The Sub-fund is suitable for investors with a long-term investment horizon, as losses may occur due to market fluctuations.

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

## **11. SPECIFIC RISK FACTORS**

Shareholders should refer to the risk factors set out in SCHEDULE 2 – General risk factors, and in particular with regards to the Sub-fund's investments in emerging markets and commodities, Section 1.2(f) and 1.13 of SCHEDULE 2 – General risk factors.

## SPECIAL SECTION 8 – GLOBAL INTERNATIONAL INVESTMENTS SICAV – TURQUETA

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to Global International Investments SICAV – Turqueta (the **Sub-fund**).

### 1. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Sub-fund seeks regular and current income through its emphasis on a conservative equilibrium between bond and equity securities all over the world, mainly in OECD Member countries. It also aims to provide long-term capital appreciation through selected investments in securities worldwide, as further detailed below.

### 2. STRATEGY

- 2.1 The Sub-fund will invest, directly or indirectly through UCITS or other eligible UCIs, its assets internationally in debt securities, bonds (including inflation linked bonds), notes, fixed income securities, bank deposits and floating rate securities, convertible bonds (provided that investment in Contingent Convertible Bonds (CoCos) will not exceed 5% of the Sub-fund's net assets), convertible notes, REITS and warrant bonds as well as equity securities.
- 2.2 Exposure to non OECD member countries will only be obtained through ADRS, GDRS, UCITS or other eligible UCIs. The ADR/GDR will not embed derivatives.
- 2.3 The total exposure to the asset classes listed below, whether direct or indirect, will not exceed the limits specified below (in percentage of the total net assets of the Sub-fund):

Asset class	Range
Cash and cash equivalent investments (including Money Market Instruments)	1%-45%
Government bonds issued by EU and non EU countries with a rating of not less than BB+	0%-70%
Corporate bonds*	0%-60%
-Investment Grade bonds	0%-60%
-High Yield bonds	0%-50%
Equity	40% --80%
Alternative Target Funds	0%-30%
Commodities <sup>3</sup>	0%-20%
REITS	0%-20%

\*Corporate bonds generally mean corporate bonds with an investment grade or high yield rating (with a rating measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager).

<sup>3</sup> Exposure to commodities will be gained through investments in ETCs.

- 2.4 The Sub-fund is also authorised to invest on an ancillary basis up to 10% of its assets in other Eligible Investments in accordance with the authorised investments set out under Schedule 1.
- 2.5 In order to achieve the above objective and to ensure the liquidity of the Sub-fund, the Sub-fund will invest in Money Market Instruments (i.e., cash and cash equivalents) at all times.
- 2.6 The Sub-fund may use financial derivative instruments 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 under Schedule 1. Investors should refer to Schedule 1 for special risk considerations applicable to financial derivative instruments.
- 2.7 The Sub-fund will not use EPM Techniques or TRS.
- 2.8 The Sub-Fund is actively managed without reference to a benchmark.

### 3. GLOBAL EXPOSURE

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

### 4. VALUATION DAY

The Net Asset Value of the Sub-fund is calculated on each Business Day (each, a **Valuation Day**).

### 5. CLASS OF SHARES

- 5.1 For the time being, the following Class is available for subscription by investors:

<b>Class</b>	<b>Class A (acc)*</b>
<b>ISIN</b>	LU2289115854
<b>Reference Currency</b>	EUR
<b>Eligible Investors</b>	Retail Investors and Institutional Investors
<b>Initial Subscription Price</b>	EUR10
<b>Minimum Subscription Amount</b>	N/A
<b>Minimum Holding Amount</b>	N/A
<b>Subscription Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Investment Management Fee</b>	From 0,30% p.a. up to 1% p.a.
<b>Total Management Fee**</b>	Up to 3%
<b>Subscription Tax Rate</b>	0.05%



\*(acc) refers to Accumulation Class, provided that each year, the Board may propose to the holders of accumulation Shares at the annual general meeting of the Shareholders the payment of a dividend in compliance with Luxembourg Law.

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

## **6. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS**

### **6.1 Ongoing Subscriptions**

Ongoing subscriptions for Shares can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax, swift or any other transmission method allowed by the Administrative Agent or the Global Distributor or a sub-distributor to the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 3 (three) Business Days following the relevant Valuation Day.

### **6.2 Redemption**

Redemption requests for Shares in part or in whole can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made generally 3 (three) Business Day following the relevant Valuation Day.

### **6.3 Conversion**

Shares of the Sub-fund may not be converted into Shares of another Sub-fund.

## **7. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **8. REFERENCE CURRENCY AND HEDGING**

8.1 The Reference Currency of the Sub-fund is the EUR.

8.2 In relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

## **9. INVESTMENT MANAGEMENT FEE**

### **9.1 Investment Management Fee**

The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 5 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

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

10.1 The Sub-fund is suitable for Retail Investors and Institutional Investors who understand and are able to bear the risks of an investment in the Sub-fund, including the risk of losing all or substantially all of their investment.

10.2 The Sub-fund is suitable for investors with a long-term investment horizon, as losses may occur due to market fluctuations.

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

## **11. SPECIFIC RISK FACTORS**

Shareholders should refer to the risk factors set out in SCHEDULE 2 – General risk factors, and in particular with regards to the Sub-fund's investments in emerging markets and commodities, Section 1.2(f) and 1.13 of SCHEDULE 2 – General risk factors.

## SPECIAL SECTION 9 – GLOBAL INTERNATIONAL INVESTMENTS SICAV – SANTAÑI

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to Global International Investments SICAV – Santañi (the **Sub-fund**).

### 1. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Sub-fund seeks regular and current income through its emphasis on a conservative equilibrium between bond and equity securities all over the world, mainly in OECD Member countries. It also aims to provide long-term capital appreciation through selected investments in securities worldwide, as further detailed below.

