



# DSM Capital Partners Funds

## Prospectus

### for an umbrella fund

(incorporated with limited liability in the Grand Duchy of Luxembourg as a *société d'investissement à capital variable*)

November 2020

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The Board, whose members' names appear in this Prospectus, is responsible for the information contained in this document. To the best of the knowledge and belief of the Board (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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## INTRODUCTION

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All capitalized terms used in this Prospectus shall have the meanings given to them under the heading “GLOSSARY OF TERMS” unless the context requires otherwise.

This Prospectus includes information relating to the Company, an undertaking for collective investment in transferable securities under the Law of 2010. The Company has adopted an “umbrella structure”, which allows its capital to be divided into different portfolios of securities and other assets permitted by law with specific investment objectives and various risk or other characteristics (hereinafter referred to as the “Sub-Funds” and each a “Sub-Fund”). The Company may issue different classes of shares (“Shares” and each a “Share”) which are related to specific Sub-Funds established within the Company.

Authorization does not imply approval by any Luxembourg authority of the content of this Prospectus or of any portfolio of securities held by the Company. Any representation to the contrary is unauthorized and unlawful. In particular, authorization of the Company by the *Commission de Surveillance du Secteur Financier* (“CSSF”) does not constitute a warranty by the CSSF as to the performance of the Company and the CSSF shall not be liable for the performance or default of the Company.

The most recent Reports will be available on the Website and at the registered office of the Company and will be sent to investors upon request. This Prospectus and the KIIDs can also be accessed on the Website or obtained from the registered office of the Company.

Statements made in this Prospectus are, except where otherwise stated based on the law and practice currently in force in Luxembourg and are subject to changes therein.

No person has been authorized to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and the Reports, and, if given or made, such information or representations must not be relied on as having been authorized by the Company.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons who come into possession of this Prospectus are required by the Company to inform themselves of, and to observe, any such restrictions and all applicable laws and regulations of any relevant jurisdictions. Potential subscribers or purchasers of Shares should also inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or sale of Shares. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The Shares of the Company have not been and will not be registered under the U.S. Securities Act and the Company has not been and will not be registered under the U.S. Investment Company Act. Accordingly, Shares may not be offered, sold, transferred, or delivered, directly or indirectly, in the United States or to any U.S. Person or U.S. Taxpayer with the exception of the Investment Manager.

If it comes to the attention of the Company at any time that a U.S. Person unauthorized by the Company, either alone or in conjunction with any other person, owns Shares, the Company may compulsorily redeem such Shares.

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, the English language will prevail, except to the extent (but only to the extent) required by the laws of any jurisdiction including the regulations or requirements of the financial regulator of such jurisdiction where the shares are sold, that in any action based upon disclosure in the Prospectus in a language other than

English, the language of the Prospectus on which such action is based shall prevail.  
**There can be no guarantee that the objectives of the Sub-Funds will be achieved.**

**The Sub-Funds' investments are subject to normal market fluctuations and the risks inherent in all investments and there can be no assurances that appreciation will occur. It will be the policy of the Sub-Funds to maintain a diversified portfolio of investments so as to minimize risk.**

**The investments of a Sub-Fund may be denominated in currencies other than the Reference Currency of that Sub-Fund. The value of those investments (when converted to the Reference Currency of that Sub-Fund) may fluctuate due to changes in exchange rates. The price of Shares and the income from them can go down as well as up and investors may not realize their initial investment.**

**Attention is drawn to the section "RISK WARNINGS".**

**Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, switch and disposal of Shares.**

If you are in any doubt about any of the contents in this Prospectus, you should consult your financial advisor. No person is authorized to give any information other than that contained in the Prospectus, or any of the documents referred to herein that are available for public inspection at the registered office of the Company.

Information on the listing of the Shares on the Luxembourg Stock Exchange, if applicable, is disclosed for each Sub-Fund in the relevant Appendix.

This Prospectus contains forward-looking statements, which provide current assumptions, expectations or forecasts of future events. Words such as "may", "expects", "future" and "intends", and similar expressions, may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements include statements and assumptions about the Company's or a Sub-Fund's plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements are subject to known and unknown risks and uncertainties and inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Prospective Shareholders should not unduly rely on these forward-looking statements, which apply only as of the date of this Prospectus.

## DIRECTORY

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### DSM Capital Partners Funds

#### Registered Office

10, rue du Château d'Eau  
L-3364 Leudelange  
Grand Duchy of Luxembourg

#### Board of Directors

Russell Katz, DSM Capital Partners LLC, General Counsel and Chief Compliance

Officer Stephen Memishian, DSM Capital Partners LLC, Co-Managing Partner

Michael Vareika, Independent Director

#### Management Company

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

#### Depositary and Paying Agent

Northern Trust Global Services SE  
10, rue du Château d'Eau  
L-3364 Leudelange  
Grand Duchy of Luxembourg

#### Administrator, Domiciliary Agent and Registrar and Transfer Agent

Northern Trust Global Services SE  
10, rue du Château d'Eau  
L-3364 Leudelange  
Grand Duchy of Luxembourg

#### Investment Manager

DSM Capital Partners LLC  
7111 Fairway Drive, Suite 350  
Palm Beach Gardens, Florida 33418  
United States of America

#### External Auditor

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

#### Legal Advisers as to Luxembourg law

Dechert (Luxembourg) LLP  
1, Allée Scheffer  
B.P. 709  
L-2017 Luxembourg  
Grand Duchy of Luxembourg

#### Global Distributor

DSM Capital Partners LLC  
7111 Fairway Drive, Suite 350  
Palm Beach Gardens, Florida 33418  
United States of America

## GLOSSARY OF TERMS

**This glossary is intended to help readers who may be unfamiliar with the terms used in this Prospectus. It is not intended to give definitions for legal purposes.**

<b>Administration Agreement</b>	The agreement dated 21 February 2014 entered into between the Company and the Administrator.
<b>Administrator</b>	Northern Trust Global Services SE in its capacity as central administrator, domiciliary agent, and registrar and transfer agent of the Company.
<b>Appendix</b>	An appendix to this Prospectus in which the name and the specifications of each Sub-Fund and Class are described.
<b>Articles</b>	The articles of incorporation of the Company.
<b>Authorized Recipients</b>	Has the meaning set out under “Data Protection Policy” of this Prospectus.
<b>Board</b>	The board of directors of the Company.
<b>Business Day</b>	Unless otherwise provided for in the relevant Appendix, a day on which banks in Luxembourg and the NYSE are open for business and such other days as the Board may decide. Shareholders will be notified in advance of such other days according to the principle of equal treatment of Shareholders. For the avoidance of doubt, half-closed bank business days in Luxembourg are considered as being closed for business. For Sub-Funds that invest a substantial amount of assets outside the European Union, the Board may also take into account whether relevant local exchanges are open, and may elect to treat such closures as non- business days.
<b>Circular 08/356</b>	CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to Transferable Securities and Money Market Instruments.
<b>Class</b>	One class of Shares of no par value in a Sub-Fund.
<b>CNH</b>	Chinese Yuan Renminbi Offshore (outside of China).
<b>CNY</b>	Chinese Yuan Renminbi Onshore.
<b>Company</b>	DSM Capital Partners Funds, an open-ended investment company organized as a <i>société anonyme</i> under the laws of Luxembourg and which qualifies as a <i>société d’investissement à capital variable</i> .
<b>Data Controller</b>	The Company, acting as data controller, as defined under “Data Protection Policy” of this Prospectus.
<b>Data Processor</b>	Any lender to the Data Controller or related entities (including without limitation their respective general partner or management company/investment manager and service providers) in or through which the Data Controller intend to invest, and any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns generally.
<b>Data Protection Legislation</b>	The GDPR and any other applicable national laws and regulations.

<b>Dealing Deadline</b>	The time on any Valuation Day by which complete applications for subscription, redemption or switching must be received and approved by the Registrar and Transfer Agent to have the transaction effective as of, and thereby effected at the Net Asset Value for, that Valuation Day, as specified for each Sub-Fund in the relevant Appendix.
<b>Delegated Regulation</b>	The Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries.
<b>Depositary</b>	Northern Trust Global Services SE.
<b>Depositary Agreement</b>	The agreement dated 1 March 2016 entered into between the Company and the Depositary, under which the Depositary has been appointed as depositary of the Company's assets subject to the overall supervision of the Directors.
<b>Directors</b>	The members of the Board for the time being and any successors to such members as they may be appointed from time to time.
<b>Distributor</b>	The Global Distributor as well as any person from time to time appointed or authorized by the Management Company to distribute one or more Classes.
<b>Eligible Market</b>	A stock exchange or Regulated Market in one of the Eligible States.
<b>Eligible State</b>	Any Member State or any other state in Eastern and Western Europe, Asia, Africa, Australia, North America, South America and Oceania.
<b>ESMA</b>	The European Securities and Markets Authority (formerly the Committee of European Securities Regulators).
<b>ESMA Guidelines 2014/937</b>	ESMA Guidelines 2014/937 dated 1 August 2014 regarding Guidelines on ETFs and other UCITS issues.
<b>EU</b>	The European Union.
<b>FATCA</b>	The U.S. Foreign Account Tax Compliance Act.
<b>FATF</b>	The Financial Action Task Force established by the G-7 Summit in Paris in July 1989 to examine measures to combat money laundering.
<b>FATF State</b>	Such country (as shall be reviewed and) deemed from time to time by the FATF to comply with the FATF regulations and criteria necessary to become a member country of FATF and to have acceptable standards of anti-money laundering legislation.
<b>FDI</b>	A financial derivative instrument.
<b>GDPR</b>	The Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC.
<b>Global Distribution Agreement</b>	The agreement dated 21 February 2014 entered into between the Management Company and the Global Distributor.
<b>Global Distributor</b>	DSM Capital Partners LLC in its capacity as global distributor of the Company.



<b>Grand-Ducal Regulation of 2008</b>	The Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010.
<b>Hedged Classes</b>	The Classes with the suffix “(hedged)”.
<b>Initial Offering Period</b>	The date or period during which Shares are offered for subscription as shall be specified by the Board for each Class within a Sub-Fund.
<b>Institutional Investor</b>	An institutional investor within the meaning of articles 174, 175 and 176 of the Law of 2010.
<b>Investment Manager</b>	DSM Capital Partners LLC.
<b>KIID</b>	A key investor information document.
<b>Law of 2002</b>	Luxembourg Data Protection Law dated 2 August 2002 as amended from time to time
<b>Law of 2010</b>	The Luxembourg law dated 17 December 2010 concerning undertakings for collective investment, as may be amended from time to time.
<b>Management Company</b>	FundRock Management Company S.A.
<b>Management Company Agreement</b>	The agreement dated 21 February 2014 entered into between the Company and the Management Company.
<b>Member State</b>	A member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the European Union.
<b>Mémorial</b>	The <i>Mémorial C, Recueil des Sociétés et Associations</i> .
<b>MiFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, the Markets in Financial Instruments (MiFIR) Regulation (EU) No 600/2014 and any implementing legislation or regulation thereunder.
<b>Money Market Instruments</b>	Money market instruments within the meaning of the Law of 2010 and the Grand-Ducal Regulation of 2008.
<b>Net Asset Value</b>	The net value of the assets less liabilities attributable to the Company or a Sub-Fund or a Class, as applicable, and calculated in accordance with the provisions of this Prospectus.
<b>NYSE</b>	The New York Stock Exchange.
<b>OECD</b>	Organization for Economic Cooperation and Development.
<b>Ongoing Charges</b>	The ongoing charges include all the expenses levied on the assets of the relevant Sub-Fund which include, but are not limited to, investment management fees, administration fees, custody fees, and distribution fees, Directors’ and management company fees, regulatory fees, audit fees, legal fees, registration fees, formation costs, translation costs, printing costs, publication costs and duties. Ongoing charges do not include taxes.

<b>Other UCIs</b>	An undertaking for collective investment within the meaning of section I(c) under the heading “INVESTMENT RESTRICTIONS”.
<b>Paying Agent</b>	Northern Trust Global Services SE.
<b>Permitted Purpose</b>	Has the meaning set out under “Data Protection Policy” of this Prospectus.
<b>Personal Data</b>	The personal data or information given in a subscription agreement or otherwise collected, provided to or obtained by the Company, acting as Data Controller in connection with an application to subscribe for, or for the holding of, one or more Shares, or at any other time, as well as details of the investor’s holding of Share(s).
<b>PRC</b>	People’s Republic of China.
<b>Processing</b>	The storage in digital form or otherwise of Personal Data, and the collection, usage, storage, retention, transfer and/or otherwise collection of such Personal Data for the purposes described under “Data Protection Policy” of this Prospectus.
<b>Prospectus</b>	The prospectus of the Company in accordance with the Law of 2010.
<b>Reference Currency</b>	The reference currency of the Company, each Sub-Fund and each Class as the context requires.
<b>Registrar and Transfer Agent</b>	Northern Trust Global Services SE
<b>Regulated Market</b>	<ul style="list-style-type: none"> <li>- A regulated market within the meaning of article 4, item 1.14 of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments; or</li> <li>- A market in a Member State which is regulated, operates regularly and is recognized and open to the public; or</li> <li>- A stock exchange or market in a non-Member State which is regulated, operates regularly and is recognized and open to the public.</li> </ul>
<b>Related UCIs</b>	Undertakings for collective investment which are managed by the Investment Manager or other entities related to it by common management or control or by a significant direct or indirect investment.
<b>Relevant Persons</b>	Has the meaning set out under “Data Protection Policy” of this Prospectus.
<b>Reports</b>	The most recent annual and semi-annual reports of the Company, if any.
<b>RMB</b>	Chinese Renminbi, unless otherwise provided, refers either to the CNY traded onshore or the CNH traded offshore. Both may have a value significantly different to each other since currency flows in/out of mainland China are restricted.
<b>Rule 144A Securities</b>	Securities that are not registered in the U.S. under the U.S. Securities Act, but that can be sold in the U.S. to certain qualified institutional buyers.
<b>Shares</b>	Shares of the Company.
<b>Shareholders</b>	Holders of shares of the Company.

<b>Sub-Fund</b>	A separate sub-fund established and maintained in respect of one or more Classes to which the assets and liabilities and income and expenditure attributable or allocated to each such Class or Classes will be applied or charged.
<b>TER</b>	The total expense ratio which is the ratio of the gross amount of the expenses of the relevant Sub-Fund to its average net assets (excluding transaction costs). The TER includes all the expenses levied on the assets of the relevant Sub-Fund which include, but are not limited to, advisory fees, management company fees, administrative fees, depositary fees, Directors' fees, registration costs, regulatory fees, audit fees, legal fees, registration fees, formation costs, translation costs, printing costs, publication costs and duties.
<b>Transferable Securities</b>	Transferable securities within the meaning of the Law of 2010 and the Grand-Ducal Regulation of 2008.
<b>UCITS</b>	An undertaking for collective investment in transferable securities authorized pursuant to the UCITS Directive.
<b>UCITS Directive</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU of the European Parliament of 23 July 2014 and as may be further amended from time to time
<b>UCITS Regulations</b>	UCITS Directive, Delegated Regulation and the Law of 2010, as applicable and as each may be amended from time to time.
<b>UK</b>	The United Kingdom.
<b>United States or U.S.</b>	The United States of America, its territories and possessions and places subject to its jurisdiction, any state of the United States of America, the District of Columbia and the Commonwealth of Puerto Rico.
<b>U.S. Investment Company Act</b>	The U.S. Investment Company Act of 1940, as amended.
<b>U.S. Person</b>	<p>“U.S. Person” (i) includes any “U.S. person,” as defined in Rule 902 of Regulation S promulgated under the U.S. Securities Act; (ii) includes any U.S. Taxpayer, as defined below; and (iii) excludes any “Non-United States person,” as defined in Rule 4.7 promulgated under the U.S. Commodity Act, that is not a “U.S. person” for purposes of Rule 902 of Regulation S. Regulation S currently provides that “U.S. Person” means:</p> <ul style="list-style-type: none"> <li>- any natural person resident in the United States;</li> <li>- any partnership or corporation organized or incorporated under the laws of the United States;</li> <li>- any estate of which any executor or administrator is a U.S. person;</li> <li>- any trust of which any trustee is a U.S. person;</li> <li>- any agency or branch of a non-U.S. entity located in the United States;</li> <li>- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;</li> <li>- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and</li> </ul>

- any partnership or corporation if (i) organized or incorporated under the laws of any non-U.S. jurisdiction and (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the U.S. Securities Act) who are not natural persons, estates or trusts

“U.S. Person” does not include:

- any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated or, if an individual, resident in the United States;
- any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if (i) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate and
- (ii) the estate is governed by non-U.S. law;
- any trust of which any professional fiduciary acting as trustee is a
- U.S. person if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
- an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- any agency or branch of a U.S. person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; or
- the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, Affiliates and pension plans, and any other similar international organizations, their agencies, Affiliates and pension plans.

Rule 4.7 of the U.S. Commodity Act Regulations currently provides in relevant part that the following persons are considered “Non-United States persons”:

- a natural person who is not a resident of the United States;
- a partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign (non-U.S.) jurisdiction and which has its principal places of business in a foreign (non-U.S.) jurisdiction;
- an estate or trust, the income of which is not subject to United States income tax regardless of source;

	<ul style="list-style-type: none"> <li>- an entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission’s regulations by virtue of its participants being Non-United States persons; and</li> <li>- a pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.</li> </ul>
<b>U.S. Securities Act</b>	The U.S. Securities Act of 1933, as amended.
<b>U.S. Taxpayer</b>	<p>A “U.S. Taxpayer” is (i) a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); (ii) any entity treated as a partnership or corporation for U.S. federal tax purposes that is created or organized in, or under the laws of, the United States or any state thereof (including the District of Columbia); (iii) any other partnership that is treated as a U.S. Taxpayer under the U.S. Treasury Department regulations; (iv) any estate, the income of which is subject to</p> <p>U.S. income taxation regardless of source; and (v) any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries.</p> <p>Persons who are aliens as to the United States but who have spent 183 days or more in the United States in the last two (2) years should check with their tax advisors as to whether they may be considered residents of the United States.</p> <p>An investor who is not a U.S. Person may nevertheless be considered a “U.S. Taxpayer” under U.S. federal income tax laws, depending on the investor’s particular circumstances. Any such person should consult his or her tax adviser regarding an investment in the Company, and investors will generally be asked to certify that they are not U.S. Taxpayers.</p>
<b>Valuation Day</b>	Each day on which the Net Asset Value of the relevant Sub-Fund shall be determined, which, unless otherwise provided for in the relevant Appendix, shall be each Business Day.
<b>Website</b>	The Company’s website: <a href="http://www.dsmsicav.com">www.dsmsicav.com</a> .

All references herein to “€” and “EUR” are to the Euro, the official currency of the euro area. All references to “USD” are to United States Dollars, the lawful currency of the United States of America.

The descriptions in the main body of this Prospectus are generally applicable to all Sub-Funds. However, where different descriptions or exceptions appear in the Appendix of a Sub-Fund, the descriptions or exceptions in such Appendix shall prevail. Thus, it is advisable to carefully review the relevant Appendices together with the main body of the Prospectus.

## PRINCIPAL CHARACTERISTICS OF THE COMPANY

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The Company was incorporated for an unlimited period on 21 February 2014 as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as an open-ended SICAV under part I of the Law of 2010. It is registered with the Luxembourg trade and companies register under the number B184885. Its articles were published on 3 March 2014 in the *Mémorial C, Recueil des Sociétés et Associations*, Number 654. The latest changes to the articles were made by an extraordinary general meeting of shareholders on 17 October 2014. The minutes of this meeting were published on 1 December 2014 in the *Mémorial C, Recueil des Sociétés et Associations*, Number 3647.

The Company was incorporated with an initial capital of the equivalent in USD of EUR 31,000. The Shares subscribed for by the founding Shareholder(s) at the incorporation of the Company will normally be transferred to investors subscribing in the Initial Offering Period of the initial Sub-Fund(s). The capital of the Company shall be equal to the net assets of the Company. The minimum capital of the Company is the equivalent in USD of EUR 1,250,000 and must be reached within 6 months from the date of the authorization of the Company (and may not be less than this amount thereafter).

The Company is authorized by the CSSF as a UCITS under the Law of 2010.

The Board shall maintain for each Sub-Fund a separate portfolio of assets. Each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund. A Shareholder shall only be entitled to the assets and profits of that Sub-Fund in which it participates. The Company is considered as one single legal entity. With regard to third parties, including the Company's creditors, the Company will only be responsible for all liabilities incurred by a Sub-Fund exclusively based on the assets of the relevant Sub-Fund. The liabilities of each Sub-Fund to its Shareholders are only incurred with respect to the relevant Sub-Fund.

The subscription proceeds of all Shares in a Sub-Fund are invested in one common underlying portfolio of investments. Each Share is, upon issue, entitled to participate equally in the assets of the Sub-Fund to which it relates on liquidation and in dividends and other distributions as declared for such Sub-Fund or Class. The Shares will carry no preferential or pre-emptive rights and each whole Share will be entitled to one vote at all meetings of Shareholders.

## BOARD

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### Directors' Functions

The Directors are responsible for the overall management and control of the Company. The Directors will receive periodic reports from the Investment Manager detailing each Sub-Fund's performance and analyzing its investment portfolio. The Investment Manager will provide such other information as may be reasonably required by the Directors from time to time.

### Directors

**Stephen Memishian** - Stephen Memishian began his career as a management consultant at McKinsey & Company in 1970. In 1976, Mr. Memishian joined Columbia Pictures Industries, a client, as an executive in the feature film division. In 1979, he helped to organize APM, ultimately one of the largest specialized hospital consulting firms. Mr. Memishian moved to PaineWebber in 1984 as senior vice president of the equity research division and, later, the investment banking division. He joined W.P. Stewart & Company in April 1989 as chief operating officer. Mr. Memishian held that position for a number of years, eventually moving fully to equity research and portfolio management. He left W.P. Stewart at the end of 2000 to co-found DSM.

Mr. Memishian received a Bachelor of Science in Engineering from Tufts University, and a Master of Science in Management from the Massachusetts Institute of Technology. He is active at MIT, presently serving on the North American Executive Advisory Board, and also on the Finance Group Advisory

Board, of the Sloan School of Management. He is a past chairman of the Council for the Arts at MIT. He is also a past trustee of the Greenwich Country Day School. Mr. Memishian holds a Chartered Financial Analyst designation.

**Russell Katz** – Russell Katz began his career as an analyst in 1994 in the enforcement division of the New York Stock Exchange. In 1996, Mr. Katz joined Oppenheimer & Company as an attorney in its legal department, and in 1999 moved to Goldman Sachs Asset Management as a compliance associate. Mr. Katz joined Credit Suisse Asset Management in 2000 as vice president and legal counsel. In 2005, he became general counsel and chief compliance officer of Family Management Corporation. Mr. Katz joined DSM Capital in January 2011 as general counsel and chief compliance officer.

Mr. Katz holds a Bachelor of Arts & Science degree from Syracuse University and a law degree from New York Law School.

**Michael M. Vareika** - U.S. citizen, born in Brussels, Belgium in 1960, Michael M. Vareika is a Partner in Novitas Partners LLP, an M&A firm based in London and Independent Director of various investment fund and company structures in Luxembourg. He was admitted to the Brussels Bar in 1984 and holds an LLM Cum Laude from Louvain University and an Executive MBA in Finance (Harvard).

As a recognized investment fund industry expert in Luxembourg and abroad, he has over 28 years of industry experience in various areas including credit risk analysis, mergers and acquisitions, clearing and settlement, global custody, central fund administration, transfer agency and securities financing.

He has been a CSSF approved Managing Director of Société Générale Bank & Trust, European Fund Services and Clearstream International from 2002 to 2009. He has also occupied senior positions with State Street, Morgan Stanley and J.P. Morgan in Luxembourg, Brussels and New York. He is an expert consultant for the ATTF in Luxembourg since 2003 and President and Chairman of the Board of the International Bankers Club of Luxembourg since 2011.

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## MANAGEMENT AND INVESTMENT MANAGEMENT

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### Management Company

Pursuant to the Management Company Agreement, FundRock Management Company S.A. has been appointed to act as management company of the Company. The Management Company is responsible on a day-to-day basis under the supervision of the Board, for providing administration, marketing, distribution and investment management in respect of all the Sub-Funds and may delegate part or all of such functions to third parties.

The Management Company, with the approval and upon recommendation of the Company, has delegated the central administration and the registrar and transfer agent functions to the Administrator; and the investment management and distribution functions to the Investment Manager.

The Management Company was incorporated in the form of a *société anonyme* on 10 November 2004 for an unlimited duration. The Management Company is approved as a management company regulated by chapter 15 of the Law of 2010. The Management Company has a subscribed and paid-up capital of EUR 10,000,000.00.

The Management Company is managed by its board of directors which is, at the date of this Prospectus, composed of:

Michael Vareika, (Chairman), Independent Non-Executive Director, Luxembourg;

Eric May, Non-Executive Director, Founding Partner, BlackFin Capital Partners, Paris, France;  
Tracey McDermott, Independent Non-Executive Director, Luxembourg;

Revel Wood, Executive Director - Chief Executive Officer, FundRock Management Company S.A., Luxembourg;

Christophe Douche, Executive Director-Risks and Operations, FundRock Management Company S.A., Luxembourg;

Ross Thomson, Executive Director-Ireland Branch, FundRock Management Company S.A. (Ireland Branch); and

Romain Denis, Executive Director- IT Projects and Data Management, FundRock Management Company S.A., Luxembourg.

The conducting officers of the Management Company are Mr. Romain Denis, Director - IT Projects and Data Management, Mr. Christophe Douche, Director – Risks and Operations, Mr Enda Fahy, Director – Alternative Investments, Mr. Gregory Nicolas, Director - Legal, Compliance and Corporate, and Mr. Revel Wood, Chief Executive Officer.

The Management Company oversees compliance by the Company with the investment restrictions and oversees the implementation of the Company’s strategies and investment policies. The Management Company reports to the Board on a periodic basis and is obligated to inform each Director without delay of any non-compliance by the Company with the investment restrictions.

The Management Company receives periodic reports from the Investment Manager and the Company’s other service providers to enable it to perform its monitoring and supervision duties.

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.

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 such UCITS, and which includes, inter alia, measures to avoid conflicts of interest. The remuneration policy is consistent with and promotes sound and effective risk management and neither encourages risk taking which is inconsistent with the risk profile, the Prospectus and the Articles of the Company nor impairs compliance with the Management Company’s duty to act in the best interest of the Company.

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 Company.

The details of 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 the persons responsible for awarding the remuneration and benefits and the composition of the remuneration committee are available at: [https://www.fundrock.com/pdf/Fundrock\\_Remuneration\\_policy.pdf](https://www.fundrock.com/pdf/Fundrock_Remuneration_policy.pdf). A paper version of this remuneration policy is made available free of charge to investors at the Management Company’s registered office.

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\*: 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);

- a) Identification of the functions performed within the Management Company which may impact the performance of the entities under management;
- b) Calculation of remuneration and benefits based on the combination of individual and company’s



- performance assessment;
- c) Determination of a balanced remuneration (fixed and variable);
- d) Implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration;
- e) Deferral of variable remuneration over 3-year periods;
- f) Implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

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

### **Investment Manager**

DSM Capital Partners LLC has been appointed as the investment manager of the Company. It was incorporated on 27 February 2001. The Investment Manager has been a registered investment adviser with the SEC since 13 August 2001. As of 31 December 2015, the Investment Manager has approximately USD 6.5 billion in total assets under management.

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## **DEPOSITARY**

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Under a depositary agreement effective as of 18 March 2016, Northern Trust Global Services SE has undertaken to provide depositary services for the Company's assets (the "**Depositary Agreement**"). Accordingly, the assets of the Company have been entrusted to the Depositary under the terms of the Depositary Agreement.

Northern Trust Global Services SE's registered office is located at 10, rue du Château d'Eau L-3364 Leudelange, Grand-Duchy of Luxembourg. Northern Trust Global Services SE, is a credit institution authorised in Luxembourg under chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector, subject to the supervision by the European Central Bank and the CSSF. The Depositary's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Delaware, United States of America, with its headquarters at 50 South La Salle Street, Chicago, Illinois.

Under the terms of the Depositary Agreement, the Depositary is entrusted with the safe-keeping of the Company's assets. All financial instruments that can be held in custody are registered in the Depositary's books within segregated accounts, opened in the name of the Company, in respect of each Sub-Fund. For other assets than financial instruments and cash, the Depositary must verify the ownership of such assets by the Company in respect of each Sub-Fund. Furthermore, the Depositary shall ensure that the Company's cash flows are properly monitored.

The Depositary will also, in accordance with the Luxembourg laws and the Depositary Agreement:

- a) ensure that the sale, issue, conversion, repurchase and cancellation of the Shares are carried out in accordance with the Luxembourg law and with the Articles;
- b) ensure that the value of the Shares is calculated in accordance with the Luxembourg law and with the Articles;
- c) carry out the instructions of the Company unless they conflict with the Luxembourg law or with the Articles;
- d) ensure that in transactions involving the assets of the Company 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 Luxembourg law and with the Articles.

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations, (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) it has exercised all due, skill, care and diligence in the selection and appointment of any third

party to whom it wants to delegate parts of the services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to sub-delegates, an up-to-date list can be found on [www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing), responsibility for the safekeeping of the Company's financial instruments and cash. The Depositary's oversight duties and cash monitoring duty may not be delegated.

The Depositary Agreement provides that the Depositary shall be liable, (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

The Depositary Agreement provides that the appointment of the Depositary will continue unless and until terminated by the Company or the Depositary giving to the other party not less than six months prior written notice although in certain circumstances the Depositary Agreement may be terminated immediately by the Company or the Depositary. If within a period of two months from the effective termination of the Depositary Agreement no replacement Depositary shall have been appointed, the Company shall apply to the CSSF for an order to wind up the Company. The Depositary shall take all necessary steps to preserve the interests of the Shareholders during the two months period. The Depositary Agreement contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

In its capacity as Paying Agent, the Depositary shall be responsible for making gross income payments and payments of redemption proceeds to Shareholders.

The Depositary and its affiliate companies provide a variety of services to their clients including those clients for whom the Depositary acts as depositary. As an example, the Company has appointed Northern Trust Global Services SE to provide certain administrative functions, including fund accounting, calculation and registrar and transfer agency services to the Company.

Accordingly, potential conflicts of interests may arise which must be appropriately identified, managed and disclosed. In order to meet such regulatory requirements in relation to such conflicts of interests, the Depositary has in place procedures which ensure that it is acting in the best interests of the shareholders. A key element of ensuring the Depositary acts in the best interests of investors is the operational and organisational separation between the depositary function and the other services provided by the Depositary's affiliates. In particular, where Northern Trust Global Services SE provides administrative services, these functions operate from separate legal entities with little or no cross-directorships and with separate risk, business and compliance resources.

The Depositary has delegated custody services to either an affiliate company or third party sub-custodians in certain eligible markets in which the Company may invest, an up-to-date list can be found on [www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing).

It is therefore possible that the Depositary (or any of its affiliates) and/or its sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with those of the Company and/or other entities for which the Depositary (or any of its affiliates) acts.

Notwithstanding whether an affiliate company or a third party sub-custodian has been appointed, the Depositary has undertaken and shall undertake regular due diligence reviews on such sub-custodians utilising identical standard questionnaires and checklists allowing it to manage any conflicts of interests that may potentially arise.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any of the sub-delegates.

If however a conflict of interests arises, the Depositary will have regard in such event to its obligations under the Depositary Agreement and UCITS Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

Where the arrangements under the conflicts of interests policies are not sufficient to manage a particular conflict, the Depositary will inform the Company of the nature of the conflict so the Company can choose whether to continue to do business with the Depositary.

Any of the information disclosed with regard to the Depositary may be updated from time to time and such up-to-date information is available to investors upon request in writing from the Depositary.

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## ADMINISTRATION

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The Management Company, with the approval and upon recommendation of the Company, has appointed Northern Trust Global Services SE as the Company's Administrator. The Company has appointed the Administrator as its domiciliary agent.

The Administrator is responsible for processing the issue, registration, redemption and conversion of the Shares and settlement arrangements thereof, keeping the register of each Sub-Fund's Shareholders, calculating the Net Asset Value per Share, maintaining the records and other general administrative functions as more fully described in the Administration Agreement.

The Administrator has been appointed as registrar and transfer agent of the Company and will be responsible for all the services set out in the Administration Agreement such as (but not limited to) processing subscriptions and redemptions of Shares.

The Administrator will process all subscriptions, redemptions, conversions, cancellations and transfers of Shares and will register these transactions in the register of Shareholders of the Company. In case the Shares are listed and traded on the Luxembourg stock exchange or other recognized stock exchanges, the Company acknowledges that the Administrator can only ensure eligibility of the investors if and where it is properly informed about such transactions and the identity of the new investors after the transaction has been executed on the Luxembourg stock exchange and reported to the Administrator. The Administrator, shall (i) under the responsibility of the Board, operate in accordance with the Articles and as instructed by the Management Company the procedure for ensuring that persons who are not eligible are not registered as holders of Shares and that Shares held by such persons are compulsorily redeemed, and (ii) inform the Management Company if anything is brought to its attention which in its opinion may conflict with such eligibility requirements.

The rights and duties of the Administrator in its functions as central administrator, domiciliary agent, and registrar and transfer agent of the Company are governed by the Administration Agreement.

The Administration Agreement contains provisions regarding the right of the Administrator to be indemnified as well as the responsibility of the Administrator.

The Administration Agreement may be terminated at any time by either party by giving not less than three (3) months' written notice by registered mail to the other parties in compliance with the terms and conditions of the Administration Agreement.

The Administrator is not responsible for any investment decisions of the Investment Manager, the Management Company or the Company or the effect of any investment decision on the performance of the Company. Subject to the applicable Luxembourg laws and regulations and any required prior approval from the Luxembourg supervisory authority, the Administrator is empowered to delegate, at its own cost, all or part of its duties. The Administrator's liability will not be affected by the fact that it has entrusted to a third party some or all of its duties.

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## **DISTRIBUTORS**

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The Management Company may, with the consent and upon recommendation of the Company, enter into distribution agreements to appoint one or more Distributors to distribute Shares of different Sub-Funds from time to time. A Distributor may appoint one or more sub-distributors.

The relevant Distributor or 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.

Investors may subscribe directly to the Company without having to go through a Distributor or a nominee. Unless otherwise provided by local law, any investor holding Shares in a nominee account with a Distributor has the right to claim, at any time, direct title to such Shares.

A Distributor or a sub-distributor, with regard to the distribution of certain Classes may be entitled to a distribution fee payable by the Management Company or the Company out of the assets of the relevant Sub-Fund. A Distributor may have the right, to reallocate such fee at its discretion, in whole or in part, to sub-distributors.

The Management Company, with the approval and upon recommendation of the Company, has appointed DSM Capital Partners LLC as global distributor of the Company.

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## **EXTERNAL AUDITOR**

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The Company has appointed Ernst & Young S.A. as external auditor.

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## **INVESTMENT OBJECTIVES AND POLICIES**

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The purpose of the Company is to offer investors the ability to invest in a range of Sub-Funds representing a selection of markets and a variety of investments.

The investment objectives and policies of each Sub-Fund are set out in the relevant Appendix.

The Company may, in its discretion, alter investment objectives and policies provided that any material change in investment objectives and policies is notified to Shareholders at least one month prior to its effective date and this Prospectus is updated accordingly.

Where an investment policy requires a particular percentage to be invested in a specific type or range of investments, a Sub-Fund may hold the remaining percentage in cash or other Transferable Securities or Money Market Instruments that are consistent with its investment objectives, policies and strategies, including, but not limited to, U.S. and non-US Government obligations, shares of UCITS or Other UCIs (subject to the 10% limit set forth in section VI. a) under the heading "INVESTMENT RESTRICTIONS"), repurchase agreements or other instruments.

In addition, such requirement to have a particular percentage invested in a specific type or range of investments will not apply under extraordinary market conditions and is subject to liquidity and/or market risk hedging considerations arising from the issuance, switching or redemption of Shares. In particular, a Sub-Fund may hold assets in cash or make investments in Transferable Securities or Money Market Instruments other than those mentioned in the preceding paragraph, including, but not limited to, U.S.

and non-US Government obligations, shares of UCITS or Other UCIs (subject to the 10% limit set forth in section VI. a) under the heading “INVESTMENT RESTRICTIONS”), repurchase agreements or other short-term instruments, in order to maintain liquidity or for short-term defensive purposes when the Investment Manager believes it is in the best interests of the Shareholders to do so. During these periods, a Sub-Fund may not achieve its objective.

Subject to their respective investment policies and to the general restrictions set forth above, the Sub-Funds may invest in Rule 144A Securities.

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## **PROFILE OF THE TYPICAL INVESTOR AND TARGET MARKET**

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It is recommended that potential investors in the Sub-Funds seek independent financial advice before making their investment decision.

MiFID II requires manufacturers and distributors of financial instruments to undertake a target market assessment.

The profile of the typical investor in each Sub-Fund and factors relevant to the Investment Manager’s determination of the target market for each Sub-Fund are set out in the Appendix of the relevant Sub-Fund.

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## **RISK PROFILE**

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The risks inherent in an investment in the Sub-Funds are mainly related to possible changes in the value of Shares which, in turn, are affected by the value of the financial instruments held by the Sub-Funds. The use of derivative instruments may magnify the volatility of the Shares. An investor can lose money by investing in the Company.

The risk profile of each Sub-Fund is described in the Appendix of the relevant Sub-Fund.

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## **DIVIDEND POLICY**

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Details of the distribution policy of each Sub-Fund and their Classes are disclosed in the Appendix of the relevant Sub-Fund.

No distribution may be made which would result in the net assets of the Company falling below the minimum provided for by Luxembourg law.

Dividends not claimed within five (5) years from their payment date will lapse and revert to the relevant Sub-Fund.

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## **RISK WARNINGS**

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### **General**

Investors should remember that the price of Shares of any of the Sub-Funds and any income from them may fall as well as rise and that investors may not get back the full amount invested. Past performance is not a guide to future performance and, depending on each Sub-Fund’s investment objectives, policies and strategies, a Sub-Fund should generally be regarded as long-term investment. Where a purchase involves a foreign exchange transaction, it may be subject to the fluctuations of currency values. Exchange rates may also cause the value of underlying overseas investments to go down or up. The investor should be aware that not all of the following risk warnings apply to all Sub-Funds. The attention of the investors is drawn to the fact that the Company may also be exposed to additional risk factors which are not described in this Prospectus.

For the purpose of the relations between the Shareholders of different Sub-Funds, each Sub-Fund will be deemed to be a separate entity with, but not limited to, its own contributions, capital gains, losses, charges and expenses. Thus, liabilities of an individual Sub-Fund which remain undischarged will not attach to the Company as a whole. However, while Luxembourg law states that, unless otherwise provided for in the fund documentation, there is no cross-liability, there can be no assurance that such provisions of Luxembourg law will be recognized and effective in other jurisdictions.

### **Active Trading Risk**

Frequent trading will result in a higher-than-average portfolio turnover ratio which increases trading expenses, may result in increased financial transaction taxes (if applicable), and may generate higher taxable capital gains (if applicable).

### **Counter-Party Risk**

When a Sub-Fund enters into a repurchase agreement, an agreement where it buys a security in which the seller agrees to repurchase the security at an agreed upon price and time, the Sub-Fund is exposed to the risk that the other party will not fulfill its contract obligation. Similarly, the Sub-Fund is exposed to the same risk if it engages in a reverse repurchase agreement where a broker-dealer agrees to buy securities and the Company agrees to repurchase them at a later date. The Sub-Fund is also exposed to such a risk when it enters into OTC derivative transactions.