### 2. STRATEGY

- 2.1 The Sub-fund will invest, directly or indirectly through UCITS or other eligible UCIs, its assets internationally in debt securities, bonds (including inflation linked bonds), notes, fixed income securities, bank deposits and floating rate securities, convertible bonds (provided that investment in Contingent Convertible Bonds (CoCos) will not exceed 5% of the Sub-fund's net assets), convertible notes, REITS and warrant bonds as well as equity securities.
- 2.2 Exposure to non OECD member countries will only be obtained through ADRS, GDRS, UCITS or other eligible UCIs. The ADR/GDR will not embed derivatives.
- 2.3 The total exposure to the asset classes listed below, whether direct or indirect, will not exceed the limits specified below (in percentage of the total net assets of the Sub-fund):

Asset class	Range
Cash and cash equivalent investments (including Money Market Instruments)	1% -55%
Government bonds issued by EU and non EU countries with a rating of not less than BB+	0%-80%
Corporate bonds*	0%-70%
-Investment Grade bonds	0%-70%
-High Yield bonds	0%-60%
Equity	10%-50%
Alternative Target Funds	0%-40%
Commodities <sup>4</sup>	0%-20%
REITS	0%-20%

\*Corporate bonds generally mean corporate bonds with an investment grade or high yield rating (with a rating measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager).

<sup>4</sup> Exposure to commodities will be gained through investments in ETCs.

- 2.4 The Sub-fund is also authorised to invest on an ancillary basis up to 10% of its assets in other Eligible Investments in accordance with the authorised investments set out under Schedule 1.
- 2.5 In order to achieve the above objective and to ensure the liquidity of the Sub-fund, the Sub-fund will invest in Money Market Instruments (i.e., cash and cash equivalents) at all times.
- 2.6 The Sub-fund may use financial derivative instruments 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 under Schedule 1. Investors should refer to Schedule 1 for special risk considerations applicable to financial derivative instruments.
- 2.7 The Sub-fund will not use EPM Techniques or TRS.
- 2.8 The Sub-Fund is actively managed without reference to a benchmark.

### 3. GLOBAL EXPOSURE

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

### 4. VALUATION DAY

The Net Asset Value of the Sub-fund is calculated on each Business Day (each, a **Valuation Day**).

### 5. CLASS OF SHARES

- 5.1 For the time being, the following Class is available for subscription by investors:

<b>Class</b>	<b>Class A (acc)*</b>
<b>ISIN</b>	LU2289115938
<b>Reference Currency</b>	EUR
<b>Eligible Investors</b>	Retail Investors and Institutional Investors
<b>Initial Subscription Price</b>	EUR10
<b>Minimum Subscription Amount</b>	N/A
<b>Minimum Holding Amount</b>	N/A
<b>Subscription Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Investment Management Fee</b>	From 0,30% p.a. up to 1% p.a.
<b>Total Management Fee**</b>	Up to 3%
<b>Subscription Tax Rate</b>	0.05%

\*(acc) refers to Accumulation Class, provided that each year, the Board may propose to the holders of accumulation Shares at the annual general meeting of the Shareholders the payment of a dividend in compliance with Luxembourg Law.

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

## **6. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS**

### **6.1 Ongoing Subscriptions**

Ongoing subscriptions for Shares can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax, swift or any other transmission method allowed by the Administrative Agent or the Global Distributor or a sub-distributor to the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 3 (three) Business Days following the relevant Valuation Day.

### **6.2 Redemption**

Redemption requests for Shares in part or in whole can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made generally 3 (three) Business Day following the relevant Valuation Day.

### **6.3 Conversion**

Shares of the Sub-fund may not be converted into Shares of another Sub-fund.

## **7. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **8. REFERENCE CURRENCY AND HEDGING**

8.1 The Reference Currency of the Sub-fund is the EUR.

8.2 In relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

## **9. INVESTMENT MANAGEMENT FEE**

### **9.1 Investment Management Fee**

The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 5 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

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

10.1 The Sub-fund is suitable for Retail Investors and Institutional Investors who understand and are able to bear the risks of an investment in the Sub-fund, including the risk of losing all or substantially all of their investment.

10.2 The Sub-fund is suitable for investors with a long-term investment horizon, as losses may occur due to market fluctuations.

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

## **11. SPECIFIC RISK FACTORS**

Shareholders should refer to the risk factors set out in SCHEDULE 2 – General risk factors, and in particular with regards to the Sub-fund's investments in emerging markets and commodities, Section 1.2(f) and 1.13 of SCHEDULE 2 – General risk factors.

## SPECIAL SECTION 10 – GLOBAL INTERNATIONAL INVESTMENTS SICAV – MACARELLA

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to Global International Investments SICAV – Macarella (the **Sub-fund**).

### 1. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Sub-fund seeks regular and current income through its emphasis on a conservative equilibrium between bond and equity securities all over the world, mainly in OECD Member countries. It also aims to provide long-term capital appreciation through selected investments in securities worldwide, as further detailed below.

### 2. STRATEGY

- 2.1 The Sub-fund will invest, directly or indirectly through UCITS or other eligible UCIs, its assets internationally in debt securities, bonds (including inflation linked bonds), notes, fixed income securities, bank deposits and floating rate securities, convertible bonds (provided that investment in Contingent Convertible Bonds (CoCos) will not exceed 5% of the Sub-fund's net assets), convertible notes, REITS and warrant bonds as well as equity securities.
- 2.2 Exposure to non OECD member countries will only be obtained through ADRS, GDRS, UCITS or other eligible UCIs. The ADR/GDR will not embed derivatives.
- 2.3 The total exposure to the asset classes listed below, whether direct or indirect, will not exceed the limits specified below (in percentage of the total net assets of the Sub-fund):

Asset class	Range
Cash and cash equivalent investments (including Money Market Instruments)	1% -50%
Government bonds issued by EU and non EU countries with a rating of not less than BB+	0%-75%
Corporate bonds*	0%-65%
-Investment Grade bonds	0%-65%
-High Yield bonds	0%-55%
Equity	20% --60%
Alternative Target Funds	0%-35%
Commodities <sup>5</sup>	0%-20%
REITS	0%-20%

\*Corporate bonds generally mean corporate bonds with an investment grade or high yield rating (with a rating measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager).

<sup>5</sup> Exposure to commodities will be gained through investments in ETCs.

- 2.4 The Sub-fund is also authorised to invest on an ancillary basis up to 10% of its assets in other Eligible Investments in accordance with the authorised investments set out under Schedule 1.
- 2.5 In order to achieve the above objective and to ensure the liquidity of the Sub-fund, the Sub-fund will invest in Money Market Instruments (i.e., cash and cash equivalents) at all times.
- 2.6 The Sub-fund may use financial derivative instruments 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 under Schedule 1. Investors should refer to Schedule 1 for special risk considerations applicable to financial derivative instruments.
- 2.7 The Sub-fund will not use EPM Techniques or TRS.
- 2.8 The Sub-Fund is actively managed without reference to a benchmark.