### **Currency Risk**

Certain Sub-Funds and their Classes may be exposed to currency exchange risk. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Sub-Fund's or its Classes' investments to diminish or increase. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by relevant governments or central banks, or by currency controls or political developments. The attention of the Shareholders is drawn to the fact that certain Sub-Funds have several Classes which distinguish themselves by, *inter alia*, their reference currency and that, due to the hedging of currency risk in relation to one Class of Shares, the Net Asset Value of one or more other Classes may be affected. To manage currency exposure, a Sub-Fund and its Classes may, but is not required to, purchase currency futures or enter into forward currency contracts to "lock in" the USD or EUR or other reference currency price of the security. A forward currency contract involves an agreement to purchase or sell a specified currency at a specified future price set at the time of the contract. Similar to a forward currency contract, currency futures contracts are standardized for the convenience of market participants and quoted on an exchange. To reduce the risk of one party to the contract defaulting, the accrued profit or loss from a futures contract is calculated and paid on a daily basis rather than on the maturity of the contract. Use of hedging techniques cannot protect against exchange rate risk perfectly. If the Investment Manager is incorrect in its judgment of future exchange rate relationships, the Company could be in a less advantageous position than if such a hedge had not been established. Losses on foreign currency transactions used for hedging purposes may be reduced by gains on the assets that are the subject of a hedge. The Company may also purchase a foreign currency on a spot or forward basis in order to benefit from potential appreciation of such currency relative to other currencies in which the Company's holdings are denominated. Losses on such transactions may not be reduced by gains from other Fund assets. The Company's gains from its positions in foreign currencies may accelerate and/or re-characterize the Company's income or gains and its distributions to Shareholders. The Company's losses from such positions may also re-characterize the Company's income and its distributions to Shareholders and may cause a return of capital to the Shareholders.

### **Debt Securities Risk**

Debt securities, such as notes and bonds, are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer of an instrument will be unable to make interest payments or repay principal

when due. Changes in the financial strength of an issuer or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt securities, including U.S. Government obligations. Debt securities with longer maturities are generally more sensitive to interest rate changes than those with shorter maturities. Changes in market interest rates do not affect the rate payable on an existing debt security, unless the instrument has adjustable or variable rate features, which can reduce its exposure to interest rate risk. Changes in market interest rates may also extend or shorten the duration of certain types of instruments, thereby affecting their value and the return on an investment in a Sub-Fund.

### **Depository and Sub-Custodian Risk**

As the Company may invest in markets where custody and/or settlement systems are not fully developed, the Company's assets which are traded in such markets and which have been entrusted to sub-depositaries, in circumstances where the use of sub-depositaries is necessary, may be exposed to risk in circumstances whereby the Depository will have limited or no liability.

In addition, the Company may be required to place assets outside the Depository's and the sub-custodian's safekeeping network in order for the Company to trade in certain markets. In such circumstances, the Depository remains in charge of monitoring where and how such assets are held. However, in the event of a loss further to investments in such a market, neither the Depository, having fulfilled its legal functions and duties, nor the sub-custodian shall be liable, the Company's ability to receive back its cash and securities may be restricted and the Company may suffer a loss as a result. In such markets, Shareholders should note that there may be delays in settlement and/or uncertainty in relation to the ownership of a Sub-Fund's investments which could affect the Sub-Fund's liquidity and which could lead to investment losses.

### **Derivatives Risk**

The term "derivatives" covers a broad range of investments, including futures, options and swap agreements (including credit default swaps). In general, a derivative refers to any financial instrument whose value is derived, at least in part, from the price of another security or a specified index, asset or rate. For example, a swap agreement is a commitment to make or receive payments based on agreed upon terms, and whose value and payments are derived by changes in the value of an underlying financial instrument. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives. These risks are heightened when the Investment Manager uses derivatives to enhance a Sub-Fund's return or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held by the Sub-Fund. The success of management's derivatives strategies will depend on its ability to assess and predict the impact of market or economic developments on the underlying asset, index or rate and the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

A Sub-Fund may use FDIs for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments. A Sub-Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. In addition to those mentioned above, use of these strategies involves special risks, including:

1. dependence on the Investment Manager's ability to predict movements in the price of securities being hedged and movements in interest rates;
2. imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Sub-Fund;
3. the absence of a liquid market for any particular instrument at any particular time;
4. the degree of leverage inherent in futures trading (i.e., the loan margin deposits normally required in futures trading means that futures trading may be highly leveraged). Accordingly, a relatively

small price movement in a futures contract may result in an immediate and substantial loss to a Sub-Fund; and

5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short-term obligations because a percentage of a Sub-Fund's assets will be segregated to cover its obligations.

Each Sub-Fund may use leverage subject to applicable laws and the conditions of the relevant Appendix. The use of leverage can lead to an enhanced increase of the value of the Sub-Fund's assets, if the costs incurred by the use of the derivative instruments are lower than the profits resulting therefrom. However, should the costs of such transactions exceed the profits resulting from the use of the derivative instruments, enhanced losses can be incurred.

Upon request by any Shareholder, information relating to the risk management methods employed for any Sub-Fund, including the quantitative limits that are applied and any recent developments in risk and yield characteristics of the main categories of investments may be provided to such Shareholder by the Company or the Management Company.

### **Economic Dislocation Risk**

The financial sector may experience periods of substantial dislocation and the impacts of that dislocation are difficult to predict. Imbalances in trade and finance may lead to sudden shocks. Moreover, the evolution of economies and financial systems may result in the shifting of the perceived risks in recent historical periods, for example between what have been seen as emerging and developed markets. For example, the failure Lehman Brothers was seen by many as unlikely, and the impact of that failure was not generally well understood in advance. More recently, European financial markets have experienced volatility and have been adversely affected by concerns about high government debt levels, credit rating downgrades, and possible default on or further restructuring of government debt. Holders of Euro-denominated sovereign debt, including banks and other financial institutions, could be adversely affected by weakness in sovereign borrowers, which in turn may have less ability to support the financial system. It is possible that countries that have already adopted the Euro could abandon the Euro and return to a national currency or that the Euro will cease to exist as a single currency in its current form. The effects of voluntary or involuntary abandonment of the Euro on that country, the rest of the countries using the Euro, and global markets are unknown, but are likely to be negative. In addition, under these circumstances, it may be difficult to value investments denominated in Euro or in a replacement currency.

### **Geographic Concentration Risk**

The Company may concentrate its investments in specific geographic regions and markets. Therefore, the performance of the Company may be affected by economic downturns and other factors affecting the specific geographic regions in which the Company invests.

The Company is subject to potentially much greater risks of adverse events that occur in that region and may experience greater volatility than a fund that is more broadly diversified geographically. Political, social or economic disruptions in the region, including conflicts and currency devaluations, even in countries in which the Company is not invested, may adversely affect security values in other countries in the region and thus the Company's holdings.

### **Global Investment Risk**

Securities of certain jurisdictions may experience more rapid and extreme changes in value. The value of such securities may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which an investment may be made. The securities markets of many countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers in many countries may be subject to a high degree of regulation. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide



the same degree of investor protection or information to investors as would generally apply in major securities markets. Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated.

### **Growth Style Investment Risk**

Growth stocks can perform differently from the market as a whole and from other types of stocks. Growth stocks may be designated as such and purchased based on the premise that the market will eventually reward a given company's long-term earnings growth with a higher stock price when that company's earnings grow faster than both inflation and the economy in general. Thus a growth style investment strategy attempts to identify companies whose earnings may or are growing at a rate faster than inflation and the economy. While growth stocks may react differently to issuer, political, market and economic developments than the market as a whole and other types of stocks by rising in price in certain environments, growth stocks also tend to be sensitive to changes in the earnings of their underlying companies and more volatile than other types of stocks, particularly over the short term. Furthermore, growth stocks may be more expensive relative to their current earnings or assets compared to the values of other stocks, and if earnings growth expectations moderate, their valuations may return to more typical norms, causing their stock prices to fall. During periods of adverse economic and market conditions, the stock prices of growth stocks may fall despite favorable earnings trends. Finally, there is always the risk that the stock of any company could potentially become worthless.

### **Issuer Non-Diversification Risk**

Focusing investments in a small number of countries, issuers or local/foreign currencies increases risk. The Company may, while complying with the general restrictions set forth under the heading "INVESTMENT RESTRICTIONS", invest in a relatively small number of issuers and may be more susceptible to risks associated with a single financial, economic, market, political or regulatory occurrence than a more diversified portfolio might be. Some issuers may present substantial credit or other risks. Default by a single security in a concentrated portfolio may have a greater negative effect than a similar default in a diversified portfolio.

### **Issuer Risk**

The value of a security may decline for a number of reasons, which directly relate to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods and services.

### **Leverage Risk**

Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, loans of portfolios securities, and the use of when-issued, delayed delivery or forward commitment transactions. The use of derivatives may also create a leveraging risk.

The use of leverage may cause a Sub-Fund to liquidate portfolio positions when it may not be advantageous to do so. Leveraging, including borrowing, may cause a Sub-Fund to be more volatile than if the Sub-Fund had not been leveraged. This is because leverage tends to increase a Sub-Fund's exposure to market risk, interest rate risk or other risks by, in effect, increasing assets available for investment.

### **Liquidity Risk**

A security may not be able to be sold at the time or price desired due to market conditions, such as limited volumes and less active markets. In addition, certain securities held by a Sub-Fund, such as Rule 144A Securities, are subject to restrictions on resale.

### **Management Risk**

There is no guarantee that a Sub-Fund will meet its investment objective. Neither the Investment Manager, nor any other party guarantees the performance of a Sub-Fund, nor do they assure that the market value of an investment in a Sub-Fund will not decline. They will not "make good" on any investment loss an investor may suffer, nor can anyone the Company contracts with to provide services,

such as selling agents or other service providers, offer or promise to make good on any such losses.

### **Market Risk**

The market price of securities owned by a Sub-Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously. Equity securities generally have greater price volatility than debt securities. Different parts of the market and different types of equity securities can react differently to these risks. For example, large cap stocks can react differently from small cap stocks, and “growth” stocks can react differently from “value” stocks.

### **Regulatory Risk**

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated market might also permit inappropriate practices that adversely affect an investment.

### **Sector Emphasis Risk**

Investing a substantial portion of a Sub-Fund’s assets in related industries or sectors may have greater risks because companies in these sectors may share common characteristics and may react similarly to market developments.

### **Smaller Company Securities Risk**

Securities of companies with smaller market capitalizations tend to be more volatile and less liquid than securities of larger companies. Smaller companies may have no or relatively short operating histories, or be newly public companies. Some of these companies have aggressive capital structures, including high debt levels, or are involved in rapidly growing or changing industries and/or new technologies, which pose additional risks.

### **Sovereign Default Risk**

There are increasing concerns regarding the ability of multiple sovereign entities to continue to meet their debt obligations. In particular, ratings agencies have recently downgraded the credit ratings of various countries. Many economies are facing acute fiscal pressures as they struggle to balance budgetary austerity with stagnant growth. Many observers predict that a depressed economic environment will cause budget deficits in these economies to expand in the short term and further increase the perceived risk of a default, thereby rendering access to capital markets even more expensive and compounding the debt problem.

In particular, the Eurozone is currently undergoing a collective debt crisis. Greece, Ireland and Portugal have already received one or more “bailouts” from other Member States, and it is unclear how much additional funding they will require. Investor confidence in other Member States, as well as European banks exposed to risky sovereign debt, has been severely impacted, threatening capital markets throughout the Eurozone. Although the resources of various financial stability mechanisms in the Eurozone continue to be bolstered, many market participants have expressed doubt that the level of funds being committed to such facilities will be sufficient to resolve the crisis. There also appears to be a lack of political consensus in the Eurozone concerning whether and how to restructure sovereign debt, particularly sovereign bonds of peripheral countries. The consequences of any sovereign default would likely be severe and wide-reaching, and could include the removal of a Member State from the Eurozone, or even the abolition of the Euro. Any such consequences could result in losses to the Sub-Funds.

## **Taxation of Dividends/Deemed Dividends**

Shareholders should note that the Company does not intend to operate income equalization within its accounting system in respect of any Class. However, the Company intends to make income equalization adjustments based on reported income. Changes in the number of shares outstanding throughout the period will therefore be reflected in the calculation of reported income. There is also the risk of non-reclaimable funds due to changes in tax agreements between countries and with the Company.

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

Pursuant to FATCA, the Company (or each Sub-Fund) will be required to comply (or be deemed compliant) with extensive new reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company (or each Sub-Fund) to U.S. withholding taxes on certain U.S.-sourced income and (effective 1 January 2017) gross proceeds. Pursuant to an intergovernmental agreement between the United States and Luxembourg, the Company (or each Sub-Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. Taxpayer information directly to the Luxembourg government. Investors may be requested to provide additional information to the Company to enable the Company (or each Sub-Fund) to satisfy these obligations. Failure to provide requested information or, if applicable, satisfy its own FATCA obligations may subject an investor to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the investor’s investment in its Shares. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Company or its Sub-Funds.

## **Foreign Securities and Emerging Markets Risks**

The performance of foreign securities depends on the political and economic environments and other overall economic conditions in the countries where a Sub-Fund invests. Emerging markets involve greater risk and volatility than more developed markets. Some emerging markets countries may have fixed or managed currencies that are not free-floating. Certain of these currencies have experienced, and may experience in the future, substantial fluctuations or a steady devaluation relative to other currencies. Securities markets in the emerging world may not have as stringent insider trading and market manipulation regulations as in developed markets.

## **China Risk**

Investing in securities of Chinese companies involves special risks, such as: greater government control over the economy, political and legal uncertainty, currency fluctuations or exchange limitations, the risk that China’s government may decide not to continue to support economic reform programs and the risk of nationalization or expropriation of assets. As a developing market, China demonstrates significantly higher volatility from time to time in comparison to developed markets, including significant price swings that may disrupt the investment strategy of a Sub-Fund. In addition, information about issuers in China may not be as complete, accurate or timely as information about listed companies in other more developed economies or markets. Chinese markets generally continue to experience inefficiency, volatility and pricing anomalies resulting from governmental influence, a lack of publicly available information, a higher level of control over foreign exchange, a less efficient allocation of resources and/or political and social instability. Internal social unrest or confrontations with neighboring countries, including military conflicts in response to such events, may also disrupt economic development in China and result in a greater risk of currency fluctuations, currency convertibility, interest rate fluctuations and higher rates of inflation.

Subject to the provisions of the relevant Appendix, a Sub-Fund may invest in securities commonly referred to as “Chinese H Shares”, meaning securities issued by entities from mainland China which are listed on the Hong Kong Stock Exchange.

A Sub-Fund may further invest (subject to the Company, respectively the Sub-Fund, fulfilling the criteria

of being a “qualified foreign institutional investor” within the meaning of the PRC laws) in securities commonly referred to as “Chinese A and B Shares”. The laws and regulations in relation to the investment in Chinese A and B Shares, government policies and political and economic climate in the PRC may change with little or no advance notice. Any such change could adversely affect the value of these securities.

An investment in Chinese A and B Shares bears the risk of being not redeemable during a determined lock up period or being less redeemable where the redemption of the Chinese A or B Shares may depend, inter alia, on the PRC laws and practice potentially affecting the Sub-Fund’s ability to liquidate investments and to remit the proceeds thereof out of PRC. The repatriation restrictions, and any failure or delay in obtaining relevant approvals from Chinese authorities could restrict the relevant Sub-Fund's ability to satisfy redemption requests in respect of any particular redemption date.

A Sub-Fund may invest in Chinese A Shares via the Stock Connect.

### **Stock Connect**

The “Stock Connect” is a program which aims to achieve mutual stock market access between Mainland China and Hong Kong. Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited (“HKEx”), Shanghai Stock Exchange (“SSE”), Shenzhen Stock Exchange (“SZSE”) and China Securities Depository and Clearing Corporation Limited (“ChinaClear”). Hong Kong and overseas investors, through their Hong Kong brokers and subsidiaries established by The Stock Exchange of Hong Kong Limited (“SEHK”), may be able to trade certain predefined eligible shares listed on SSE/SZSE by routing orders to SSE/SZSE. It is expected that the list of eligible shares and stock exchanges in Mainland China in respect of Stock Connect will be subject to review from time to time. Trading under the Stock Connect will be subject to a daily quota (“Daily Quota”). The trading quota rules may be subject to review.

#### Specific risks related to investments via Stock Connect

Eligible securities:

Stock Connect comprises a Northbound trading link and a Southbound trading link. Under the Northbound trading link, Hong Kong and overseas investors will be able to trade certain stocks listed on the SSE and the SZSE markets.

These include:

1. All the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index
2. All the constituent stocks from time to time of the SZSE Component Index and SZSE Small / Mid Cap Innovation Index with market capitalization at least RMB 6 billion
3. All the SZSE-listed Chinese A Shares and all the SSE-listed Chinese A Shares that are not included as constituent stocks of the relevant indices, which have corresponding H-Shares listed on SEHK, except the following:
  - (a) SSE/SZSE-listed shares which are not traded in RMB;
  - (b) SSE/SZSE-listed shares which are risk alert shares; and
  - (c) SZSE-listed shares which are under delisting arrangement.

It is expected that the list of eligible securities will be subject to review. If a stock is recalled from the scope of eligible securities for trading via Stock Connect, the stock can only be sold and cannot be bought.

This may affect the investment portfolio or strategies of investors. Investors should therefore pay close attention to the list of eligible securities as provided and renewed from time to time by SSE, SZSE and SEHK.

#### Differences in trading day:

Stock Connect will only operate on days when both the Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but the Sub-Fund cannot carry out any Chinese A Shares trading. The Sub-Fund may be subject to a risk of price fluctuations in Chinese A Shares during the time when Stock Connect is not trading as a result. This may adversely affect the Sub-Fund's ability to access mainland China and effectively pursue their investment strategies. This may also adversely affect the Sub-Fund's liquidity.

#### Settlement and Custody:

The HKSCC will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The Chinese A Shares traded through Stock Connect are issued in script less form, so sub-funds will not hold any physical Chinese A Shares. The Sub-Fund should maintain the Chinese A Shares with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

#### Trading fees:

In addition to paying trading fees in connection with Chinese A Shares trading, the Sub-Fund may be subject to new fees which are yet to be determined by the relevant authorities.

#### Quota limitations:

The Stock Connect is subject to quota limitations. In particular, once the Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the sub-fund's ability to invest in Chinese A Shares through Stock Connect on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies.

#### Operational risk:

The Stock Connect provides a new channel for investors from Hong Kong and overseas to access the China stock market directly. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Due to their recent implementation and the uncertainty about their efficiency, accuracy and security, there is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Sub-Fund's ability to access the Chinese A Share market (and hence to pursue its investment strategy) will be adversely affected. Consequently, investors in the Chinese A Share market should be aware of the economic risk of an investment in those shares, which may lead to a partial or total loss of the invested capital.

#### Clearing and settlement risk:

The HKSCC and ChinaClear will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. Should ChinaClear be declared as a

defaulter, HKSCC's liabilities in trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

#### Regulatory risk:

The Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong from time to time. The regulations are untested and there is no certainty as to how they will be applied.

#### Ownership of Chinese A Shares:

Chinese A Shares acquired by the Sub-Fund through the Stock Connect are recorded in the name of HKSCC in its omnibus account held with ChinaClear. The Chinese A Shares are held in custody under the depository of ChinaClear and registered in the shareholders' register of the relevant listed Companies. HKSCC will record such Chinese A Shares in the CCASS stock account of the clearing participant.

Under Hong Kong law, HKSCC will be regarded as the legal owner (nominee owner) of the Chinese A Shares, holding the beneficial entitlement to the Chinese A Shares on behalf of the relevant clearing participant.

Under PRC law there is a lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership". The regulatory intention appears to be that the concept of 'nominee owner' is recognised under PRC laws and that the overseas investors should have proprietary rights over the Chinese A Shares. However, as the Stock Connect is a recent initiative there may be some uncertainty surrounding such arrangements. Accordingly, the Sub-Fund's ability to enforce its rights and interests in the Chinese A Shares may be adversely affected or suffer delay.

#### Pre-Trade Requirements and Special Segregated Accounts:

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE will reject the sell order concerned. SEHK will carry out pretrade checking on Chinese A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If a Sub-fund intends to sell certain Chinese A Shares it holds, it must transfer those Chinese A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Sub-fund may not be able to dispose of its holdings of Chinese A Shares in a timely manner.

Alternatively, if the relevant Sub-fund maintains its Stock Connect shares with a custodian which is a custodian participant or general clearing participant participating in CCASS, the Sub-fund may request such custodian to open a special segregated account ("SPSA") in CCASS to maintain its holdings in the Stock Connect shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Stock Connect system to verify the holdings of an investor such as a Sub-fund. Provided that there is sufficient holding in the SPSA when a broker inputs the relevant Sub-fund's sell order, the Sub-fund will only need to transfer Stock Connect shares from its SPSA to its broker's account after execution and not before placing the sell order and the Sub-fund will not be subject to the risk of being unable to dispose of its holdings of Chinese A Shares in a timely manner due to failure to transfer of Chinese A Shares to its brokers in a timely manner.

In addition, these pre-trade requirements may, as a practical matter, limit the number of brokers that the Sub-funds may use to execute trades. While the Sub-funds may use SPSA in lieu of the pre-trade check, many market participants have yet to fully implement IT systems necessary to complete trades involving securities in such accounts in a timely manner. Market practice with respect to SPSA is continuing to evolve.

Investor compensation:

Since the Sub-Fund will carry out Northbound trading through securities brokers in Hong Kong but not PRC brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC.

Further information about Stock Connect is available online at the website:

<http://www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en>

## **Data Protection Legislation**

The Company's processing of personal data imposes regulatory risks and legal requirements relating to the collection, storage, handling and transfer of personal data continue to develop. The Company may become subject to new legislation or regulation concerning the personal data they may process (as defined in the GDPR), including the requirements of the GDPR. The GDPR had direct effect from 25 May 2018, and introduced a range of new compliance obligations regarding the processing of personal data and new obligations on data controllers and data processors and rights for data subjects, including, among others:

- accountability and transparency requirements, which will require data controllers to demonstrate and record compliance with the GDPR and to provide more detailed information to data subjects regarding processing;
- enhanced data consent requirements, which includes "explicit" consent in relation to the processing of sensitive data;
- obligations to consider data privacy as any new products or services are developed and limit the amount of information collected, processed, stored and its accessibility;
- constraints on using data to profile data subjects;
- providing data subjects with personal data in a useable format on request and erasing personal data in certain circumstances; and
- reporting of breaches without undue delay (72 hours where feasible).

The GDPR also introduced new fines and penalties for a breach of requirements, including fines for serious breaches of up to the higher of 4% of annual worldwide turnover or €20m and fines of up to the higher of 2% of annual worldwide turnover or €10m (whichever is highest) for other specified infringements. The GDPR identified a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement).

The implementation of the GDPR required substantial amendments to the Company's policies and procedures. Whilst the Company intends to comply with any obligations arising out of the GDPR, if it is implemented, interpreted or applied in a manner inconsistent with such policies and procedures, it may be fined or ordered to change its business practices in a manner that adversely impacts its operating results. The Company may also need to comply with data protection laws and regulations of other jurisdictions. Compliance with these laws and regulations may divert the Company's time and effort and entail substantial expense. Any failure to comply with these laws and regulations by the Company could result in negative publicity and may subject the Company to significant costs or penalties associated with litigation or regulatory action.

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## CONFLICTS OF INTEREST

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In the course of its operations, the Company may carry out transactions with parties related to the Investment Manager which have, directly or indirectly, an interest which is in conflict with that of the Company, owing to the occurrence, whether simultaneously or at separate times, of one or more of the following circumstances and/or relationships:

- existence of a group relation between the Investment Manager and the entity that has set up, manages and/or promotes the Company (e.g., the Global Distributor) or the use of the Investment Manager as the Global Distributor;
- simultaneous performance by the Investment Manager of the management activities for several undertakings for collective investment and/or collective portfolios and/or individual asset management services; and
- investment in Related UCIs.

In order to mitigate any conflict of interest as above, the Company shall:

- invest in units of Related UCIs only if, based on the Investment Manager's or relevant sub-investment manager's evaluation, they are equivalent to or better than similar unrelated undertakings for collective investment;
- avoid duplication of fees if a Sub-Fund's assets are invested in Related UCIs (see section VI. c) under the heading "INVESTMENT RESTRICTIONS");
- adopt specific organizational procedures to limit the occurrence of conflicts of interest; and
- adopt specific procedures to prevent it from receiving economic benefits (goods or services) that are not helpful or necessary to assist the Company in the performance of its collective portfolio management activity.

No contract or other transaction between the Company and any other company or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the Company is interested in, or is a director, associate, officer or employee of, such other company or firm. Any Director or officer of the Company who serves as a director, officer or employee of any company or firm with which the Company shall contract or otherwise engage in business shall not, by reason of such affiliation with such other company or firm, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

In the event any Director or officer of the Company may have in any transaction of the Company an interest conflicting with the interests of the Company, such Director or officer shall make known to the other Directors such conflicting interest. This rule does not apply when the Directors vote on transactions which are concluded in the ordinary course of business at arm's length.

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## ISSUE OF SHARES

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Under the Articles, the Directors have the power to issue Shares corresponding to different Sub-Funds each consisting of a portfolio of assets and liabilities. Within each Sub-Fund, the Directors may issue different Classes with different characteristics, such as different fee structures, different minimum amounts of investment or different currencies of denomination. The Classes available for each Sub-Fund are indicated in the relevant Appendix.

Any Sub-Fund or Class may, upon the determination of the Board or the Investment Manager, suspend the acceptance of new and/or subsequent subscriptions or of switches for any reason, which may be subject to certain exceptions (e.g., exceptions for subsequent subscriptions by existing Shareholders, automated investments, certain retirement/pension accounts). Any such suspension will not be lifted



until, in the opinion of the Board or the Investment Manager, the circumstances which required such suspension no longer exist. Where a suspension occurs, a notification will be included with relevant offering materials and existing Shareholders will be notified to indicate the applicable Sub-Fund or Class and the details of the suspension. Investors should confirm with the Management Company or the relevant Distributor, if any, for the current status of Sub-Funds or Classes.

If it appears at any time that a holder of Shares of a Sub-Fund or Class reserved to Institutional Investors is not an Institutional Investor, the Board will convert the relevant Shares into Shares of a Sub-Fund or Class which is not restricted to Institutional Investors or compulsorily redeem the relevant Shares. The Board will refuse to give effect to any transfer of Shares and consequently refuse any transfer of Shares to be entered into the register of Shareholders in circumstances where such transfer would result in a situation where Shares of a Sub-Fund or Class restricted to Institutional Investors would, upon such transfer, be held by a person not qualifying as an Institutional Investor. Investors should further refer to article 8 of the Articles.

The eligibility requirements applicable to Shareholders, as set forth in this Prospectus, are collectively referred to as the "Eligibility Requirements". Although the Shares are required to be negotiable and transferable on the Luxembourg Stock Exchange upon their admission to trading thereon (and trades registered thereon are not able to be cancelled by the Company), the Eligibility Requirements will nevertheless apply to any party to which Shares are transferred on the Luxembourg Stock Exchange. The holding at any time of any Shares by a party which does not satisfy the Eligibility Requirements may result in the compulsory redemption of such Shares by the Company.

The Company may issue further Sub-Funds or Classes. The Prospectus of the Company will be updated as new Sub-Funds or different Classes are issued. The Company may also revise, amend, or modify existing Sub-Funds or Classes.

Shares may normally be bought from or sold to the Company at buying and selling prices based on the Net Asset Value of the relevant Shares. The Subscription Price is set out below under the heading "BUYING SHARES" and the Redemption Price is set out below under the heading "SELLING SHARES".

Shares are available in registered form without certificates.

Fractions of Shares will be issued in denominations of up to two (2) decimal places.

Fractions of Shares will not carry any voting rights but will participate pro rata in all distributions made.

The Company may not issue warrants, options or other rights to subscribe for Shares to its Shareholders or to other persons.

### **Acceptance of Applications and Mandatory Redemptions**

Notwithstanding anything to the contrary in this Prospectus, the Company may reject any application in whole or in part for any reason whatsoever, and the Company does not incur any liability as a result. If an application is rejected, the application monies or balance thereof will be, subject to applicable laws, returned at the risk of the applicant and without interest as soon as reasonably practicable at the cost of the applicant. In such event the Company is not required to provide the applicant with an explanation, but may choose to do so in its sole discretion. Additionally, the Company may redeem the Shares of any Shareholder, in whole or in part, at any time or not less than 30 days' written notice provided that the Company determines such action is in the best interest of the remaining Shareholders.

### **Anti-Money Laundering**

Pursuant to the Luxembourg laws of 19 February 1973 to combat drug addiction, as amended, of 5 April 1993, relating to the financial sector, as amended, and of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, and to the relevant grand-ducal regulations as well as circulars and regulations of the CSSF (especially CSSF Regulation N° 12-02, CSSF Circular 13/556 and

any CSSF regulation or circular amending, supplementing or replacing them), obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment such as the Company for money laundering purposes. Within this context measures to ensure the identification of investors have been imposed.

### **Late Trading**

Late trading is illegal as it violates the provisions of this Prospectus. The Board will implement reasonable measures to ensure that late trading does not take place. The effectiveness of these procedures is closely monitored.

### **Market Timing Policy**

The Company does not knowingly allow investments to be made which are associated with market timing practices, as such practices may adversely affect the interests of all Shareholders.

As per CSSF Circular 04/146, market timing is defined as an arbitrage method through which an investor systematically subscribes and redeems or switches units or shares of the same undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset values of the sub-funds of the undertaking for collective investment.

Opportunities may arise for the market timer either if the Net Asset Values of the Sub-Funds are calculated on the basis of market prices which are no longer up to date (stale prices) or if the Sub-Funds accept orders on a Business Day after calculating the Net Asset Value for that Business Day.

Market timing practices are not acceptable as they may affect the performance of the Company through an increase in costs and/or dilution in Net Asset Value. The Company is not designed for investors with short-term investment horizons. Activities which may adversely affect the interests of the Shareholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of the Company as an excessive or short-term trading vehicle are not permitted.

While recognizing that Shareholders may have legitimate needs to adjust their investments from time to time, the Board, in its discretion may, if it deems that such activities adversely affect the interests of the Shareholders, take action as appropriate to deter such activities.

Accordingly, if the Company determines or suspects that a Shareholder has engaged in such activities, the Company may suspend, cancel, reject or otherwise deal with that Shareholder's subscription, redemption or switching applications and take any action or measures as appropriate or necessary to protect the Company and its Shareholders.

## **CLASSES OF SHARES**

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Unless otherwise provided for in the relevant Appendix, each Sub-Fund will issue Class A and Class I Shares. Certain Sub-Funds may issue other Classes as set forth in the relevant Appendix.

Classes will be denominated in the currencies as provided for in the Appendix of the relevant Sub-Fund.

### **Class A Shares**

Class A Shares will be open to any kind of investor, subject to any restrictions described in the Articles, elsewhere in this Prospectus or the relevant Appendix.

### **Class I Shares**

Class I Shares are reserved to Institutional Investors.

## **Hedged Classes**

Hedged Classes of a Sub-Fund will be hedged against the reference currency of that Sub-Fund, with the objective of minimizing currency risk exposure. While the relevant Sub-Fund will attempt to hedge this risk, there can be no guarantee that it will be successful in doing so. This activity may increase or decrease the return to investors in those Classes.

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## **BUYING SHARES**

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The Shares of each Sub-Fund may be subscribed for at the Registrar and Transfer Agent. Investors must fill out and sign the application form available at the Registrar and Transfer Agent as well as other banks, professionals of the financial sector, a Distributor, sub-distributors and financial institutions authorized to that end.

Subscriptions are subject to acceptance by the Board in whole or in part in its sole discretion without liability and without explanation. The Company will accept subscriptions transmitted via fax or post.

Unless otherwise provided for in the relevant Appendix, the subscription price of the Shares in each Class, denominated in the reference currency of the Class indicated in the relevant Appendix, corresponds to the Net Asset Value of the relevant Class determined on the Valuation Day on which the subscription application is accepted (the subscription application shall be accepted on a particular Valuation Day only if received in proper form prior to the Dealing Deadline on that Valuation Day by the Registrar and Transfer Agent), increased by the applicable initial sales charge, if any, as detailed for each Sub-Fund in the relevant Appendix (the "Subscription Price").

In certain instances, depending on the nature of the arrangement with a particular bank, a professional of the financial sector, a Distributor, a sub-distributor or a financial institution authorized to offer and sell Shares, the bank, professional of the financial sector, Distributor, sub-distributor or financial institution may charge and retain an initial sales charge, in which case the initial sales charge would not be reflected in the Subscription Price. Investors should confirm with the bank, professional of the financial sector, Distributor, sub-distributor or financial institution through whom they invest whether any initial sales charge will apply to their purchase and, if so, how it will be applied. As described in the section "Partial Swing Pricing" under the heading "DETERMINATION OF THE NET ASSET VALUE OF SHARES", the Net Asset Value of a Sub-Fund may be adjusted on a Valuation Day when the Sub-Fund experiences significant net subscriptions or redemptions.

Unless otherwise provided for in the relevant Appendix, complete applications for shares must be received and approved by the Registrar and Transfer Agent on a Valuation Day by the Dealing Deadline. Subscription requests received and approved by the Registrar and Transfer Agent on a day which is not a Valuation Day or on a Valuation Day after the Dealing Deadline will be deemed to have been received on the next Valuation Day. Executed application forms that are received by the Company, other banks, professionals of the financial sector, a Distributor, a sub-distributor or a financial institution authorized to that end will be forwarded by the relevant recipient to the Registrar and Transfer Agent. For the purpose of applying the Dealing Deadline they are however not deemed to be received before they are actually received by the Registrar and Transfer Agent.

Applicants wishing to subscribe for Shares must complete in all respects a subscription application and send it to the Registrar and Transfer Agent together with all required identification documents. Should such documents not be provided, or provided in incomplete form, the Registrar and Transfer Agent will request such information and documentation as is necessary to verify the identity of an applicant. Shares will not be issued until such time as the Registrar and Transfer Agent have received and are satisfied with all the information and documentation requested to verify the identity of the applicant. Failure to provide such documentation or information may result in a delay of the subscription process or a cancellation of the subscription request. The Company bears no liability whatsoever for delay or other consequences arising from incomplete subscription applications.

In addition to the Subscription Price, taxes and stamp duties may need to be paid by Shareholders in certain countries where the Shares are offered.

The Subscription Price, payable in the Reference Currency of the relevant Class, must be paid to the Paying Agent as specified for each Sub-Fund in the relevant Appendix. However, a subscriber may, with the agreement of the Registrar and Transfer Agent, effect payment to the Paying Agent in any other freely convertible currency. The Registrar and Transfer Agent will arrange, on the Valuation Day concerned, for any necessary currency transaction to convert the subscription monies from the currency of subscription into the Reference Currency of the relevant Class. Any such currency transaction will be effected at the subscriber's cost and risk. Currency exchange transactions may however delay any issue of Shares since the Registrar and Transfer Agent may choose, in its sole discretion, to delay the execution of any foreign exchange transaction until cleared funds have been received by it.

The Board reserves the right to accept subscriptions by way of in specie transfer of assets. In exercising their discretion, the Board will take into account the investment objective, philosophy and approach of the relevant Sub-Fund and whether the proposed in specie assets comply with those criteria including the permitted investments of that Sub-Fund. In order for Shares in the Sub-Fund to be issued further to an in specie subscription, the transfer of the legal ownership of the assets to the Sub-Fund must have been completed and the assets in question must have already been valued. In the specific case of an in specie transfer of shares or units of a UCITS or Other UCI, Shares will only be issued after the name of the Company has been officially entered into in the register of shareholders or unitholders of the relevant UCITS or Other UCI and the shares or units of the UCITS or Other UCI have been valued on the basis of the next net asset value to be calculated after the aforementioned entry.

Any in specie subscription that meets the investment criteria will be valued by the auditor of the Company. Upon receipt of that verification and a properly completed subscription application, the Administrator will allot the requisite number of Shares in the normal manner. The Board reserves the right to decline to register any person on the register of Shareholders until the subscriber has been able to prove title to the assets in question. The subscriber is responsible for all custody and other costs involved in changing the ownership of the relevant assets unless the Board otherwise agrees in writing that it is in the interest of the relevant Sub-Fund to bear some or all of the custody and other costs involved in changing the ownership of the relevant assets.

The relevant confirmations of the registration of the Shares are delivered by the Registrar and Transfer Agent as soon as reasonably practicable and normally within three Business Days following the relevant Valuation Day. Subscribers should always check this confirmation to ensure that the registration has been accurately recorded. This will also include a personal account number which, together with the Shareholder's personal details, is proof of its identity to the Company.

The Company reserves the right to require an indemnity or other verification of title or claim to title countersigned by a bank, stockbroker or other party acceptable to it before accepting such changes.

If any subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be, subject to applicable laws, returned without delay to the subscriber by post or bank transfer at the subscriber's risk without any interest.

If timely payment for Shares is not made (or if a properly completed application form is not received for an initial subscription), the application for Shares may be deemed null and void and Shares previously allotted may be cancelled. This may also result in the Management Company and/or any relevant Distributor billing the defaulting subscriber or its financial intermediary for any costs or losses incurred by the Management Company and/or Company and/or a Sub-Fund and/or any relevant Distributor, deducting any such costs or losses against any existing holding of the subscriber in the Company or against any subscription monies already received, or bringing an action against the defaulting subscriber or its financial intermediary. Any money returnable to the subscriber will be held by the Company without payment of interest.

The Board may at any time, in its sole discretion, temporarily suspend, definitely cease or limit the issue of Shares to persons, companies, or entities that reside or are domiciled in certain countries and territories or exclude them from subscribing for Shares, if such measure is considered appropriate to protect the Shareholders or the Company, or to comply with the government regulations.

The minimum subscription and minimum holding amounts for each Sub-Fund (or, if more than one Class has been issued in a Sub-Fund, for each Class) are specified in the relevant Appendix. The Board may set different levels for minimum subscription and minimum holding amounts for investors in certain countries for investment in different Classes of each Sub-Fund, if the Board decides to introduce this facility. The Board may, in its sole discretion, waive minimum subscription and minimum holding amounts for each Class.

For the same reasons, but always in accordance with the Articles, the Board may provide for specific payment arrangements for investors in certain countries. In both cases an adequate description will be made available to investors in the relevant countries together with the Prospectus.

### **Subsequent Subscriptions**

Upon initial subscription, each Shareholder shall be issued a personal account number, which should be used by the Shareholder for all future dealings with the Registrar and Transfer Agent. Any changes to the Shareholder's personal details or loss of account number must be notified immediately to the Company, the Management Company, the Registrar and Transfer Agent, a Distributor or the relevant sub-distributor, who will, if necessary, inform the Registrar and Transfer Agent in writing. Failure to do so may result in delays when processing applications for the purchase, redemption or switching of Shares. Investors shall be required to fill out an additional application (in the form required by the Company) for Shares upon each subsequent subscription.

### **Data Protection:**

The personal data or information given in an application form or otherwise collected, provided to or obtained by the Company, acting as data controller (the "Data Controller"), in connection with an application to subscribe for, or for the holding of, one or more Shares, or at any other time, as well as details of the investor's holding of Share(s) ("Personal Data"), will be stored in digital form or otherwise and collected, used, stored, retained, transferred and/or otherwise processed for the purposes described below (the "Processing"), in compliance with the provisions of the Data Protection Legislation

The Data Controller will collect, use, store, retain, transfer and/or otherwise process the Personal Data: (i) on the basis of the investor's consent; (ii) where necessary to perform any services resulting from the application form, including the holding of one or more Shares in general; (iii) where necessary to comply with a legal or regulatory obligation of the Data Controller; (iv) where necessary for the purposes of the legitimate interests pursued by the Data Controller, the Administrator, the Depositary, the Global Distributor or other service providers to the Company (including without limitation its auditors and information technology providers), any lender to the Data Controller or related entities (including without limitation their respective general partner or management company/investment manager and service providers) in or through which the Data Controller intends to invest, and any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns generally (together the "Data Processors" and each a "Data Processor"), which mainly consist in the provision of the services in connection with the subscription agreement to the investor or compliance with foreign laws and regulations and/or any order of a foreign court, government, regulatory or tax authority, including when providing such services in connection with the subscription agreement to the investor, and to any beneficial owner(s) and any person holding a direct or indirect interest in the investor and/or any beneficial owner who has not directly entered into the subscription agreement ("Relevant Persons"), except where such legitimate interests are overridden by the interest or fundamental rights and freedoms of the investor or any Relevant Person(s). Should the investor refuse to communicate its Personal Data or the collection, use, storage, retention, transfer and/or any other processing of its Personal Data as described herein, the Administrator may refuse the subscription of Share(s).