### 3. GLOBAL EXPOSURE

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

### 4. VALUATION DAY

The Net Asset Value of the Sub-fund is calculated on each Business Day (each, a **Valuation Day**).

### 5. CLASS OF SHARES

- 5.1 For the time being, the following Class is available for subscription by investors:

<b>Class</b>	<b>Class A (acc)*</b>
<b>ISIN</b>	LU2289116076
<b>Reference Currency</b>	EUR
<b>Eligible Investors</b>	Retail Investors and Institutional Investors
<b>Initial Subscription Price</b>	EUR10
<b>Minimum Subscription Amount</b>	N/A
<b>Minimum Holding Amount</b>	N/A
<b>Subscription Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Investment Management Fee</b>	From 0,30% p.a. up to 1% p.a.
<b>Total Management Fee **</b>	Up to 3%
<b>Subscription Tax Rate</b>	0.05%



\*(acc) refers to Accumulation Class, provided that each year, the Board may propose to the holders of accumulation Shares at the annual general meeting of the Shareholders the payment of a dividend in compliance with Luxembourg Law.

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

## **6. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS**

### **6.1 Ongoing Subscriptions**

Ongoing subscriptions for Shares can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax, swift or any other transmission method allowed by the Administrative Agent or the Global Distributor or a sub-distributor to the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 3 (three) Business Days following the relevant Valuation Day.

### **6.2 Redemption**

Redemption requests for Shares in part or in whole can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made generally 3 (three) Business Day following the relevant Valuation Day.

### **6.3 Conversion**

Shares of the Sub-fund may not be converted into Shares of another Sub-fund.

## **7. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **8. REFERENCE CURRENCY AND HEDGING**

8.1 The Reference Currency of the Sub-fund is the EUR.

8.2 In relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

## **9. INVESTMENT MANAGEMENT FEE**

### **9.1 Investment Management Fee**

The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 5 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

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

10.1 The Sub-fund is suitable for Retail Investors and Institutional Investors who understand and are able to bear the risks of an investment in the Sub-fund, including the risk of losing all or substantially all of their investment.

10.2 The Sub-fund is suitable for investors with a long-term investment horizon, as losses may occur due to market fluctuations.

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

## **11. SPECIFIC RISK FACTORS**

Shareholders should refer to the risk factors set out in SCHEDULE 2 – General risk factors, and in particular with regards to the Sub-fund's investments in emerging markets and commodities, Section 1.2(f) and 1.13 of SCHEDULE 2 – General risk factors.

## SPECIAL SECTION 11 – GLOBAL INTERNATIONAL INVESTMENTS SICAV – GALDANA

This Special Section must be read in conjunction with the General Section of the Prospectus. This Special Section refers only to Global International Investments SICAV – Galdana (the **Sub-fund**).

### 1. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The Sub-fund seeks regular and current income through its emphasis on a conservative equilibrium between bond and equity securities all over the world, mainly in OECD Member countries. It also aims to provide long-term capital appreciation through selected investments in securities worldwide, as further detailed below.

### 2. STRATEGY

- 2.1 The Sub-fund will invest, directly or indirectly through UCITS or other eligible UCIs, its assets internationally in debt securities, bonds (including inflation linked bonds), notes, fixed income securities, bank deposits and floating rate securities, convertible bonds (provided that investment in Contingent Convertible Bonds (CoCos) will not exceed 5% of the Sub-fund's net assets), convertible notes, REITS and warrant bonds as well as equity securities.
- 2.2 Exposure to non OECD member countries will only be obtained through ADRS, GDRS, UCITS or other eligible UCIs. The ADR/GDR will not embed derivatives.
- 2.3 The total exposure to the asset classes listed below, whether direct or indirect, will not exceed the limits specified below (in percentage of the total net assets of the Sub-fund):

Asset class	Range
Cash and cash equivalent investments (including Money Market Instruments)	1% -60%
Government bonds issued by EU and non EU countries with a rating of not less than BB+	0%-85%
Corporate bonds*	0%-75%
-Investment Grade bonds	0%-75%
-High Yield bonds	0%-65%
Equity	0% –40%
Alternative Target Funds	0%-45%
Commodities <sup>6</sup>	0%-20%
REITS	0%-20%

\*Corporate bonds generally mean corporate bonds with an investment grade or high yield rating (with a rating measured by any leading credit rating agencies or with quality considered as equivalent by the Investment Manager).

<sup>6</sup> Exposure to commodities will be gained through investments in ETCs.

- 2.4 The Sub-fund is also authorised to invest on an ancillary basis up to 10% of its assets in other Eligible Investments in accordance with the authorised investments set out under Schedule 1.
- 2.5 In order to achieve the above objective and to ensure the liquidity of the Sub-fund, the Sub-fund will invest in Money Market Instruments (i.e., cash and cash equivalents) at all times.
- 2.6 The Sub-fund may use financial derivative instruments 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 under Schedule 1. Investors should refer to Schedule 1 for special risk considerations applicable to financial derivative instruments.
- 2.7 The Sub-fund will not use EPM Techniques or TRS.
- 2.8 The Sub-Fund is actively managed without reference to a benchmark.

### 3. GLOBAL EXPOSURE

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

### 4. VALUATION DAY

The Net Asset Value of the Sub-fund is calculated on each Business Day (each, a **Valuation Day**).

### 5. CLASS OF SHARES

- 5.1 For the time being, the following Class is available for subscription by investors:

<b>Class</b>	<b>Class A (acc)*</b>
<b>ISIN</b>	LU2289116159
<b>Reference Currency</b>	EUR
<b>Eligible Investors</b>	Retail Investors and Institutional Investors
<b>Initial Subscription Price</b>	EUR10
<b>Minimum Subscription Amount</b>	N/A
<b>Minimum Holding Amount</b>	N/A
<b>Subscription Fee</b>	N/A
<b>Redemption Fee</b>	N/A
<b>Investment Management Fee</b>	From 0,30% p.a. up to 1% p.a.
<b>Total Management Fee</b>	Up to 3%
<b>Subscription Tax Rate</b>	0.05%

\*(acc) refers to Accumulation Class, provided that each year, the Board may propose to the holders of accumulation Shares at the annual general meeting of the Shareholders the payment of a dividend in compliance with Luxembourg Law.

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

## **6. SUBSCRIPTIONS – REDEMPTIONS - CONVERSIONS**

### **6.1 Ongoing Subscriptions**

Ongoing subscriptions for Shares can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 5 of the General Section.