The Processing includes, without limitation, the collection, use, storage, retention, transfer and/or any other processing of Personal Data for any of the following purposes:

- (i) to process, manage and administer the investor's Share(s) and any related accounts on an on-going basis;
- (ii) for any specific purpose(s) to which the investor has consented in addition to its consent in the subscription agreement in compliance with the Data Protection Legislation;
- (iii) to comply with legal or regulatory requirements applicable to the Data Controller, a Data Processor and/or the investor;
- (iv) where necessary for the purposes of tax reporting to one or more relevant authorities; and
- (v) to fulfill the terms and conditions of, and any services required by, the investor in relation to the subscription agreement and the holding of the Share(s) and to execute all tasks that are carried out under the subscription agreement and in relation to the investor's Share(s).

The Personal Data that will be collected, used, retained, stored, transferred and/or otherwise processed includes without limitation: (i) the name, address, email address, telephone numbers, business contact information, current employment, career history, current investments, historic investments, investment preferences, and credit history of the investor and of related individuals of the investor (including without limitation the investor's directors, officers, individual representatives, legal representatives, trustees, settlors, signatories, shareholders, unitholders, investors, nominees, employees and/or any relevant person(s)); (ii) any other data required by the Data Controller to perform services in connection with or resulting from the application form, the investor's Share(s), and/or any contract with any Data Processor; and (iii) any data required by the Data Controller to comply with any legal and/or regulatory obligations. The Personal Data will be directly collected from the investor or, as the case may be, through public sources, social media, subscription services, other third party data sources or, through the investor's authorized intermediaries, directors, officers, individual representatives (including, without limitation, legal representatives), trustees, settlors, signatories, shareholders, unitholders, investors, nominees or employees.

Each investor is required to:

- (i) have duly and completely informed all natural persons (including, without limitation, the subscriber's directors, officers, individual representatives, legal representatives, trustees, settlors, signatories, shareholders, unitholders, investors, nominees, employees, any relevant person(s) and representatives of legal persons) and other data subjects whose Personal Data will be processed in the context of the investor holding of Share(s) about the collection, use, storage and/or transfer and/or any other processing of their Personal Data and their rights as described in this section in accordance with the information requirements under the Data Protection Legislation; and
- (ii) where necessary and appropriate, have obtained any consent that may be required for the Processing of said Personal Data in accordance with the requirements of the Data Protection Legislation.

The Data Controller shall be entitled to assume that those persons have, where necessary, given any such consent and have been informed of all information relating to the collection, use, storage and/or transfer and/or processing of their Personal Data and of their rights as described in this section.

Each investor acknowledges, understands and, to the extent necessary, consents that for purposes of and in connection with the Processing:

(i) the Data Processors may collect, use, retain, store transfer and/or otherwise process Personal Data on behalf of the Data Controller in accordance with Data Protection Legislation; and

(ii) Personal Data may also be shared, transferred and disclosed, out of the context of any delegation, to any Data Processors and to third parties, acting as data controllers, including the investor's professional and financial advisers, any Data Processor's auditors, technology providers, board of managers or directors, delegates, duly appointed agents and related, associated or affiliated companies, in each case which may be located in a jurisdiction that does not have equivalent data protection laws to those of the European Economic Area (the "EEA"), including the Data Protection Legislation and the Luxembourg law of 5 April 1993 on the financial sector (as amended) which provides for a professional secrecy obligation, or that are not subject to an adequacy decision of the European Commission, for their own purposes, including, without limitation, developing and processing the business relationship with any shareholder(s) and/or any Relevant Person(s).

Each investor acknowledges, understands and, to the extent necessary, will be asked to consent to the collection, use, processing, storage and retention of Personal Data by the Administrator, acting as a data processor, for the provision of the services to be provided under the Administration Agreement and for other related purposes for which it acts as a data controller and also acknowledges and consents (1) to the transfer of such Personal Data to other companies or entities within the Administrator's group, including its offices outside Luxembourg and the EEA; and (2) to the transfer of such Personal Data to third party companies or entities including their offices outside the EEA where the transfer is necessary for the maintenance of records, administrations or provision of services under the Administration Agreement in relation to any investment product or services of any group of companies. The maintenance of records, administrations and provision of the services contemplated under the administration services agreement will leverage operational and technological capabilities located outside Luxembourg and the EEA. Personal Data including the identity of the investor and the values of its Shares in the Company will therefore be accessible to other companies or entities within the Administrator's and promoter's group. Personal Data may be transferred by the Administrator to a country which does not maintain a legal and regulatory framework to protect confidentiality of personal data (including, without limitation, Personal Data) equivalent to that of Luxembourg and the EEA.

Each investor acknowledges and, to the extent necessary, will be asked to consent to the fact that the Depositary and the Global Distributor may collect, use, store, transfer and retain and/or otherwise process the Personal Data, acting as a data processor, for the purpose of carrying out its obligations under the Depositary Agreement or the Global Distribution Agreement respectively and for other related purposes, for which it acts as a data controller, including auditing, monitoring and analysis of its business, fraud and crime prevention, fighting against money laundering and terrorism financing, legal and regulatory compliance, and the marketing by the Depositary of other services. The Depositary may disclose Personal Data to a sub-custodian or other custodial delegate, a securities depository, a securities exchange or other market, an issuer, a broker, third party agent or subcontractor, a professional advisor or public accountant, a revenue authority or any governmental entity in relation to and as required for the purpose of processing of any tax relief claim (the "Authorized Recipients") for the purpose of enabling the Depositary to perform its duties under the Depositary Agreement (the "Permitted Purpose") with the full support of the relevant Authorized Recipients who need to obtain such Personal Data to provide relevant support, and to use communications and computing systems operated by the Authorized Recipients, for the Permitted Purpose, including where such Authorized Recipients are present in a jurisdiction outside Luxembourg or in a jurisdiction outside the EEA, which does not maintain a legal and regulatory framework to protect confidentiality of personal data (including, without limitation, Personal Data) equivalent to that of Luxembourg.

Each investor acknowledges and, to the extent necessary, consents to the collection, use, storage, retention and/or other processing of Personal Data by the concerned Data Processors, for the provision of services

under the relevant distribution or sub-distribution agreements including the promotion and marketing of Shares, the transfer of information requested by any Data Processors to comply with any law, regulation or recommendation from supervisory or tax authorities applicable to it or them (including without limitation anti-money laundering rules and regulations), process complaints and assist in relation to facilitating the subscription process and preparation and contents of the investor's due diligence questionnaires. In particular, each investor (i) will be asked to consent to the transfer of such Personal Data to any Data Processor, which may be established in a jurisdiction which does not ensure an adequate protection of personal data, and/or in other countries which may or not maintain a legal and regulatory framework to protect confidentiality of Personal Data equivalent to that of Luxembourg and the EEA and (ii) will be asked to acknowledge and consent to the fact that the transfer of such Personal Data is necessary for the purposes described hereinabove and more generally, the admittance of the investor as a Shareholder of the Company.

Each investor acknowledges and, to the extent necessary, will be asked to consent to the fact that Personal Data the investor is supplying or that is collected will enable the Company, the General Partner as well as, where relevant, any of the Data Processors, to process, manage and administer the investor's Share(s) and any related account(s) on an on-going basis, and to provide appropriate services to the investor as a shareholder of the Company including the provision of periodic reports, performance updates, newsletters and market commentary by the Investment Manager or the Global Distributor. Any of the Data Processors may collect, use, store, transfer, retain or otherwise process the Personal Data for the purposes described in the application form, this Prospectus, the Administration Agreement, the Depositary Agreement, as well as for the purposes of the investor's (and any Relevant Person's) anti-money laundering identification and tax identification in this context, and in order to comply with their applicable legal obligations including without limitation prevention of terrorism financing, prevention and detection of crime, tax reporting obligations, FATCA agreement and CRS (the common reporting system pursuant to the Organization for Economic Co-operation and Development Standard for the Automatic Exchange of Financial Account Information in Tax Matters) (if any).

Without prejudice to the paragraph below, and notwithstanding the investor's consent to the processing of its Personal Data in the manner set forth in the application form, the investor has the right to object at any time to processing of its Personal Data (including, without limitation, for direct marketing purposes, which includes profiling to the extent that it is relating to such marketing).

Each investor acknowledges, understands, and to the extent necessary, will be asked to consent to the fact that the Data Controller as well as, where relevant, the Data Processors, may be required by applicable laws and regulations to transfer, disclose and/or provide Personal Data, in full compliance with applicable laws and regulations, and in particular Article 48 of the GDPR (when applicable), to supervisory, tax, or other authorities in various jurisdictions, in particular those jurisdictions where (i) the Company is or is seeking to be registered for public or limited offering of the investor's Shares, (ii) investors are resident, domiciled or citizens or (iii) the Company is, or is seeking to, be registered, licensed or otherwise authorized to invest.

By investing, each investor acknowledges, understands, and to the extent necessary, will be asked to consent to the fact that the transfer of the investor's data, including Personal Data, may be transferred to a country that does not have equivalent data protection laws to those of the EEA, as described above, or that are not subject to an adequacy decision of the European Commission, including the Data Protection Legislation and the Luxembourg law of 5 April 1993 on the financial sector (as amended) which provides for a professional secrecy obligation. The Data Controller will transfer the Personal Data (i) on the basis of any adequacy decision of the European Commission with respect to the protection of personal data and/or the EU-U.S. Privacy Shield framework; (ii) on the basis of appropriate safeguards listed by and subject to the provisions of Article 46 of the GDPR (when applicable), such as standard contractual clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism; (iii) on the basis of the consent; (iv) where necessary for the performance of the services resulting from the application form; (v) where necessary for the performance of services by the Data Processors provided in connection with the application form; (vi) where necessary for important reasons of public interest; (vii) where necessary for the establishment, exercise or defense of legal claims; (viii) where the transfer is made from a register which is legally intended to provide information to the public and which is open to



consultation, in accordance with applicable laws and regulations, provided that the transfer does not involve the entirety of the personal data or entire categories of the personal data contained in the shareholder's register; or (ix) subject to the provisions of Article 49(1) of the GDPR (when applicable), where the transfer is necessary for the purposes of compelling legitimate interests pursued by the Data Controller which are not overridden by the interests or rights and freedoms of the relevant data subjects.

Each investor has the right to request a copy of Personal Data held in relation to it, and to request that they be amended, updated, completed or deleted as appropriate, if incorrect, and to request a limitation to a processing of its Personal Data and the portability of any Personal Data processed by the Data Controller in the manner and subject to the limitations prescribed in the Data Protection Legislation.

Each investor is entitled to address any claim relating to the processing of its Personal Data to a data protection supervisory authority; in Luxembourg, the *Commission Nationale pour la Protection des Données*.

The Personal Data will be held until the investor ceases to be a shareholder of the Company and a period of 10 years thereafter where necessary to comply with applicable laws and regulation or to establish, exercise or defend actual or potential legal claims, subject to the applicable statutes of limitation, unless a longer period is required by applicable laws and regulations.

The Data Controller and the Data Processors processing the Personal Data on its behalf will accept no liability with respect to an unauthorized third party receiving knowledge of, or having access to, its Personal Data, except in the case of proven negligence or serious misconduct by the Data Controller and/or any Data Processor that processes the Personal Data on its behalf or by any of their respective employees, officers, affiliates, agents and sub-contractors. In any event, the liability of the Data Controller with respect to the processing of Personal Data remains strictly limited to what is imposed by the Data Protection Legislation.

## **SELLING SHARES**

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The Shareholders may at any time exit the Company by addressing to the Registrar and Transfer Agent an irrevocable application for redemption (in whole or in part).

As noted elsewhere in this Prospectus, the Company may redeem the Shares of any Shareholder, in whole or in part, at any time or not less than 30 days' written notice provided that the Company determines such action is in the best interest of the remaining shareholders. Redemption proceeds shall be paid in accordance with the provisions of this Prospectus. Under no circumstances is the Company liable to a Shareholder for any direct or consequential damages as a result of such mandatory redemption.

Unless otherwise provided for in the relevant Appendix, the redemption price of Shares in a Class corresponds to the Net Asset Value of the relevant Class determined on the Valuation Day on which the application for redemption is accepted by the Registrar and Transfer Agent (the "Redemption Price"). Unless otherwise provided for in the relevant Appendix, redemption applications must be received in proper form by the Registrar and Transfer Agent on a Valuation Day by the Dealing Deadline. Redemption requests received by the Registrar and Transfer Agent on a day which is not a Valuation Day or on a Valuation Day after the Dealing Deadline will be deemed to have been received on the next Valuation Day. Redemption requests that are received by the Company, other banks, professionals of the financial sector, a Distributor, a sub-distributor or a financial institution authorized to that end will be forwarded by the relevant recipient to the Registrar and Transfer Agent. For the purpose of applying the Dealing Deadline they are however not deemed to be received before they are actually received by the Registrar and Transfer Agent.

As described in the section "Partial Swing Pricing" under the heading "DETERMINATION OF THE NET ASSET VALUE OF SHARES", the Net Asset Value of a Sub-Fund may be adjusted on a Valuation Day when the Sub-Fund experiences significant net subscriptions or redemptions.

If, for any reason, the value of the holdings of a single Shareholder in Shares of a particular Sub-Fund

(or, if more than one Class of Shares have been issued in a Sub-Fund, of that Class) falls below the amount specified for each Sub-Fund in the relevant Appendix, then the Shareholder will at the discretion of the Company be deemed to have requested the redemption of all of his Shares of that Sub-Fund (or, if applicable, of that Class).

Unless otherwise provided for in the relevant Appendix of each Sub-Fund, no redemption fee will be charged. However, the amount reimbursed may be reduced by costs, taxes and stamp duties which may be payable at the time.

The Redemption Price of Shares presented for redemption will be paid within the time frame specified in the relevant Appendix. On payment of the Redemption Price, the corresponding Shares will be cancelled immediately in the Company's Share register. Any taxes, commissions and other fees incurred in the respective countries in which the Shares are redeemed will be charged.

The Redemption Price may be higher or lower than the Subscription Price paid at the date of issue of the Shares in accordance with changes in a Sub-Fund's Net Asset Value.

A confirmation statement will be sent to the relevant Shareholder (or third party as requested by the Shareholder), detailing the redemption proceeds due as soon as reasonably practicable after the Redemption Price has been determined. Shareholders should check this statement to ensure that the transaction has been accurately recorded.

Shareholders should note that they might be unable to redeem Shares through a Distributor (if applicable), on days during which such Distributor is not open for business.

Payment for Shares redeemed will be effected in the Reference Currency of the relevant Class on or after the relevant Valuation Day (as specified in the relevant Appendix), unless legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depository, make it impossible or impracticable to transfer the redemption amount to the country in which the application for redemption was submitted.

If necessary, the Registrar and Transfer Agent will arrange the currency transaction required for the conversion of the redemption monies from the Reference Currency of the relevant Class into the relevant redemption currency. Such currency transaction will be effected with the Depository or a Distributor, if any, at the redeeming Shareholder's cost and risk.

If the sale (or switching out) of Shares in a Sub-Fund or in a Class on any Valuation Day exceeds 10% (or any higher percentage as may be determined by the Board at its sole discretion) of the Net Asset Value of that Sub-Fund or that Class on that Valuation Day, the Sub-Fund may restrict the number of sales (and switches out) to 10% (or any higher percentage as may be determined by the Board at its sole discretion) of the Net Asset Value of that Sub-Fund or that Class on that Valuation Day. To safeguard the interests of the Shareholders, this limitation will apply to all Shareholders who have requested the sale (or switching out) of their Shares in a Sub-Fund or a Class on a Valuation Day pro rata of the Shares in the Sub-Fund or the Class tendered by them for sale (or switching out). Any sales (or switches out) not carried out on that Valuation Day will be carried forward to the next Valuation Day. They will be dealt with on that Valuation Day under the same limitations, and in priority according to the date of receipt of the application for sale (or switch out). If selling (or switching out) requests are carried forward, the Company will inform the Shareholders affected thereby.

The redemption of the Shares may be suspended by decision of the Board, in the cases mentioned under the heading "TEMPORARY SUSPENSION OF CALCULATION OF THE NET ASSET VALUE" or by decision of the CSSF when required in the interest of the public or of the Shareholders and, in particular, when the legal, regulatory or contractual provisions concerning the activity of the Company have not been complied with.

The Board may, at the request of a Shareholder, elect to satisfy a redemption in whole or in part by way of the transfer in specie of assets of the Company. The Board will ensure that the transfer of assets in

specie in cases of such redemptions will not be detrimental to the remaining Shareholders of the Sub-Fund by pro-rating the redemption in specie as far as possible across the entire portfolio of securities. Such in specie redemptions will be subject to a special audit report by the auditor of the Company confirming the number, the denomination and the value of the assets which the Board will have determined to be transferred in counterpart of the redeemed Shares. This audit report will also confirm the way of determining the value of the assets which will have to be identical to the procedure for determining the Net Asset Value of the Shares. The specific costs for such redemptions in specie, in particular the cost of the special audit report will be borne by the redeeming Shareholder.

No payments of redemption proceeds will be made to third parties.

If the Company discovers at any time that a person who is precluded from holding Shares in a Sub-Fund, such as a United States Person or a non-Institutional Investor (if applicable), either alone or in conjunction with any other person, whether directly or indirectly, is a beneficial or registered owner of Shares, the Company may, in its sole discretion and without liability, compulsorily redeem the Shares at the Redemption Price as described above after giving notice, and upon redemption, the person who is precluded from holding Shares in the Company will cease to be the owner of those Shares. The Company may require any Shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a person who is precluded from holding Shares in the Company.

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### **SWITCHING OF SHARES**

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Except as otherwise provided for in the relevant Appendix of any Sub-fund, any Shareholder may request the switch of all or, providing the value of the Shares to be switched equals or exceeds the minimum initial or subsequent subscription amount specified for each Sub-Fund in the relevant Appendix (subject to any applicable waiver as described under the heading "BUYING SHARES"), part of his Shares of one Sub-Fund or Class into Shares of another Sub-Fund or Shares of another Class of the same Sub-Fund. Switches into Class I Shares are only permitted for Institutional Investors.

Unless otherwise provided for in the relevant Appendix of the Sub-Fund, such switch may be made free of charge. As described in the section "Partial Swing Pricing" under the heading "DETERMINATION OF THE NET ASSET VALUE OF SHARES", the Net Asset Value of a Sub-Fund may be adjusted on a Valuation Day when the Sub-Fund experiences significant net subscriptions or redemptions.

Shareholders must fill out and sign an irrevocable application for switching which must be addressed with all the switching instructions to the Registrar and Transfer Agent. The Company accepts switches transmitted via fax or post.

If, for any reason, the value of the holdings of a single Shareholder in Shares of a particular Sub-Fund (or, if more than one Class of Shares has been issued in a Sub-Fund, of that Class) falls below the minimum holding amount specified for that Sub-Fund in the relevant Appendix (subject to any applicable waiver as described under the heading "BUYING SHARES"), then the Shareholder will at the discretion of the Company be deemed to have requested the switching of all of his Shares of that Sub-Fund (or, if applicable, of that Class).

Unless otherwise provided for in the relevant Appendix, the switching is performed on the basis of the Net Asset Values of the Classes concerned on the day the switching application is received in proper form by the Registrar and Transfer Agent, provided that such day is a Valuation Day for both of the Classes involved in the switching and the switching application has been received in proper form before the Dealing Deadline for both of the Classes involved in the switching. If such day is not a Valuation Day for both of the Classes involved in the switching, or if the switching application is received after the Dealing Deadline for one or both of the Classes involved in the switching, the switching shall be performed on the basis of the Net Asset Values of the Shares of the Classes concerned on the day next following the receipt of the switching application by the Registrar and Transfer Agent, that is a Valuation Day for both of the Classes involved in the switching. Switching applications that are received by the Company, other banks, professionals of the financial sector, a Distributor, a sub-distributor or a financial

institution authorized to that end will be forwarded by the relevant recipient to the Registrar and Transfer Agent. For the purpose of applying the Dealing Deadlines for the Classes involved in the switching they are however not deemed to be received before they are actually received by the Registrar and Transfer Agent. Shares may not be switched if the determination of the Net Asset Value of one of the relevant Sub-Funds is suspended.

A switching order may require the conversion of currency from one Sub-Fund to another. In such event, the number of Shares of the New Sub-Fund obtained on a switching will be affected by the net foreign currency exchange rate, if any, applied to the switching.

The rate at which shares in a given Sub-Fund or Class (the “Initial Sub-Fund”) are switched into Shares of another Sub-Fund or Class (the “New Sub-Fund”) is determined by means of the following formula:

$$F = \frac{A \times (B-C) \times E}{D}$$

A is the number of Shares of the Initial Sub-Fund subject to the switching

order; B is the Net Asset Value per Share of the Initial Sub-Fund;

C is the switching fee per Share, if any;

D is the Net Asset Value per Share of the New Sub-Fund;

E is the currency exchange rate (prevailing in Luxembourg) between the currency of the Initial Sub-Fund and the currency of the New Sub-Fund. If the currency of the Initial Sub-Fund and the currency of the New Sub-Fund are the same, E will be equal to 1;

F is the number of Shares of the New Sub-Fund obtained in the switching.

A confirmation statement will be sent to the relevant Shareholder (or third party as requested by the subscriber), detailing the switching transactions as soon as reasonably practicable after the Redemption

and Subscription Prices of the Shares being switched has been determined. Shareholders should check this statement to ensure that the transactions have been accurately recorded.

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## **FEES AND EXPENSES**

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### **Sales Charges**

#### Initial Sales Charge

The Shares of all Classes are offered at the applicable Net Asset Value per Share plus an initial charge the amount of which is specified in the relevant Appendix for each Sub-Fund. Initial sales charges may vary and therefore may be less than any specified maximum amount depending on the country in which Shares are offered, the bank, a Distributor, sub-distributor or financial institution through whom Shares are purchased, and/or the amount of Shares purchased and/or held. Initial sales charges may be imposed and retained by any such bank, a Distributor, sub-distributor or financial institution or may be imposed by the Management Company or a Distributor or a Sub-Fund and paid to the Management Company, a Distributor, any such bank, sub-distributor or financial institution through whom Shares are purchased.

#### Redemption Charge

Unless otherwise provided for in the relevant Appendix of each Sub-Fund, the Shares of all Classes will have no exit charge on redemption.

### Switching Fee

Unless otherwise provided for in the relevant Appendix, no fees apply to switches of Shares from one Sub-Fund to another Sub-Fund or within different Classes of the same Sub-Fund.

### **Other Charges**

The specific fees payable by a Sub-Fund, including the fees to the Investment Manager, are described in the relevant Appendix.

The Investment Manager, the Management Company, a Distributor, and their affiliates may pay a portion of their fees or other assets to third party entities (in particular advisers, distributors and service providers) that assist the Investment Manager, the Management Company or a Distributor in the performance of their duties (including in connection with the sale of Shares) or provide services, directly or indirectly, to the Company or the Shareholders. In return for these payments, the Company may receive certain marketing or servicing advantages including, without limitation, providing “shelf space” for the placement of the Sub-Funds as investment options to an intermediary’s clients, and granting access to sales personnel of the financial intermediary.

### Management Company Fee

Under the Fund Management Company Agreement, the Company will pay the Management Company a fee which will not exceed 0.04 % per annum of the net assets of each Sub-Fund, as determined on the last business day of the month. The management company fee accrues daily and is paid monthly in arrears. The fee payable is subject to a minimum monthly fee of EUR 1,500 per Sub-Fund.

### Depository and Paying Agent Fee

Under the Depository Agreement, the Depository receives annual safekeeping and servicing fees, according to the agreed schedule with the Company in respect of each Sub-Fund, the rates for which vary according to the country of investment and, in some cases, according to the Class. The depository fee is payable at the end of each month by the Company in respect of each Sub-Fund and is accrued on each Valuation Day based on the previous day’s Net Asset Value and the number of transactions processed during that month. The depository fee is calculated by the agreed schedule and shall not exceed 3 bps per annum of the Net Asset Value of each Sub-Fund.

### Administrative Fee

Under the Administration Agreement, the Administrator receives annual administrative fees, according to the agreed schedule with the Company in respect of each Sub-Fund, the rates for which vary according to the country of investment and, in some cases, according to Class. The administrative fee is payable at the end of each month by the Company in respect of each Sub-Fund and is accrued on each Valuation Day based on the previous day’s Net Asset Value and the number of transactions processed during that month. The administrative fee is calculated by the agreed schedule and shall not exceed the greater of 5 bps per annum or USD 3,750 per month of the Net Asset Value of each Sub-Fund.

### Formation Costs

The costs and expenses of the formation of the Company are to be borne by the Company and amortized over a period not exceeding five (5) years. The formation costs of any new Sub-Fund shall be borne by the relevant Sub-Fund and amortized over a period not exceeding five (5) years.

### Operational Expenses

The Company will pay out of its assets certain other costs and expenses incurred in its operation as more fully described in section B. (v) under the heading “DETERMINATION OF THE NET ASSET VALUE OF SHARES”.

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## SOFT COMMISSION ARRANGEMENTS

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The Investment Manager may, in circumstances in which two or more broker-dealers are in a position to offer comparable results for a portfolio transaction, give preference to a broker-dealer that has provided statistical and/or other research or brokerage services to the Investment Manager. In selecting a broker-dealer under these circumstances, the Investment Manager will consider, in addition to the factors listed above, the quality of the research and brokerage services provided by the broker-dealer. The Investment Manager considers the full range and quality of a broker-dealer's services in placing a client's order including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness of the broker-dealer. With regard to research offered by a broker-dealer, the Investment Manager considers the quality and frequency of its analytical work, the breadth and depth of its coverage, the availability of its analysts for discussion with the Investment Manager, its industry conferences, and its ability to organize meetings with company management. The determinative factor therefore is not the lowest possible commission cost but whether the transaction represents the best qualitative execution. The Investment Manager may cause a Sub-Fund to pay higher commissions than those obtainable from other broker-dealers in exchange for such research services. The research services generally include: (1) furnishing advice as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the advisability of securities or purchasers or sellers of securities; (2) furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and (3) effecting securities transactions and performing functions incidental thereto. Additional examples of such products and services used by the Investment Manager include, but are not limited to, software that provides analyses of securities portfolios, market data and economic research, including stock quotes, last sale prices, and trading volumes, company financial data and economic data (e.g., unemployment, GDP figures), sell-side research, company news, and expert consultants.

The Investment Manager will report to the Management Company on a regular basis on all commissions and fees paid or received, as well as all arrangements entered into, by the Investment Manager under this section.

The Investment Manager will engage in the activities described under this section in the best interest of the Shareholders.

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## INVESTMENT RESTRICTIONS

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The Company has the following investment powers and restrictions:

- I. (1) The Company may invest in:
  - a) Transferable Securities and Money Market Instruments admitted to or dealt in on an Eligible Market;
  - b) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
  - c) units of UCITS and/or other UCIs within the meaning of Article 1, paragraph (2), points a) and b) of the UCITS Directive ("Other UCIs"), whether situated in a Member State or not, provided that:
    - such Other UCIs have been authorized under the laws of any Member State or under the laws of Canada, Hong Kong, Japan, Norway, Switzerland or the United States of America,
    - the level of protection for unitholders in such Other UCIs is equivalent to that provided for 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,

- the business of such 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,
  - no more than 10% of the assets of the UCITS or Other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of Other UCITS or Other UCIs;
- d) 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 a country which is an OECD member state and a FATF State;
- e) FDIs, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or FDIs dealt in over-the-counter (“OTC derivatives”), provided that:
- the underlying consists of instruments covered by this section I., financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
  - 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;

and/or

- f) Money Market Instruments other than those dealt in on an Eligible Market, if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets, or
  - issued or guaranteed by a credit institution which has its registered office in a country which is an OECD member state and a FATF State, or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that set forth 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 EUR 10 million and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.
- (2) In addition, the Company may invest a maximum of 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to under (I) above.

II. The Company may hold ancillary liquid assets.

III. a) (i) The Company will invest no more than 10% of the net assets of any Sub-Fund in

Transferable Securities or Money Market Instruments issued by the same issuing body.

- (ii) The Company may not invest more than 20% of the net assets of any Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. d) above or 5% of its net assets in other cases.
- b) Moreover, where the Company holds on behalf of a Sub-Fund investments in Transferable Securities and Money Market Instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits set forth in paragraph a), the Company may not combine, where this would lead to investment of more than 20% of the net assets of a Sub-Fund in a single body, any of the following:

- investments in Transferable Securities or Money Market Instruments issued by that body;
  - deposits made with that body; and/or
  - exposure arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% set forth in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more Member States are members.
- d) The limit of 10% set forth in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-Fund.

- e) The Transferable Securities and Money Market Instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in Transferable Securities or Money Market Instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body, may not, in any event, exceed a total of 35% of any Sub-Fund's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognized international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.



The Company may cumulatively invest up to 20% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments within the same group.

- IV. **Notwithstanding the above provisions, the Company is authorized to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more Member States are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-Fund.**
- a) Without prejudice to the limits set forth in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and is disclosed in the relevant Sub-Fund's investment policy.
- b) The limit set forth in paragraph a) is raised to 35% where justified by exceptional market conditions, in particular on Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.
- V. a) The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
- b) The Company may acquire no more than:
- 10% of the non-voting shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 10% of the Money Market Instruments of the same issuer.
- c) These limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States are members.

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State complies with the limits set forth in paragraph III., V. and VI. a), b), c) and d).

- VI. a) The Company may acquire units of the UCITS and/or Other UCIs referred to in paragraph I(1) c), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of UCITS or Other UCIs or in one single such UCITS or Other UCI. For the purpose of the application of this investment limit, each sub-fund of a UCITS or Other UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.

- b) The underlying investments held by the UCITS or Other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the Company invests in the units of UCITS and/or Other UCIs that are managed directly or by delegation by the 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, the Management Company or other company cannot charge subscription or redemption fees to the Company on account of its investment in the units of such UCITS and/or UCIs.

In respect of a Sub-Fund's investments in UCITS and Other UCIs, the total management fee (excluding any performance fee, if any) charged both to such Sub-Fund and the UCITS and/or Other UCIs concerned shall not exceed 3% of the relevant assets. The Company will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and Other UCIs in which such Sub-Fund has invested during the relevant period.

- d) The Company may acquire no more than 25% of the units of the same UCITS or Other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or Other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or Other UCI concerned, all compartments combined.

VII. The Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Sub-Fund.

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

If the Company invests in FDIs, the exposure to the underlying assets may not exceed in aggregate the investment limits set forth in paragraph III above. When the Company invests in index-based FDIs, these investments are not subject to the limits set forth in paragraph III.

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 paragraph VII.

VIII. a) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Company may acquire foreign currencies by means of back to back loans;

- b) The Company may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Company from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. c), e) and f) which are not fully paid, and (ii) performing permitted securities lending activities, neither of which shall be deemed to constitute the making of a loan.

- c) The Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.
- d) The Company may not acquire movable or immovable property.
- e) The Company may not acquire either precious metals or certificates representing them.

- IX. a) The Company needs not comply with the limits set forth in this section when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.
- b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Shareholders.
- c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

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## **RISK MANAGEMENT PROCESS**

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The Management Company will employ a risk-management process which enables it – in cooperation with the Company and the Investment Manager – to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instrument.

Unless otherwise provided for in the relevant Appendix, the Management Company will apply the commitment approach with respect to the determination of the global exposure of each Sub-Fund.

Upon request of an investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

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## **TECHNIQUES AND INSTRUMENTS**

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### **I. General**

If foreseen by the Investment Policies of a specific Sub-Fund as described in Appendices below, the Company may employ techniques and instruments relating to Transferable Securities and Money Market Instruments provided that such techniques and instruments are only used for efficient portfolio management or hedging purposes.

When these operations concern the use of derivative instruments, these conditions and limits will conform to the provisions laid down in the section “INVESTMENT RESTRICTIONS”.

Under no circumstances will these operations cause a Sub-Fund to diverge from its investment objectives.

### **II. Use of Derivatives**

A Sub-Fund may use FDIs for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments. A Sub-Fund’s ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. The use of these strategies involves special risks, including:

- a) dependence on the Investment Manager's ability to predict movements in the price of securities being hedged and movements in interest rates;
- b) imperfect correlation between the movements in securities or currency on which a derivatives contract is based and movements in the securities or currencies in the relevant Sub-Fund;
- c) the absence of a liquid market for any particular instrument at any particular time;
- d) the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in futures trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to a Sub-Fund; and
- e) possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short-term obligations because a percentage of a Sub-Fund's assets will be segregated to cover its obligations.

Each Sub-Fund may use leverage subject to applicable laws and the conditions of the relevant Appendix. The use of leverage can lead to an enhanced increase of the value of the Sub-Fund's assets, if the costs incurred by the use of the derivative instruments are lower than the profits resulting therefrom. However, should the costs of such transactions exceed the profits resulting from the use of the derivative instruments, enhanced losses can be incurred.

Upon request by any Shareholder, information relating to the risk management methods employed for any Sub-Fund, including the quantitative limits that are applied and any recent developments in risk and yield characteristics of the main categories of investments may be provided to such Shareholder by the Company.

Transactions in options, futures, options on futures, swaps, options on swaps, interest rate caps, floors and collars, structured securities, inverse floating-rate securities, and currency transactions including currency forwards or other complex derivative transactions involve risk of loss. Loss can result from a lack of correlation between changes in the value of derivative instruments and the Sub-Fund's assets (if any) being hedged, the potential illiquidity of the markets for derivative instruments, or the risks arising from margin requirements and related leverage factors associated with such transactions. The use of these management techniques also involves the risk of loss if the Investment Manager is incorrect in its expectation of fluctuations in securities prices, interest rates or currency prices.

A Sub-Fund will only enter into total return swap transactions (or other FDIs with the same characteristics) with highly rated financial institutions specialized in this type of transaction. In addition, the use of total return swaps must comply with the investment objectives and policies and risk profile of the relevant Sub-Fund. Unless otherwise specified in an Appendix, counterparties to FDIs do not have any discretion over the composition or management of the relevant Sub-Fund's investment portfolio or over the underlying of the FDI, and no approval of the counterparty is required in relation to any investment portfolio transaction of the relevant Sub-Fund.

A Sub-Fund may not use total return swaps or other FDIs with similar characteristics unless the underlying asset's performance referred to under the total return swap or other FDI with similar characteristics is in compliance with the investment policy of the relevant Sub-Fund entering into such transaction. Unless otherwise provided for in the relevant Appendix of a Sub-Fund, the underlying portfolio will include equities.

### **III. Efficient Portfolio Management**

The reference to techniques and instruments which relate to transferable securities and which are used for the purpose of efficient portfolio management shall be understood as a reference to securities lending operations, repurchase transactions (*opérations à réméré*) as well as reverse repurchase transactions (*opérations de prise en pension*) and repurchase agreement transactions (*ventes de titres à réméré*) (the

“Efficient Portfolio Management Techniques” or “EPMT”). The Company will apply EPMT in accordance with the provisions of Circular 08/356 and ESMA Guidelines 2014/937.

EPMT must fulfill the following criteria:

- a) they are economically appropriate in that they are realized in a cost-effective way;
- b) they are entered into for one or more of the following specific aims:
  - i. reduction of risk;
  - ii. reduction of cost;
  - iii. generation of additional capital or income for the Company with a level of risk which is consistent with the risk profile of the Company and the risk diversification rules set forth in Section III. under the heading “INVESTMENT RESTRICTIONS”;
- c) their risks are adequately captured by the risk management process of the Company.

The Company must ensure when entering into securities lending transactions that it (or any of its agents on its behalf) is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

When entering in to reverse repurchase agreements, the Company must ensure that it (or any of its agents on its behalf) is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement either on an accrued basis or on a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the relevant Sub-Fund.

The Company must ensure that when entering into a repurchase agreement it (or any of its agents on its behalf) must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

If applicable, direct and indirect operational costs and fees arising from EPMTs will be deducted from the revenue delivered to the Company. They should under normal circumstances not be higher than 20% of the market value of the EPMT.

It is not expected that conflicts of interest will arise when using EPMTs.

The net exposures (i.e. the exposures of a Sub-Fund less the collateral received by this Sub-Fund) to a counterparty arising from the use of EPMT shall be taken into account in the 20% limit provided for in Article 43(2) of the 2010 Law.

By derogation of the preceding paragraph a Sub-Fund may be fully collateralized in different transferable securities and money market instruments issued or guaranteed by an EU Member State, one or more of its local authorities, an OECD Member State, or a public international body to which one or more EU Member States belong. Such Sub-Fund should receive securities from at least six (6) different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's net asset value. A Sub-Fund that intends to be fully collateralized in securities 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 should disclose this fact in the relevant Special Section. The relevant Special Section should also set out the Member States, local authorities, or public international bodies issuing or guaranteeing securities which the Sub-Fund is able to accept as collateral for more than 20% of its net asset value.

The Company's annual report will contain details of the following:

- a) the exposure obtained through EPMT;
- b) the identity of the counterparty(ies) to these EPMT;

- c) the type and amount of collateral received by the Company to reduce counterparty exposure; and
- d) the revenues arising from EPMT for the entire reporting period together with the direct and indirect operational costs and fees incurred.

#### **IV. Securities Financing Transactions**

Investors should note that the investment policies of the Sub-Funds do not currently provide for the possibility to enter into securities lending and/or repurchase (or reverse repurchase) transactions and to invest in total return swaps. Should the Board decide to provide for such possibility, this Prospectus will be updated prior to the entry into force of such decision in order for the Company to comply with the disclosure requirements of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

#### **V. Management of Collateral**

When entering into securities lending transactions, contracts concerning FDIs (if applicable) as well as repurchase agreement transactions, the Company will require the relevant counterparty to provide collateral whose value must at all times be at least equivalent to 90% of the value of the relevant Sub-Fund's assets (the "Collateral").

During the duration of the underlying Collateral agreement, the Collateral cannot be sold or given as a security or pledged. Collateral received by a Sub-Fund must normally take the form of:

- i. liquid assets, i.e., cash, short-term certificates and Money Market Instruments ("Liquid Assets"). A letter of credit or a collateral at first-demand given by a first class financial 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 OECD, regional or world-wide scope ("Sovereign Bonds");
- 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 ("Money Market UCIs");
- iv. shares or units issued by UCITS investing mainly in bonds/shares mentioned in (v) and (vi) below ("Non-Sophisticated UCITS");
- v. bonds issued or guaranteed by first class issuers offering an adequate liquidity ("First Class Bonds"); or
- vi. shares admitted to or dealt in on a Regulated Market, on the condition that these shares are included in a main index ("Main Index Shares");

and must at all times comply with the requirements of paragraph 43 of the ESMA Guidelines 2014/937 ("Eligible Collateral").

The Company must value the Eligible Collateral received on a daily basis. The Company will apply haircuts which depend on issuer, rating, maturity and guarantees to control and management of the Eligible Collateral (the "Haircut"). The Haircut is part of the counterparty risk process. It will take into account the level of risk related to the holding of the underlying asset(s) of the Eligible Collateral by the relevant Sub-Fund. Consequently, the agreement concluded between the Company and the counterparty must include provisions to the effect that the counterparty must provide additional Eligible Collateral at very short term in case the value of the Eligible Collateral already granted appears to be insufficient in comparison with the amount to be covered following the application of the Haircut.