Subscriptions may be made only by investors who are Eligible Investors by:

- (a) submitting a written subscription request by mail, fax, swift or any other transmission method allowed by the Administrative Agent or the Global Distributor or a sub-distributor to the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day at the latest (the **Subscription Cut-Off Time**). Subscription orders for Shares received by the Administrative Agent in respect of a Valuation Day prior to the relevant Subscription Cut-Off Time will be processed on the first NAV Calculation Day following such Valuation Day on the basis of the Net Asset Value per Share calculated on such NAV Calculation Day. Any applications received after the Subscription Cut-Off Time in respect of the relevant Valuation Day will be deferred to the next Valuation Day and will be dealt with on the basis of the Net Asset Value per Share calculated on the NAV Calculation Day immediately following such next Valuation Day;
- (b) 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 3 (three) Business Days following the relevant Valuation Day.

### **6.2 Redemption**

Redemption requests for Shares in part or in whole can be made to the Administrative Agent or the Global Distributor or a sub-distributor on any day that is a Valuation Day in accordance with and subject to the terms of Section 7 of the General Section. Redemption requests must be received by the Administrative Agent or the Global Distributor or a sub-distributor by 4.00 p.m. (Luxembourg time) on the relevant Valuation Day (the **Redemption Cut-Off Time**) to be eligible for processing as of such Valuation Day. Redemption requests received after the Redemption Cut-Off Time will be deemed received at the next forthcoming Valuation Day and will be processed on the basis of the Net Asset Value per Share as of the first NAV Calculation Day after the relevant Valuation Day. Payment of the redemption proceeds will be made generally 3 (three) Business Day following the relevant Valuation Day.

### **6.3 Conversion**

Shares of the Sub-fund may not be converted into Shares of another Sub-fund.

## **7. PRICE ADJUSTMENT**

With respect to subscriptions, redemptions and conversions of Shares of the Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted in accordance with Section 8 of the General Section.

## **8. REFERENCE CURRENCY AND HEDGING**

8.1 The Reference Currency of the Sub-fund is the EUR.

8.2 In relation to investments that are denominated in a currency other than the currency of any particular Class, the Company may decide (but is not obliged) to enter into hedging transactions so as to mitigate the risk arising out of (adverse) currency exchange rate changes.

## **9. INVESTMENT MANAGEMENT FEE**

### **9.1 Investment Management Fee**

The Investment Manager is entitled to an investment management fee at such rate as set out in respect of each Class in Section 5 of this Special Section (the **Investment Management Fee**). The Investment Management Fee is based on the average of the value of the NAV of the relevant Class over the relevant period and is payable quarterly in arrears.

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

10.1 The Sub-fund is suitable for Retail Investors and Institutional Investors who understand and are able to bear the risks of an investment in the Sub-fund, including the risk of losing all or substantially all of their investment.

10.2 The Sub-fund is suitable for investors with a long-term investment horizon, as losses may occur due to market fluctuations.

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

## **11. SPECIFIC RISK FACTORS**

Shareholders should refer to the risk factors set out in SCHEDULE 2 – General risk factors, and in particular with regards to the Sub-fund's investments in emerging markets and commodities, Section 1.2(f) and 1.13 of SCHEDULE 2 – General risk factors.

## **PART C – SCHEDULES**

## **SCHEDULE 1 – INVESTMENT RESTRICTIONS AND USE OF EPM TECHNIQUES**

### **1. 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.**

#### **1.1 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 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 1.1(a)(i), (ii) and (iii) of this Schedule;
  - (B) such admission is secured within a year of issue;
- (v) units of UCITS and/or other UCIs within the meaning of Article 1, paragraph (2), points a) and b) of the UCITS Directive, whether situated in an EU Member State or not, provided that:
  - (A) such other 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 EU law, and that cooperation between authorities is sufficiently ensured;
  - (B) the level of protection for unitholders in the other 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 other 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 UCITS or other UCI whose acquisition is contemplated, can, according to their fund rules or constitutional documents, be invested in aggregate in units of other UCITS or 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 1.1(a)(i), (ii) and (iii) of this Schedule; and/or OTC Derivatives, provided that:

- (A) the underlying consists of instruments covered by this Section 1.1(a), 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 issue 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 1.1(a)(i), (ii) or (iii) of this Schedule; 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) presents 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.

(b) However, each Sub-fund may:

- (i) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to under Section 1.1(a) above; and
- (ii) hold liquid assets on an ancillary basis.

## 1.2 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 First Class Institutions.
- (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 1.2(a) 1.2(b) above and 1.7(i) below, a Sub-fund may not combine:
  - (i) investments in Transferable Securities or Money Market Instruments issued by a given single body,
  - (ii) deposits made with that single body, and/or
  - (iii) exposures arising from OTC Derivative transactions undertaken with that single body,in excess of 20% of its net assets.
- (d) The 10% limit set forth in Section 1.2(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 1.2(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 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 1.2(d) and 1.2(e) above are not counted when calculating the 40% risk diversification ceiling mentioned in Section 1.2(a) above.
- (g) The limits provided for in Sections 1.2(a) to 1.2(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 1.2.

- (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.

### **1.3 Exceptions which can be made**

- (a) Without prejudice to the limits laid down in Section 1.6 below, the limits laid down in Section 1.2 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 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.**

### **1.4 Investment in UCITS and/or other UCIs**

- (a) A Sub-fund may acquire the units of UCITS and/or other UCIs referred to in Section 1.1(a)(v) of this Schedule provided that no more than 20% of its net assets are invested in units of a single UCITS or other UCI. If a UCITS or other 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 1.2 above.
- (d) When a Sub-fund invests in the units of UCITS and/or other 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 UCITS and/or other UCIs.
- (e) If a Sub-fund invests a substantial proportion of its assets in other UCITS and/or other UCIs, the maximum level of the management fees that may be charged both to the Sub-fund itself and to the

other UCITS and/or 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 UCITS and/or other UCIs in which the Sub-fund invests.

### **1.5 Tolerances and multiple compartment issuers**

- (a) If, because of reasons beyond the control of the Company or the exercising of subscription rights, the limits mentioned in this Section 1 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 1.2, 1.3 and 1.4 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 1.2 and 1.4, and 1.3(a) of this Schedule.

### **1.6 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, for the account of each Sub-fund 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 UCITS and/or other UCI.

The limits laid down in (ii), (iii), and (iv) 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 a G20 Member State, by another Member State of the OECD, Singapore, Hong Kong 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 1.1(a)(v), (vii) and (viii) of this Schedule;

- (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 1.1(a)(v), (vii) and (viii) that are not fully paid up.