The Company will apply the following maximum Haircuts in respect of the value of each of Eligible Collateral received:

- i. of 5 % with respect to liquid assets, whereby no Haircut will be applied with respect to cash;
- ii. of 5% with respect to Sovereign Bonds;
- iii. of 10% with respect to Money Market UCIs;
- iv. of 10% with respect to Non-Sophisticated UCITS;
- v. of 20% with respect to First Class Bonds;
- vi. of 20% with respect to Main Index Shares.

Furthermore, the Collateral agreement must, if appropriate, provide for safety margins that take into consideration exchange risks or market risks inherent to the assets accepted as Collateral.

The Collateral agreements shall also take into consideration exchange risks or market risks inherent to the assets accepted as Collateral. The Collateral agreement must further ensure that the Fund is able to claim its rights under the Collateral, which means that the Collateral must be available at all times, either directly or through the intermediary of the counterparty or its wholly-owned subsidiary, in such a manner that the Fund is able to appropriate or realize the assets given as Collateral, without delay, if the counterparty does not comply with its obligation to return the securities. Collateral given under any form other than cash or shares/units of a UCI/UCITS must be issued by an entity not affiliated to the counterparty. Non-cash collateral received will not be sold, re-invested or pledged.

Collateral given under the form of cash can only be:

- i. deposited with credit institutions which either have their registered office in Luxembourg, another EEA Member State or are otherwise subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- ii. invested in highly liquid government bonds;
- iii. used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; or
- iv. invested in Short-Term Money Market Funds as defined in the Guidelines on a Common Definition of European Money Market Funds issued by ESMA.

Re-invested cash collateral exposes the Sub-Fund to certain risks such as the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Investors should consult the “Risk Warnings” of this Prospectus for information on counterparty risk and credit risk in this regard.

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## DETERMINATION OF THE NET ASSET VALUE OF SHARES

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### Reference Currency

The Reference Currency of the Company is the USD and the Net Asset Value of the Company is expressed in USD.

### Valuation Principles

Unless otherwise provided for in the relevant Appendix of each Sub-Fund, the Administrator will calculate the Net Asset Value to at least two (2) decimal places on each Business Day.

The Net Asset Value per Share shall be determined by dividing the net assets of the Company, being the value of the assets of the Company less the liabilities of the Company, by the number of outstanding Shares of the Company.

A. The assets of the Company shall be deemed to include:

- (i) all cash on hand or on deposit, including any interest accrued thereon;
- (ii) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);
- (iii) all bonds, time notes, shares, stock, debenture stocks, units/shares in undertakings for collective investment, subscription rights, warrants, options and other investments and securities owned or contracted for by a Sub-Fund;
- (iv) all stock, stock dividends, cash dividends and cash distributions receivable by a Sub-Fund (provided that the Company may make adjustments with regard to fluctuations in the market value of securities caused by trading ex-dividends or ex-rights or by similar practices);
- (v) all interest accrued on any interest-bearing securities owned by a Sub-Fund except to the extent that the same is included or reflected in the principal amount of such security;
- (vi) the preliminary expenses of the Company insofar as the same have not been written off; and
- (vii) all other assets of every kind and nature, including prepaid expenses.

The value of such assets shall be determined as follows:

- 1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board may consider appropriate in such case to reflect the true value thereof;
- 2) The value of securities and/or FDIs which are quoted or dealt in on any stock exchange shall be based, except as defined in 3) below, in respect of each security on the latest available dealing prices on the stock exchange which is normally the principal market for such security;
- 3) Where investments of a Sub-Fund are both listed on a stock exchange and dealt in by market makers outside the stock exchange on which the investments are listed, then the Board will determine the principal market for the investments in question and they will be valued at the latest available price in that market;
- 4) Securities dealt in on another regulated market are valued in a manner as near as possible to that described in paragraph 2);
- 5) In the event that any of the securities held in a Sub-Fund's portfolio on the Valuation Day are not quoted or dealt in on a stock exchange or another regulated market, or for which no price quotation is available, or if the price as determined pursuant to sub-paragraphs 2) and/or 4) is not in the opinion of the Board representative of the fair market value of the relevant securities, the value of such securities shall be determined prudently and in good faith, based on the reasonably foreseeable sales or any other appropriate valuation principles;



- 6) The FDIs which are not listed on any official stock exchange or traded on any other organized market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Board;
- 7) Units or shares in underlying open-ended investment funds shall be valued at their last available net asset value reduced by any applicable charges;
- 8) Liquid assets and Money Market Instruments are valued at their market price, at their nominal value plus accrued interest or on an amortized cost basis in accordance with ESMA's guidelines on a common definition of European money market funds. If the Company considers that an amortization method can be used to assess the value of a Money Market Instrument, it will ensure that this will not result in a material discrepancy between the value of the Money Market Instrument and the value calculated according to the amortization method;
- 9) In the event that the above mentioned calculation methods are inappropriate or misleading, the Board may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Company if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments.

B. The liabilities of a Sub-Fund shall be deemed to include:

- (i) all loans, bills and accounts payable;
- (ii) all accrued or payable administrative expenses (including but not limited to investment advisory fees, performance or management fees, depositary fees and corporate agents' fees);
- (iii) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Company where the Valuation Day falls on the record date for determination of the person entitled thereto or is subsequent thereto;
- (iv) an appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time by the Company, and other provisions, if any, authorized and approved by the Board covering, among others, liquidation expenses; and
- (v) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by Shares in the Company. In determining the amount of such liabilities the Company shall take into account all expenses payable by the Company comprising formation expenses, the remuneration and expenses of its Directors and officers, including their insurance cover, fees payable to its investment advisers or investment managers, fees and expenses payable to its service providers and officers, accountants, depositary and correspondents, domiciliary, registrar and transfer agents, any paying agent and permanent representatives in places of registration, any other agent employed by the Company, fees and expenses incurred in connection with the listing of the Shares of the Company at any stock exchange or to obtain a quotation on another regulated market, fees for legal and tax advisers in Luxembourg and abroad, fees for auditing services, printing, reporting and publishing expenses, including the cost of preparing, translating, distributing and printing of the prospectuses, notices, rating agencies, explanatory memoranda, registration statements, or interim and annual reports, taxes or governmental charges, shareholders servicing fees and distribution fees payable to Distributors of Shares in the Company, currency conversion costs, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or

other periods in advance, and may accrue the same in equal proportions over any such period.

### **Partial Swing Pricing**

If on any Valuation Day the aggregate transactions in Shares of a Sub-Fund result in a net increase or decrease in net assets which exceeds a certain percentage of total net assets, as established by the Board, in situations other than in case of subscriptions or redemptions in specie, the Net Asset Value of the relevant Sub-Fund will be adjusted by an amount not exceeding 1.50% of that Net Asset Value, which reflects the estimated dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. The adjustment will be an addition when the net movement results in a net increase in total net assets of the Sub-Fund and a deduction when it results in a net decrease. Where a Sub-Fund invests substantially in government bonds or money market securities, the Board may decide, as per the swing pricing policy, that it is not appropriate to make such an adjustment.

The threshold is set by the Board taking into account factors such as prevailing market conditions, estimated dilution costs and the size of the relevant Sub-Fund. The adjustment up or down will be determined mechanically based on predetermined threshold percentages and adjustment factors. This mechanism acts as a counter to the dilution effect on the relevant Sub-Fund arising from large net cash inflows and outflows and aims to enhance the protection of the existing Shareholders in the relevant Sub-Fund. The adjustment factor for each Sub-Fund is established based on the historical liquidity and costs of trading assets of the type held by the relevant Sub-Fund and may be different between Sub-Funds.

### **TEMPORARY SUSPENSION OF THE CALCULATION OF NET ASSET VALUE**

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Under article 21 of the Articles, the Company may temporarily suspend the calculation of the Net Asset Value of one or more Sub-Funds and the issue, redemption and switching of Shares in the following cases:

- a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund for the time being are quoted, is closed, other than for legal holidays or during which dealings are substantially restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of a Sub-Fund attributable to such Sub-Fund;
- b) during the existence of any state of affairs which constitutes an emergency, in the opinion of the Board, as a result of which disposal or valuation of investments of the relevant Sub-Fund by the Company is not possible;
- c) during any breakdown in the means of communication normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any market or stock exchange;
- d) if the Company is being or may be wound up or merged, from the date on which notice is given of a general meeting of Shareholders at which a resolution to wind up or merge the Company is to be proposed or if a Sub-Fund is being liquidated or merged, from the date on which the relevant notice is given;
- e) when for any other reason the prices of any investments owned by the Company attributable to a Sub-Fund cannot promptly or accurately be ascertained (including the suspension of the calculation of the net asset value of an underlying undertaking for collective investment);
- f) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of a Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board, be effected at normal rates of exchange; or
- g) any other circumstances beyond the control of the Board.

The Board may, in any of the circumstances listed above, suspend the issue and/or redemption and/or switching of Shares without suspending the calculation of the Net Asset Value. Notice of such suspension will be given to the CSSF.

Notice will be given to any applicant or Shareholder as the case may be applying for purchase, redemption, or switching of Shares in the Sub-Fund(s) concerned. Such Shareholders may give notice that they wish to withdraw their application for subscription, redemption and switching of Shares. If no such notice is received by the Company such application for redemption or switching as well as any application for subscription will be dealt with on the first Valuation Date following the end of the period of suspension.

Notice of the beginning and of the end of any period of suspension will be published in a Luxembourg newspaper and in any other newspaper(s) and/or media selected by the Board, if, in the opinion of the Board, such period of suspension is likely to exceed seven Business Days.

The suspension of the Net Asset Value calculation of a Sub-Fund shall have no effect on the calculation of the Net Asset Value, the issue, sale, redemption and switching of Shares of any other Sub-Fund for which the Net Asset Value calculation is not suspended.

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## **ALLOCATION OF ASSETS AND LIABILITIES**

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The Board reserves the right to add further Sub-Funds and in certain circumstances to discontinue existing Sub-Funds.

The Company is a single legal entity. Pursuant to article 181 of the Law of 2010, the rights of investors and of creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively available to satisfy the rights of investors in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Sub-Fund.

For the purpose of the relations as between investors, each Sub-Fund will be deemed to be a separate entity.

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## **TAXATION**

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### **General**

The following statements on taxation below are intended to be a general summary of certain Luxembourg tax consequences that may result to the Company and Shareholders in connection with their investment in the Company and are included herein solely for information purposes. They are based on the law and practice in force in Luxembourg at the date of this Prospectus. There is no assurance that the tax status of the Company or Shareholders will not be changed as a result of amendments to, or changes in the interpretation of, relevant tax legislation and regulations. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Prospective investors should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

The Company will provide regular financial information to its Shareholders as described herein, but will not be responsible for providing (or for the costs of providing) any other information which Shareholders may, by virtue of the size of their holdings or otherwise, be required to provide to the taxing or other authorities of any jurisdiction.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The information herein should not be regarded as legal or tax advice.

## **Taxation of the Company**

The Company is not liable for any Luxembourg tax on profits or income.

The Company is liable in Luxembourg for an annual subscription tax (*taxe d'abonnement*) which is payable quarterly on the basis of the value of the net assets of the Company at the end of the relevant calendar quarter.

The rate of the subscription tax is 0.05% per annum of the Net Asset Value of each Class which is available to all investors.

The rate of the subscription tax is 0.01% per annum of the Net Asset Value for:

- (a) Sub-Funds whose sole object is the collective investment in Money Market Instruments and the placing of deposits with credit institutions,
- (b) Sub-Funds whose sole object is the collective investment in deposits with credit institutions and
- (c) Sub-Funds or Classes which are reserved to one or more Institutional Investors.

A Sub-Fund that satisfies the following conditions is exempt from the annual subscription tax:

- (i) the securities issued by the Sub-Fund are reserved to Institutional Investors;
- (ii) the sole object of the Sub-Fund is the collective investment in Money Market Instruments and the placing of deposits with credit institutions;
- (iii) the weighted residual portfolio maturity of the Sub-Fund does not exceed 90 days; and
- (iv) the Sub-Fund has obtained the highest possible rating from a recognized rating agency.

No stamp duty or other tax is due on the issue or transfer of the Shares.

No Luxembourg tax is payable on the realized capital gains or unrealized capital appreciation of the assets of the Company.

Dividends and interest received by the Company on its investments are in many cases subject to irrecoverable withholding taxes at source.

## **Common Reporting Standard**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard (the CRS) to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The CRS has been implemented in the EU by Council Directive 2014/107/EU on the mandatory automatic exchange of tax information which was adopted on 9 December 2014 (the Administration Cooperation Directive).

The Administration Cooperation Directive was implemented in Luxembourg by the law of 18 December 2015 relating to the CRS, implementing the Administration Cooperation Directive (the CRS Law). As a result the Company is required to comply with the CRS due diligence and reporting requirements, as set forth in the CRS Law. Investors may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Company.

The Company may take such action as it considers necessary in accordance with applicable law in relation to an investor's holding to ensure that any withholding tax payable by the Company, and any related costs, interest, penalties and other losses and liabilities suffered by the Company, the Administrator, the Management Company, the Investment Manager, or any other investor, or any agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such investor's failure to provide the requested information to the Company, is economically borne by such investor.

### **Taxation of Shareholders**

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

It is expected that Shareholders in the Company will be resident for tax purposes in many different jurisdictions. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each investor of subscribing, switching, holding or redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances. Investors should inform themselves about, and when appropriate consult their professional advisers on, the possible tax consequences of subscription for, buying, holding, switching, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

### **Certain U.S. Federal Income Tax Considerations**

Sub-Funds of the Company may be organized at different times and may have different investment policies and objectives, and the U.S. federal income tax treatment of the Sub-Funds' activities may therefore be different. The discussion herein is limited to the U.S. federal income tax treatment of the Company as currently configured.

The following discussion is a general summary of certain U.S. federal tax consequences that may apply to the Company. The discussion does not purport to deal with all of the U.S. federal income tax consequences applicable to the Company or to its investors, some of whom may be subject to special rules.

The following discussion is based on laws and regulations currently in effect, which may change retroactively or prospectively. The discussion assumes that the Company will not hold any interests (other than as a creditor) in any "United States real property holding corporations" or "United States real property interests" as defined in the U.S. Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, the discussion assumes that no U.S. Taxpayer (with the exception of the Investment Manager) will own directly or indirectly, or will be considered as owning by application of certain tax law rules of constructive ownership, any Shares of the Company or any Sub-Fund. The Company cannot guarantee, however, that this will be the case. Investors should consult their own tax advisors regarding the tax consequences to them of an investment in the Company under applicable U.S. federal, state, local and foreign income tax laws as well as with respect to any specific gift, estate and inheritance tax issues.

The following discussion assumes for convenience that the Company, including each Sub-Fund thereof, will be treated as a single entity for U.S. federal income tax purposes. The law in this area is uncertain. Thus, it is possible that the Company may adopt an alternative approach, treating each Sub-Fund as a separate entity for U.S. federal income tax purposes. There can be no assurance that the U.S. Internal Revenue Service will agree with the position taken by the Company.

#### *Taxation of the Company*

The Company generally intends to conduct its affairs so that it will not be deemed to be engaged in trade or business in the United States and, therefore, none of its income will be treated as "effectively

connected” with a U.S. trade or business carried on by the Company. If none of the Company’s income is effectively connected with a U.S. trade or business carried on by the Company, certain categories of income (including dividends and certain types of interest income) derived by the Company from U.S. sources will be subject to a U.S. tax of 30 percent, which tax is generally withheld from such income. Certain other categories of income, generally including most forms of U.S. source interest income (e.g., interest and original issue discount on portfolio debt obligations (which may include United States Government securities), original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit), and capital gains (including those derived from options transactions), will not be subject to this 30 percent withholding tax. If, on the other hand, the Company derives income which is effectively connected with a U.S. trade or business carried on by the Company, such income will be subject to U.S. federal income tax at the graduated rates applicable to U.S. domestic corporations, and the Company would also be subject to a branch profits tax on earnings removed, or deemed removed, from the United States.

Pursuant to FATCA, the Company (or each Sub-Fund) will be subject to U.S. federal withholding taxes (at a 30 percent rate) on payments of certain amounts made to the Company (or Sub-Fund) (“withholdable payments”), unless the Company (or Sub-Fund) complies (or is deemed compliant) with extensive reporting and withholding requirements. Withholdable payments generally include interest (including original issue discount), dividends, rents, annuities, and other fixed or determinable annual or periodical gains, profits or income, if such payments are derived from U.S. sources, as well as (effective 1 January 2017) gross proceeds from dispositions of securities that could produce U.S. source interest or dividends. Income which is effectively connected with the conduct of a U.S. trade or business is not, however, included in this definition.

To avoid the withholding tax, unless deemed compliant, the Company (or each Sub-Fund) will be required to enter into an agreement with the United States to identify and disclose identifying and financial information about each U.S. Taxpayer (or foreign entity with substantial U.S. ownership) which invests in the Company (or Sub-Fund), and to withhold tax (at a 30 percent rate) on withholdable payments and related payments made to any investor which fails to furnish information requested by the Company (or Sub-Fund) to satisfy its obligations under the agreement. Pursuant to an intergovernmental agreement between the United States and Luxembourg, the Company (or each Sub-Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. Taxpayer information directly to the Luxembourg government. Certain categories of U.S. investors, generally including, but not limited to, tax-exempt investors, publicly traded corporations, banks, regulated investment companies, real estate investment trusts, common trust funds, brokers, dealers and middlemen, and state and federal governmental entities, will be exempt from such reporting. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Company or its Sub-Funds.

Shareholders will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status, together with such additional tax information as the Company or its agents may from time to time request. Failure to furnish requested information or (if applicable) satisfy its own FATCA obligations may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption of such Shareholder’s Shares.

## **GENERAL MEETINGS OF SHAREHOLDERS, ACCOUNTING, ACCOUNTING YEARS AND REPORTS**

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The annual general meeting of Shareholders will be held each year at the registered office of the Company or at any other place in the municipality of the registered office of the Company, which will be specified in the convening notice to the annual general meeting.

The annual general meeting of Shareholders will be held on the twenty-seventh day of the month of January or, if such day is not a bank business day in Luxembourg, on the next bank business day in Luxembourg, at 4 p.m. (Luxembourg time), and for the first time in 2015.

Shareholders will meet upon the call of the Board in accordance with the provisions of Luxembourg law.

In accordance with the Articles and Luxembourg law, all decisions taken by the Shareholders pertaining to the Company shall be taken at the general meeting of all Shareholders. Any decisions affecting Shareholders in one or several Sub-Funds may be taken by just those Shareholders in the relevant Sub-Funds to the extent that this is allowed by law. In that particular instance, the requirements on quorum and majority voting rules as set forth in the Articles apply.

The Company draws the Shareholders' attention to the fact that any Shareholder will only be able to fully exercise his/her/its rights directly against the Company, notably the right to participate in general shareholders' meetings, if the Shareholder is registered himself/herself/itself and in his/her/its own name in the Company's register. In cases where a Shareholder invests in the Company through an intermediary investing into a Sub-Fund in his/her/its own name but on behalf of the Shareholder, it may not always be possible for the Shareholder to exercise certain Shareholder rights directly against the Company. Shareholders are advised to obtain advice on their rights.

The Company will issue an audited annual report within four (4) months after the end of the accounting year and an un-audited semi-annual report within two months after the end of the period to which it refers. Audited annual reports and un-audited interim reports for the Company combining the accounts of the Sub-Funds will be drawn up in USD. For this purpose, if the accounts of a Sub-Fund are not expressed in USD, such accounts shall be converted into USD. Both sets of reports will also be made available at the registered office of the Company.

Unless otherwise provided for in the convening notice to the annual general meeting of Shareholders, the audited annual reports will be available at the registered office of the Company (and as may be required by applicable local laws and regulations). The accounting year of the Company ends on 30 September in each year and for the first time on 30 September 2014. The first report of the Company shall be an un-audited semi-annual report as of 31 March 2014.