## **1.7 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 in Section 1.2 of this Schedule. 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 in Section 1.2 of this Schedule.
- (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 13/559, 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:
  - the underlying exposure obtained through financial derivative instruments;
  - the identity of the counterparty(ies) to these financial derivative instruments;
  - the type and amount of collateral received to reduce counterparty risk exposure.
- (g) The Sub-funds are not authorised, at the time of this Prospectus, to employ techniques and instruments relating to Transferable Securities or Money Market Instruments (including SFT)(**EPM Techniques**).

- (h) The Company and any of its Sub-funds may enter into swap contracts relating to any financial instruments or indices, excluding TRS. TRS involve the exchange of the right to receive the total return, coupon plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. At the time of this Prospectus, the Sub-Funds are not allowed to enter into TRS.
- (i) The counterparty risk arising from OTC Derivatives may not exceed 10% of the assets of a Sub-fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing in the EU. This limit is set at 5% in any other case.
- (j) The counterparty risk of a Sub-fund vis-à-vis a counterparty is equal to the positive mark-to-market value of all OTC Derivatives transactions with that counterparty, provided that:
  - if there are legally enforceable netting arrangements in place, the risk exposure arising from OTC Derivative and transactions with the same counterparty may be netted; and
  - if collateral is posted in favour of a Sub-fund and such collateral complies at all times with the criteria set out in Section 1.8(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 1.7(i) above. The level of collateral used, with respect to each Sub-fund, will be in line with applicable law and regulations as well as the provisions set out in this Prospectus and particularly Section 1.8 below. In order to reduce each Sub-fund's counterparty risk in accordance with applicable law and regulation in the context of OTC financial derivative transactions, it is expected that typically, the Sub-fund will require a level of collateral from each of its counterparty equal to 90-95% of the Sub-fund's positive mark-to-market value of all OTC Derivatives transactions entered into with the relevant counterparty in the context of the relevant transaction(s), taking into account the nature and characteristics of the relevant transactions, the creditworthiness and identity of the counterparty, prevailing market conditions and the existence of enforceable netting arrangements with such counterparty.
- (k) Unless otherwise set out in a Special Section, none of the counterparties in OTC Derivative transactions will have discretion over the composition or management of the relevant Sub-fund's investment portfolio or over the assets underlying the relevant OTC Derivative.

## **1.8 Collateral policy for OTC Derivatives transactions**

- (a) Collateral received by a Sub-fund 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 1.6(b) of this Schedule.
  - (ii) Valuation – collateral received should be valued on at least a daily mark-to-market basis using available market prices and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. 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, i.e., where appropriate, by requesting additional collateral.

- (iii) Issuer credit quality – collateral received should be of high quality.
  - (iv) Correlation – the collateral received by the Sub-fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
  - (v) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-fund receives from a counterparty of OTC Derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When a Sub-fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Sub-fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more 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. Accordingly a Sub-fund may be fully collateralised in securities issued or guaranteed by an eligible OECD Member State.
  - (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) The Sub-funds may only accept the following assets as collateral in accordance with applicable laws and regulations:
- (i) Liquid assets. Liquid assets include not only cash and short term bank certificates, but also Money Market Instruments such as defined within the UCITS Directive. A letter of credit or a guarantee at first-demand given by a First Class Institution not affiliated to the counterparty are considered as equivalent to liquid assets.
  - (ii) Bonds issued or guaranteed by an OECD Member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
  - (iii) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
  - (iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in items (v) and (vi) below.
  - (v) Bonds issued or guaranteed by first class issuers offering an adequate liquidity.
  - (vi) Shares admitted to or dealt in on a Regulated Market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.
- (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 credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
  - (ii) invested in high-quality government bonds;
  - (iii) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the 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) Collateral posted in favour of a Sub-fund under a title transfer arrangement should be held by the Depositary or a delegate of the Depositary. Collateral posted in favour of a Sub-fund under a security interest arrangement (e.g., a pledge) will be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (f) Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral under paragraph (b) above.
- (g) The Company has a haircut policy relating to the classes of assets received as collateral by or for the account of the Company. Notwithstanding clause 1.8(b) above, the 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.

## 1.9 Investments between Sub-funds

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:

- (a) the Target Sub-fund may not invest in the Investing Sub-fund;
- (b) the Target Sub-fund may not invest more than 10% of its net assets in UCITS (including other Sub-funds) or other UCIs referred to in Section 1.1(a)(v) of this Schedule;
- (c) the voting rights attached to the Shares of the Target Sub-fund are suspended during the investment by the Investing Sub-fund;
- (d) the value of the Share of the Target Sub-fund held by the Investing Sub-fund are not taken into account for the purpose of assessing the compliance with the EUR1,250,000 minimum capital requirement; and
- (e) duplication of management, subscription or redemption fees is prohibited.



## **SCHEDULE 2 – GENERAL 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 key investor information document 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.

### **1.1 General risks**

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

The Management Company, Investment Manager or Investment Adviser 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 Management Company, Investment Manager or Investment Adviser 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 Management Company, Investment Manager or Investment Adviser's performance fees will be based on unrealised as well as realised gains.

#### **(b) Future returns**

No assurance can be given that the strategies employed by, Investment Manager or Investment Adviser 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 or Investment Adviser in the past.

(c) 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 or Investment Adviser 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.

(d) 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.

(e) 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).

(f) 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 the 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.

## **1.2 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 or Investment Adviser 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 and Investment Adviser'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

Unless otherwise set out in a Special Section, the Sub-funds will not invest directly in emerging markets/countries. However, the Sub-funds may have an indirect exposure to emerging markets and countries through investment in UCITS and other eligible UCIs that invest in those emerging markets and countries (**Emerging Market Target Funds**). Investors investing in such Sub-funds should carefully review the risks outlined in this item (f) which are relevant to the Emerging Market Target Funds in which the Sub-funds may be invested and may therefore have an impact on the performance and risks arising out of an investment in the relevant Sub-fund. To the extent that a Sub-fund would, in accordance with the terms of its Special Section, be authorised to invest directly into emerging

markets/countries, then the risk outlined below as applicable to Emerging Market Target Funds will apply *mutatis mutandis* to such Sub-fund.

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 Emerging Market Target 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, Emerging Market Target Funds 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 Emerging Market Target 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 Emerging Market Target Funds investing in emerging market securities.

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 Emerging Market Target Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Emerging Market Target Funds' claims in any of these events.

#### *Investments in China*

Investing in the People's Republic of China (**PRC**) is subject to the risks of investing in emerging markets – outlined above – and additional risks which are specific to the PRC market. The economy of China is in a state of transition from a planned economy to a more market oriented economy and investments may be sensitive to changes in law and regulation together with political, social or economic policy which includes possible government intervention. In extreme circumstances, an Emerging Market Target Fund investing in the PRC may incur losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy, due to local investment restrictions, illiquidity of the PRC domestic securities market, and/or delay or disruption in execution and settlement of trades. Any Sub-fund investing in such Emerging Market Target Fund (or investing directly in China) may be adversely affected by such losses.

China is one of the world's largest emerging markets. As with investing in any emerging market country, an Emerging Market Target Fund's investments in China may be subject to greater risk of loss than investments made in a developed market. This is due, among other things, to greater market volatility, lower trading volume, greater risk of market shut down, and more governmental limitations with respect to foreign-inward investment. The companies in which an Emerging Market Target Fund invests may be held to lower disclosure, corporate governance, accounting and reporting standards than companies listed or traded in more developed markets. In addition, some of the securities held by an Emerging Market Target Fund may be subject to higher transaction and other costs, foreign ownership limits, the imposition of taxes, or may have liquidity issues which make such securities more difficult to sell at reasonable prices. These factors may increase the volatility and hence the risk of an investment in an Emerging Market Target Fund.

The PRC legal system is based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have no precedent value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, because of the limited volume of published cases and judicial interpretation and their non-binding nature, the interpretation and enforcement of these regulations involves significant uncertainties. Given the short history of the PRC system of commercial laws, the PRC regulatory and legal framework may not be as well developed as those of developed countries. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the Fund's onshore business operations or the ability of an Emerging Market Target Fund to acquire China Class A, B or H Shares. The PRC government heavily regulates the domestic exchange of foreign currencies within the PRC. PRC law requires that all domestic securities transactions must be settled in RMB, places significant restrictions on the remittance of foreign currency, and strictly regulates currency exchange from RMB.

Under the prevailing regulations in the PRC, foreign investors can invest in China A Shares only through institutions that have obtained Qualified Foreign Institutional Investor (**QFII**) or "Renminbi Qualified Foreign Institutional Investor (**RQFII**)" status in the PRC (together the **QFII Regulations**). The current QFII Regulations impose strict restrictions (including rules on investment restrictions, minimum investment holding period and repatriation of principle and profits) on China A Shares investment. Any foreign investor (including Emerging Market Target Funds) investing in China A Shares and other permissible securities denominated in Renminbi will do so through the QFII or RQFII in Renminbi. Such investor will be exposed to any fluctuation in the exchange rate between the relevant reference currency of that investor and the Renminbi in respect of such investments. Fluctuations in the exchange rate between the Reference Currency of a Sub-fund investing indirectly, through investment in Emerging Market Target Funds, in China A Shares and the Renminbi may have a negative impact on the Sub-fund's financial performance.

#### *Investments in Eastern European countries and Russia*

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 indirectly 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.

### **1.3 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

The Sub-funds 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, the

Sub-funds may enter into swap arrangements or other derivative techniques as specified in the relevant Special Sections, each of which expose the Sub-funds 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, the Sub-funds 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 SCHEDULE 1 – Investment restrictions and use of EPM techniques.

Certain markets in which the Sub-funds held by the Sub-funds may effect their transactions are over-the-counter or interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. To the extent a Sub-fund invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, such Sub-fund may take credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections. This exposes the Sub-funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Sub-fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Company has concentrated its transactions with a single or small group of counterparties. In addition, in the case of a default, the respective Sub-fund could become subject to adverse market movements while replacement transactions are executed. The Sub-funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, the Sub-funds have no internal credit function which evaluates the creditworthiness of their counterparties. The ability of the Sub-funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a Regulated Market to facilitate settlement may increase the potential for losses by the Sub-funds.

To the extent any counterparty of the Company or a Sub-fund involved in any type of transactions, is not entrusted with, or does not keep in safe-custody assets of the Company or a Sub-fund, the selection of such counterparty will be under the Company's sole responsibility.

(e) Lack of availability

Because the markets for certain derivative instruments (including markets located in foreign countries) are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, the Company, or an Investment Manager may wish to retain the respective Sub-fund's position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Sub-funds will engage in derivatives transactions at any time or from time to time. The Sub-funds' ability to use derivatives may also be limited by certain regulatory and tax considerations.

(f) Synthetic short selling

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) Synthetic leverage

A Sub-fund's portfolio may be leveraged by using derivative instruments (including OTC Derivatives) i.e. as a result of its transactions in the futures, options and swaps 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. Contracts for differences and swaps may also be used to provide synthetic short exposure to a stock - the risks associated with using swaps and contract for differences are more fully disclosed in Section 1.4 below.

#### **1.4 Use of specific derivative contracts**

The following only represents a limited choice of risks associated with derivatives the Sub-funds may elect to invest in. The Sub-funds are substantially unrestricted in their use of derivatives and may decide to use various other derivatives contracts associated with much higher or different risks, as the case may be.

At the time of this Prospectus, the Sub-funds are not allowed to enter into TRS.

(a) Swap agreements

Sub-funds may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Sub-funds' exposure to long-term or short-term interest rates, different currency values, corporate borrowing rates, or other factors such as without limitation security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Sub-funds are not limited to any particular form of swap agreement if consistent with the respective Sub-fund's investment objective and policies. Swap agreements tend to shift the respective Sub-fund's investment exposure from one type of investment to another. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Sub-funds' portfolio. The most significant factor



in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Sub-funds.

Inter alia, in order to seek to reduce the interest rate risk inherent in the Sub-funds underlying investments especially associated with bonds and other fixed income investments, the Sub-funds may employ interest rate swaps or option transactions. Interest rate swaps involve the Sub-funds' agreement with the swap counterparty to pay a variable rate payment on a notional amount in exchange for the counterparty paying the Sub-funds a fixed rate payment on a notional amount that is intended to approximate the Sub-funds income on variable interest rates.

The use of interest rate swaps and options is a highly specialised activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. Depending on the state of interest rates, the respective Sub-fund's use of interest rate instruments could enhance or harm the overall performance on the Shares in the respective Sub-fund. To the extent there is an increase in interest rates, the value of the interest rate swap or option could go down, and could result in a decline in the Net Asset Value of the Shares. If interest rates are higher than the respective Sub-fund's fixed rate of payment on the interest rate swap, the swap will reduce the net earnings. If, on the other hand, interest rates are lower than the fixed rate of payment on the interest rate swap, the swap will enhance net earnings.

Interest rate swaps and options generally do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to interest rate swaps or options is limited to the net amount of interest payments that the Sub-funds are contractually obligated to make.

In addition, at the time the interest rate swap or option transaction reaches its scheduled termination date, there is a risk that the Sub-funds will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favourable as the terms of the expiring transactions. If this occurs, it could have a negative impact on the performance of the Shares in the respective Sub-fund.

(b) Call options

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option that is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security offset by the gain by the premium received if the option expires out of the money, and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security (if the market price of the underlying security declines).

(c) Put options

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option that is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price of the short position of the underlying security offset by the premium if the option expires out of the money, and thus the gain in the premium, and the option seller gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option

written. The seller of an uncovered, unhedged put option assumes the risk of a decline in the market price of the underlying security to zero.

The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

(d) Forward trading

Each Sub-fund may invest in forward contracts and options thereon, which, unlike futures contracts, are not traded on exchanges, and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. For example, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank traded instruments rely on the fulfilment by the dealer or counterparty of its contract. As a result, trading in unregulated exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which the respective Sub-fund has forward contracts. Although the Company seeks to trade with responsible counterparties, failure by a counterparty to fulfil its contractual obligation could expose the Company to unanticipated losses. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Sub-funds due to unusually high or low trading volume, political intervention or other factors. The imposition of credit controls by government authorities might also limit such forward trading to less than that which the Company, the Management Company or an Investment Manager would otherwise recommend, to the possible detriment of the Sub-funds.

(e) Performance swaps, interest rate swaps, currency swaps, credit default swaps and interest rate swaptions

The Company, the Management Company or an Investment Manager may, as a part of the investment strategy of a Sub-fund, enter into performance swaps, interest rate swaps, currency swaps, 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 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.

A Sub-fund may also sell protection under credit default swaps in order to acquire a specific credit exposure.

A Sub-fund may also purchase a receiver or payer interest rate swaption contract. Swaptions are options on interest rate swaps. 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 swaps, currency swaps, 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 or an 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.

(f) Contracts for differences

The Sub-funds may have an exposure in Contracts For Difference (**CFDs**). CFD's are synthetic instruments which mirror the profit (or loss) effect of holding (or selling) equities directly without buying the actual securities themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and the share price when the contract is closed. Accordingly, under such an instrument the relevant Sub-fund will make a profit if it has a purchase position and the price of the underlying security rises (and make a loss if the price of the underlying security falls). Conversely if the Sub-fund has a sale position, it will make a profit if the price of the underlying security falls (and make a loss if the price of the underlying security rises). As part of the normal market terms of trade the Company must comply with market participants terms and conditions and in particular initial margin has to be paid to cover potential losses (on set up) and variation margin on adverse price movements (during the term of the CFD). In addition it should be noted the relevant Sub-fund could suffer losses in event of the CFD issuer's default or insolvency.

(g) Other derivative instruments

The Sub-funds may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Sub-funds and legally permissible. Special risks may apply to instruments that are invested in by the Company in the future that cannot be determined at this time or until such instruments are developed or invested in by the Sub-funds. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

(h) Risks of options trading

In seeking to enhance performance or hedge assets, the Sub-fund may use options. Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price.

(i) Investing in futures is volatile and involves a high degree of leverage

Futures markets are highly volatile markets. The profitability of the Sub-fund will partially depend on the ability of the Company or an Investment Manager to make a correct analysis of the market trends, influenced by governmental policies and plans, international political and economical events, changing supply and demand relationships, acts of governments and changes in interest rates. In addition, governments may from time to time intervene on certain markets, particularly currency markets. Such interventions may directly or indirectly influence the market. Given that only a small amount of margin is required to trade on futures markets, the operations of the managed futures portion of the Sub-fund will be characterised by a high degree of leverage. As a consequence, a relatively small variation of the price of a futures contract may result in substantial losses for the Sub-fund and a correlated reduction of the Net Asset Value of the Shares of the Sub-fund.

(j) Futures markets may be illiquid

Most futures markets limit fluctuation in futures contracts prices during a single day. When the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions can be neither taken nor liquidated unless the Board or an Investment Manager are willing to trade at or within the limit. In the past futures contracts prices have exceeded the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Sub-fund from promptly liquidating unfavourable positions and thus subject the Sub-fund to substantial losses. In addition, even if the prices do not get close to such limits, the Sub-fund may be in a position not to obtain satisfying prices if the volumes traded on the market are insufficient to meet liquidation requests. It is also possible that a stock exchange, the Commodity Futures Trading Commission in the United States or another similar institution in another country suspends the listing of a particular contract, instructs the immediate liquidation of the contract or limits transactions on a contract to the sole transactions against delivery.

(k) Options on futures

The Company may engage in the management of options, in particular options on futures contracts. Such management carries risks similar to the risks inherent to the uncovered management of futures contracts on commodities as far as such options are volatile and imply a high degree of leverage. The specific movements of the commodities and futures contracts markets, which represent the underlying assets of the options may not be predicted with precision. The buyer of an option may lose the entire purchase price of the option. The seller of an option may lose the difference between the premium received for the option and the price of the commodity or of the futures contract underlying the option that the seller must buy or deliver, upon the exercise of the option.

(l) 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.

## **1.5 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.

## **1.6 Fixed-interest securities**

Investment in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in currency exchange rates and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the reference currency of the Company would reduce the value of certain portfolio securities that are denominated in the former currency. The following risks may also be associated with fixed-interest securities:

Issuers are generally subject to different accounting, auditing and financial reporting standards in different countries throughout the world. The volume of trading, volatility of prices and liquidity of issuers may differ between the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies differs from one country to another. The laws of some countries may limit the Company's ability to invest in securities of certain issuers.

Different markets also have different clearing and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of a Sub-fund is uninvested and no return is earned thereon. The inability of the Company to make intended security purchases due to settlement problems could cause a Sub-fund to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Sub-fund due to subsequent declines in value of the portfolio security or, if a Sub-fund has entered into a contract to sell the security, could result in possible liability to the purchaser.

An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.

## **1.7 High-yield securities**

Sub-funds may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, each Sub-fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments (neither Sub-fund is required to hedge, and may choose not to do so). High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

## **1.8 Equities**

The risks associated with investments in equity (and equity-type) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company. Potential investors should also consider the risk

attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

## **1.9 Investment in REITS**

Investments in REITs are subject to the risks associated with the ownership of real estate which may expose the relevant Sub-Fund to increased liquidity risk, price volatility and losses due to changes in economic conditions and interest rates.

## **1.10 Investment in Alternative Target Funds**

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

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

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

## **1.11 Contingent Convertible Bonds (CoCos)**

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

### **(a) Write-down risk, conversion risk and trigger levels risk**

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

In particular, trigger levels, among others, influence the exposure to conversion/write-down risk depending on the CET1 distance to the trigger levels. Given the varying trigger levels of issuance across a given banking group it is difficult to envision exactly how the contractual provisions relating to the conversion or write-down of a particular investment in CoCos will play out.

### **(b) Coupon cancellation**

For Additional Tier 1 (**AT1**) CoCos, coupons may be cancelled in a going concern situation. Coupon payments on such CoCos are entirely discretionary and may be cancelled by the issuer at any point,

for any reason, and for any length of time. The cancellation of coupon payments on AT1 CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of these CoCos and may lead to mispricing of risk.

(c) Capital structure inversion risk

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

(d) Call extension risk

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

(e) Unknown risk

The structure of CoCos is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, will the market view the issue as an idiosyncratic event or systemic? In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore in an illiquid market, price formation may be increasingly stressed.

(f) Sector concentration risk

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

(g) Liquidity risk

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

(h) Yield and valuation risk

CoCos' attractive yield should be viewed as a complexity premium. CoCos are complex instruments due to dissimilar trigger levels, necessary capital buffer levels and loss absorption mechanisms and yet untested. Investors should have fully considered the underlying risks before investing in a Sub-fund having an exposure to CoCos and in particular for AT1 CoCos, the risks of conversion/write-down or coupon cancellation.

The valuation of CoCos is highly complex and depends on the probability of activating the triggers, the extent and probability of any losses upon trigger conversion (not only for write-downs but also from unfavourably timed conversion to equity) and (for AT1 CoCos) the likelihood of cancellation of coupons. These different risks may be highly challenging to model due to factors that are discretionary or difficult to estimate (e.g. among others - individual regulatory requirements relating to the capital buffer, the issuers' future capital position, the issuers' behaviour in relation to coupon payments on AT1 CoCos, and any risks of contagion).



### **1.12 Commodities**

Commodities, to which some of the Sub-funds may be exposed through the use of financial derivative instruments and/or ETCs, are assets that have tangible properties, such as oil, metals, and agricultural products. Exposure to commodities may not be suitable for all investors. Commodities and commodity-linked securities and derivatives may be subject to heightened risks and may be affected by overall market movements, changes in interest rates, and other factors such as weather, disease, embargoes, and international economic, regulatory and political developments, as well as the trading activity of speculators and arbitrageurs in the underlying. The commodity markets (including the markets for commodity-linked securities and derivatives) may be subject to a degree of volatility that may prove higher than in equity or bond markets due to their sensitivity to the development of commodity prices and their substantial exposure to emerging markets.

### **1.13 Financial failure of intermediaries**

There is always the possibility that the institutions, including brokerage firms and banks, with which the Sub-funds do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair their operational capabilities or result in losses to the Company.

### **1.14 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 Subscription Amount or due to the fact that certain Sub-funds may be closed to additional subscriptions after the Initial Subscription Period or Initial Subscription Date.

### **1.15 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.

### **1.16 Lack of operating history**

The Company will be a newly formed entity, with no operating history upon which to evaluate the Company (or its Sub-funds') likely performance. There is no guarantee that the Company or any Sub-

fund will realise its investment objectives, that the Investments will have low correlation with each other or that Shareholders will receive any return on, or the return of, their invested capital.

#### **1.17 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.

#### **1.18 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 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.

#### **1.19 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.

#### **1.20 Investments in underlying undertakings for collective investment**

A Sub-fund may, subject to the conditions set out in Section 1.4 of the General Section, invest in other undertakings for collective investment. Shareholders in those Sub-funds will, in addition to the fees, costs and expenses payable by a Shareholder in the Sub-funds, 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. However, when a Sub-fund invests in underlying undertakings for collective investment 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 underlying undertakings for collective investment.

It is possible that certain underlying undertakings for collective investment may invest in the same security or in issues of the same asset class, industry, currency, country or commodity at the same time. Accordingly, there can be no assurance that effective diversification of the Sub-fund's portfolio will always be achieved.

#### **1.21 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.

#### **1.22 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.

### **1.23 Indemnities**

Certain Service Providers of a Sub-fund and their directors, managers, officers and employees may benefit from an indemnification under the relevant Service Agreement and could therefore, in certain circumstances, be indemnified out of the relevant Sub-fund's assets against liabilities, costs, expenses (including, e.g., legal expenses) incurred by reason of such person or entity providing services to the relevant Sub-fund. In principle, however, indemnification clauses will generally contain carve outs in relation to acts or omissions that incur, e.g., gross negligence, fraud, wilful default or reckless disregard.

### **1.24 Exchange rates**

Investors in the Shares should be aware that an investment in the Shares may involve exchange rate risks. For example (i) a Sub-fund may have direct or indirect exposure to a number of different currencies of emerging market or developed countries; (ii) a Sub-fund may invest in securities or other eligible assets denominated in currencies other than the Sub-fund's Reference Currency; (iii) the Shares may be denominated in a currency other than the currency of the investor's home jurisdiction; and/or (iv) the Shares may be denominated in a currency other than the currency in which an investor wishes to receive his monies. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets, which are influenced by macro-economic factors (such as the economic development in the different currency areas, interest rates and international capital movements), speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Shares.

### **1.25 Interest rate**

Investors in the Shares should be aware that an investment in the Shares may involve interest rate risk in that there may be fluctuations in the currency of denomination of securities or other eligible assets in which a Sub-fund invests the Shares.

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the securities or other eligible assets in which a Sub-fund invests are denominated may affect the value of the Shares.

### **1.26 Market volatility**

Market volatility reflects the degree of instability and expected instability of the securities or other eligible assets in which a Sub-fund invests, the performance of the Shares, or the techniques used to link the net proceeds of any issue of Shares to OTC Derivatives underlying asset(s), where applicable. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

## **1.27 Credit risk**

Investors in the Shares should be aware that such an investment may involve credit risk. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, 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.