## **DURATION, MERGER AND LIQUIDATION OF THE COMPANY AND OF THE SUB- FUNDS**

### **Term**

#### *The Company*

The Company was incorporated for an unlimited duration. However, the Board may at any time move to dissolve the Company at an extraordinary general meeting of Shareholders.

#### *The Sub-Funds*

Unless otherwise provided for in the relevant Appendix, each Sub-Fund will be set up for a continuous and unlimited term of years.

### **Liquidation**

#### *The Company*

If the Company's share capital falls below two-thirds of the minimum capital required by law, the Board must refer the matter of the dissolution to a general meeting of Shareholders, deliberating without any quorum and deciding by a simple majority of the Shares represented at the meeting.

If the Company's share capital is less than a quarter of the minimum capital required by law, the Board must refer the matter of dissolution of the Company to a general meeting of Shareholders, deliberating without any quorum; the dissolution may be decided by Shareholders holding a quarter of the Shares represented at the meeting.

In the event of a dissolution of the Company, liquidation must be carried out by one or several liquidators (who may be physical persons or legal entities) named by decision of the Shareholders effecting such dissolution and which shall determine their powers and their compensation. The net proceeds of liquidation corresponding to each Class (within each Sub-Fund) will be distributed by the liquidators to the holders of Shares of each Class in proportion to their holding of Shares in such Class.

The completion of the liquidation of the Company must in principle take place within a period of nine months from the date of the decision relating to the liquidation. Where the liquidation of the Company cannot be fully completed within a period of nine months, a written request for exemption shall be submitted to the CSSF detailing the reasons why the liquidation cannot be completed.

As soon as the closure of the liquidation of the Company has been decided, whether this decision is taken before the nine-month period has expired or at a later date, any residual funds not claimed by Shareholders prior to the completion of the liquidation shall be deposited as soon as possible at the *Caisse de Consignation* in Luxembourg.

#### *The Sub-Funds and Classes*

A Sub-Fund or a Class may be terminated by resolution of the Board if the Net Asset Value of a Sub-Fund or a Class is below USD 10 million (or currency equivalent) or in the event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Board should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub-Fund or a Class to operate in an economically efficient manner, and with due regard to the best interests of Shareholders, that a Sub-Fund or a Class should be terminated. In such event, the assets of the Sub-Fund or the Class will be realized, the liabilities discharged and the net proceeds of realization distributed to Shareholders in proportion to their holding of shares in that Sub-Fund or Class and such other evidence of discharge as the Board may reasonably require. This decision will be notified to Shareholders as required. No Shares will be redeemed after the date of the decision to liquidate the Sub-Fund or a Class.

The completion of the liquidation of a Sub-Fund or a Class must in principle take place within a period of nine months from the date of decision of the Board relating to the liquidation. Where the liquidation of Sub-Fund or a Class cannot be fully completed within a period of nine months, a written request for exemption shall be submitted to the CSSF detailing the reasons why the liquidation cannot be completed.

As soon as the closure of the liquidation of Sub-Fund or a Class has been decided, whether this decision is taken before the nine-month period has expired or at a later date, any residual funds not claimed by Shareholders prior to the completion of the liquidation shall be deposited as soon as possible at the *Caisse de Consignation* in Luxembourg.

### **Merger**

#### *The Company*

The Company may be merged in accordance with the provisions of the Law of 2010. In the event the Company is involved in a merger as receiving UCITS, solely the Board will decide on the merger and the effective date thereof; in the event the Company is involved in a merger as absorbed UCITS and hence ceases to exist, the general meeting of shareholders of the Company has to approve and decide on the effective date of such merger by a resolution adopted with no quorum requirement and at the simple majority of the votes validly cast at such meeting. Any applicable contingent deferred sales charges are not to be considered as redemption charges and shall therefore be due.

#### *The Sub-Funds*

The Board may resolve to proceed with a merger (within the meaning of the Law of 2010) of any Sub-Fund, either as receiving or absorbed Sub-Fund, with (i) another existing Sub-Fund within the Company



or another sub-fund within another Luxembourg or foreign UCITS; or (ii) a new Luxembourg or foreign UCITS, and as appropriate, to redesignate the shares of the Sub-Fund concerned as shares of the new Sub-Fund or of the new UCITS as applicable. Any applicable contingent deferred sales charges are not to be considered as redemption charges and shall therefore be due.

### *The Classes*

A Class may merge with one or more other Classes by resolution of the Board if the Net Asset Value of a Class is below USD 10 million (or currency equivalent) or in the event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Board should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Class to operate in an economically efficient manner, and with due regard to the best interests of Shareholders, that a Class should be merged. This decision will be notified to Shareholders as required. Each Shareholder of the relevant Class will be given the option, within a period to be determined by the Board (but not being less than one month, unless otherwise authorized by the regulatory authorities, and specified in said notice), to request free of any redemption charge either the repurchase of its Shares or the exchange of its Shares against Shares of any Class not concerned by the merger. Any applicable contingent deferred sales charges are not to be considered as redemption charges and shall therefore be due.

A Class may be contributed to another investment fund by resolution of the Board in the event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Board should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Class to operate in an economically efficient manner, and with due regard to the best interests of Shareholders, that a Class should be contributed to another fund. This decision will be notified to Shareholders as required. Each Shareholder of the relevant Class will be given the option within a period to be determined by the Board (but not being less than one month, unless otherwise authorized by the regulatory authorities, and specified in said notice), to request, free of any redemption charge, the repurchase of its Shares. Where the holding of units in another undertaking for collective investment does not confer voting rights, the contribution will be binding only on Shareholders of the relevant Class who expressly agree to the merger. Any applicable contingent deferred sales charges are not to be considered as redemption charges and shall therefore be due.

### **Division**

If the Board determines that it is in the interests of the Shareholders of the relevant Sub-Fund or Class or that a change in the economic or political situation relating to the Sub-Fund or Class concerned has occurred which would justify it, the reorganization of one Sub-Fund or Class, by means of a division into two or more Sub-Funds or Classes, may take place. This decision will be notified to Shareholders as required. The notification will also contain information about the two or more new Sub-Funds or Classes. The notification will be made at least one month before the date on which the reorganization becomes effective in order to enable the Shareholders to request the sale of their Shares, free of charge, before the operation involving division into two or more Sub-Funds or Classes becomes effective.

## **PUBLICATION OF PRICES**

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The Net Asset Value per Share, as well as the Subscription Price and Redemption Price, may be obtained from the registered office of the Company. Depending on the nature of the arrangement with a particular bank, a professional of the financial sector, a Distributor, sub-distributor or financial institution authorized to offer and sell Shares, any Net Asset Value per Share or Subscription Price obtained from the registered office of the Company may not correspond to the amount an investor would pay if purchasing through such bank, a professional of the financial sector, a Distributor, sub-distributor or financial institution. If required under local requirements, Share prices will be made available or published in newspapers and via any other media as may be decided by the Board from time to time.

The Company is not liable for any error or delay in publication or for non-publication of price.

## **HISTORICAL PERFORMANCE**

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If available, past performance information will be included in the KIIDs which are available from the registered office of the Company.

## **COMPLAINTS**

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Complaints regarding the operation of the Company may be submitted to the registered office of the Company.

In accordance with the regulation applicable in Luxembourg, the Management Company has implemented and maintains effective and transparent procedures for the reasonable and prompt handling of complaints received from Shareholders. The information regarding those procedures is available to Shareholders free of charge, upon request.

## **MATERIAL CONTRACTS**

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The following contracts, not being contracts entered into in the ordinary course of business, have been entered or will be entered into and are or may be material:

- The Management Company Agreement;
- The Investment Management Agreement;
- The Depositary Agreement;
- The Global Distribution Agreement; and
- The Administration Agreement.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

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Copies of the Articles, the most recent Prospectus, the most recent KIIDs and the latest available Reports, if any, of the Company and of each Sub-Fund and the material contracts referred to above are available for inspection at the registered office of the Company.

A copy of the Articles, the most recent Prospectus, the most recent KIIDs and the latest Reports, if any, may be obtained free of charge.

Insofar as voting rights are attached to the assets held by one of the Sub-Funds, the Management Company has entrusted the Investment Manager with the exercise of any such voting rights or corporate actions. The Investment Manager has developed strategies for determining when and how voting rights attached to the instruments in the portfolios of the Sub-Funds are to be exercised. This strategy is available under [www.dsmsicav.com](http://www.dsmsicav.com).

**TO THE PROSPECTUS OF DSM Capital Partners**

**Funds Relating to**

**DSM Capital Partners Funds – Global Growth**

**1. Name**

DSM Capital Partners Funds – Global Growth (the “Global Growth Sub-Fund”)

**2. Reference Currency**

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

**3. Investment Objective and Policy**

The Global Growth Sub-Fund seeks long-term capital appreciation.

Under normal circumstances, the Global Growth Sub-Fund will primarily invest its net assets in equity securities of large capitalization companies. Equity securities include, but are not limited to, common stocks, preferred stocks, securities convertible into common stocks, rights and warrants. The Global Growth Sub-Fund has no limit on the amount of its assets it can invest in equity securities of domestic or foreign companies, including those in emerging markets. A large capitalization company is one that has a market capitalization of more than USD 10 billion at the time of the investment by the Global Growth Sub-Fund.

The Global Growth Sub-Fund may also invest up to 40% of its net assets in equity securities of companies that have a market capitalization below USD 10 billion at the time of the investment by the Global Growth Sub-Fund.

The Global Growth Sub-Fund generally will contain 25 to 50 positions.

From time-to-time, the Global Growth Sub-Fund may invest more than 30% of its net assets in instruments issued by issuers from China and issuers from other newly-developed trading markets, which involves certain risks and special considerations not typically associated with investment in more developed economies or markets. Chinese companies of interest to the Global Growth Sub-Fund may issue “H shares”, offered on the Hong Kong Stock Exchange and denominated in Hong Kong Dollars, or (up to 25% of its net assets) Chinese “A” and “B” shares, traded on various exchanges in China.

Investments in Chinese “A” Shares can be done via Stock Connect.

The Global Growth Sub-Fund may, from time-to-time, have significant exposure to one or more issuers, industries, geographic regions or sectors of the global economy. The Global Growth Sub-Fund may invest greater than 25% of its net assets in the following sectors: consumer discretionary, consumer staples, energy, financials, health care, industrials, materials, technology and telecommunications services.

**4. Classes**

Currently, Shares of the Global Growth Sub-Fund may be issued in the following Classes:

- Class A which is open to any type of investor;
- Class I1, Class I2, Class I1-AUD, Class I1-JPY and Class I2-JPY which are reserved for Institutional Investors; and

- Class I2-AUD which is reserved for certain Institutional Investors as the Board may determine from time to time, it being understood that in principle as a launch class, additional investors to that Class will be limited, while existing Shareholders may make additional subscriptions.

## 5. Initial Offering Period

On a date or for a period as shall be specified by the Board, Class A Shares will be issued at a price of EUR 100 and Class I1-AUD Shares and Class I2-AUD Shares will be issued at a price of AUD 100 and Class I1-JPY Shares and Class I2-JPY Shares will be issued at a price of JPY 10,000, or at a price as further determined at the discretion of the Board.

## 6. Dividend Policy

Under normal circumstances, the Global Growth Sub-Fund does not intend to declare and make distributions with respect to net investment income and realized capital gains, if any. Accordingly, the net investment income of the Global Growth Sub-Fund will neither be declared nor distributed. However, the Net Asset Value per Share of the Global Growth Sub-Fund will reflect any net investment income or capital gains.

The Board may amend this policy at any time upon notice without prior Shareholder approval.

## 7. Minimum Subscription and Minimum Holding Requirements

Class	Class A	Class I1	Class I2	Class I1-AUD	Class I2-AUD
Minimum Initial Subscription	EUR 25,000	EUR 1 million	EUR 10 million	AUD 1 million	AUD 10 million
Minimum Subsequent Investment	EUR 25,000	EUR 100,000	EUR 100,000	AUD 100,000	AUD 100,000
Minimum Holding Requirement	EUR 25,000	EUR 1 million	EUR 10 million	AUD 1 million	AUD 10 million

Class	Class I1-JPY	Class I2-JPY
Minimum Initial Subscription	JPY 100 million	JPY 1 billion
Minimum Subsequent Investment	JPY 10 million	JPY 10 million
Minimum Holding Requirement	JPY 100 million	JPY 1 billion

The Board may, in its sole discretion, waive or modify the foregoing requirements in particular cases.

## 8. Subscriptions and Subscription Price

Subject to the discretion of the Board to determine otherwise, subscription applications should be received in proper form by the Registrar and Transfer Agent no later than the Dealing Deadline.

Subject to the discretion of the Board to determine otherwise, subscription requests received and approved by the Registrar and Transfer Agent after the Dealing Deadline will be deemed to have been received on the next Valuation Day and Shares will then be issued at the price applicable to that next Valuation Day.

The Subscription Price, payable in the Reference Currency of the relevant Class, must be paid by the investor and received by the Paying Agent within three (3) Business Days after the relevant Valuation Day.

## 9. Redemptions

Subject to the discretion of the Board to determine otherwise, redemption applications must be received by the Registrar and Transfer Agent no later than the Dealing Deadline.

Redemption requests received after the Dealing Deadline will be held over until the next Valuation Day and Shares will then be redeemed at the price applicable to that next Valuation Day.

Redemption payments will be made in the reference currency of the relevant Class and settled as soon as reasonably practicable, normally within three Business Days of the Valuation Day, at a Redemption Price per Share determined by reference to the Net Asset Value of the Global Growth Sub-Fund on the relevant Valuation Day.

## 10. Switches

Subject to the qualifications and requirements for investment being met and the Board approving the switching, Shareholders may switch Shares of a Class of the Global Growth Sub-Fund into Shares of another Class of the Global Growth Sub-Fund or of another Sub-Fund without any charge. There is no minimum switching amount.

Switching applications must be received by the Registrar and Transfer Agent no later than the Dealing Deadline.

Switching requests received later than the Dealing Deadline will be held over until the next Valuation Day and Shares will then be switched at the price applicable to that next Valuation Day.

## 11. Fees

### Shareholder Fees

No subscription, redemption or switching fees will be levied by the Company for Shares of any Class in the Global Growth Sub-Fund.

### Management Fee

The Company will pay the	Class A	Class I1	Class I2	Class I1- AUD	Class I2- AUD	Class I1- JPY	Class I2- JPY
Maximum Management Fees	1.50% p.a.	0.84% p.a.	0.70% p.a.	0.84% p.a.	0.55% p.a.	0.84% p.a.	0.70% p.a.

**In the case of capital flows during a given quarter that exceed 10% of the net asset value of a Sub-Fund, the Management Fee will be pro-rated based on the number of days after a subscription or**

**prior to a redemption. In such a case, any additional fee or credit due will be included with the quarter's invoice. In any partial quarter, the fee will be pro-rated based on the number of days that the Investment Manager managed the Sub-Fund.**

#### **Ongoing Charges**

Up to and until 31 December 2020, to the extent that the Ongoing Charges per Class exceed the percentage for each Class noted below during any financial year, such excess amount shall be paid by the Investment Manager, subject to recoupment by the Investment Management over a period not exceeding five years. For the avoidance of doubt, the recoupment will not lead to the aforementioned Ongoing Charges being exceeded. The Investment Manager may decide on a voluntary basis to extend year by year the above-mentioned period in which it will pay such excess amount. Should the Investment Manager decide not to do so the Prospectus will be updated accordingly.

Class	Class A	Class I1	Class I2	Class I1-AUD	Class I2-AUD	Class I1-JPY	Class I2-JPY
Maximum Ongoing Charges	1.65% p.a.	0.99% p.a.	0.85% p.a.	0.99% p.a.	0.70% p.a.	0.99% p.a.	0.85% p.a.

#### **12. Valuation Day**

Every Business Day shall be a Valuation Day.

#### **13. Dealing Deadline**

The Dealing Deadline is 4:00 p.m. Luxembourg Time on the Business Day prior to the applicable Valuation Day.

#### **14. Listing**

An application may be made to list Shares of Classes A, I1, I2, I1-AUD, I2-AUD, I1-JPY and I2-JPY on the Luxembourg Stock Exchange.

#### **15. Benchmark**

The performance of the Global Growth Sub-Fund will be measured against the performance of the MSCI ACWI Net.

#### **16. Profile of the Typical Investor**

The Global Growth Sub-Fund is suitable for investors seeking long-term capital appreciation who are prepared to experience higher levels of volatility in pursuit of higher returns. The Global Growth Sub-Fund may not be appropriate for investors who plan to withdraw their money within 60 months.

#### **17. Risk Factors**

The Global Growth Sub-Fund is primarily subject to the risks mentioned below. These risks are described under the heading "RISK WARNINGS" in the Prospectus.

- Active Trading Risk
- Currency Risk
- Depository and Sub-Custodian Risk
- Economic Dislocation Risk
- Geographic Concentration Risk
- Global Investment Risk
- Issuer Risk
- Growth Style Investment Risk
- Issuer Non-Diversification Risk
- Sector Emphasis Risk
- Foreign Securities and Emerging Markets Risks
- China Risk
- New Fund Risk
- Liquidity Risk
- Management Risk
- Market Risk
- Regulatory Risk
- Smaller Company Securities Risk
- Taxation of Dividends/Deemed Dividends
- Data Protection Legislation

**TO THE PROSPECTUS OF DSM Capital Partners Funds**

**Relating to**

**DSM Capital Partners Funds – U.S. Large Cap Growth**

**1. Name**

DSM Capital Partners Funds – U.S. Large Cap Growth (the “U.S. Large Cap Growth Sub-Fund”)

**2. Reference Currency**

The Reference Currency of the U.S. Large Cap Growth Sub-Fund is the USD.

**3. Investment Objective and Policy**

The U.S. Large Cap Growth Sub-Fund seeks long-term capital appreciation. Under normal circumstances, the U.S. Large Cap Growth Sub-Fund will invest at least 80% of its net assets in equity securities of large cap companies. Equity securities may include common stocks, preferred stocks, securities convertible into common stocks, rights and warrants. The U.S. Large Cap Growth Sub-Fund currently defines a “large cap company” as one that has a market capitalization of more than USD 10 billion. The U.S. Large Cap Growth Sub-Fund may also invest up to 20% of its net assets in equity securities of issuers that have market capitalizations outside the defined large-cap level at the time of purchase.

The U.S. Large Cap Growth Sub-Fund’s portfolio will generally contain approximately 25 to 35 stocks and will invest up to 20% of the portfolio in non-U.S. securities. Shares of issuers that primarily trade on a U.S. exchange are considered to be U.S. securities. Also, as determined by the Investment Manager, issuers that issue U.S. securities may be domiciled and/or headquartered anywhere in the world. The U.S. Large Cap Growth Sub-Fund may, from time-to-time, have significant exposure to one or more issuers, industries, geographic regions or sectors of the global economy. The U.S. Large Cap Growth Sub-Fund may invest greater than 25% of its net assets in the following sectors: consumer discretionary, consumer staples, energy, financials, health care, industrials, materials, technology and telecommunications services.

**4. Classes**

Currently, Shares of the U.S. Large Cap Growth Sub-Fund are issued in the following Classes:

- Class A-USD which is open to any type of investor, it being understood that in principle as a launch class, additional investors to that Class will be limited, while existing Shareholders may make additional subscriptions;
- Class A which is open to any type of investor;
- Class I1, Class I2, Class I1-USD, Class I2-USD, Class I1-JPY and Class I2-JPY which are reserved for Institutional Investors; and
- Class I3-USD which is reserved for certain Institutional Investors as the Board may determine from time to time, it being understood that in principle as a launch class, additional investors to that Class will be limited, while existing Shareholders may make additional subscriptions.



## 5. Initial Offering Period

On a date or for a period as shall be specified by the Board, Class A Shares and Class I1 Shares will be issued at a price of EUR 100, Class I1-USD Shares and Class I2-USD Shares will be issued at a price of USD 100 and Class I1-JPY Shares and Class I2-JPY Shares will be issued at a price of JPY 10,000, or at a price as further determined at the discretion of the Board.

## 6. Dividend Policy

Under normal circumstances, the U.S. Large Cap Growth Sub-Fund does not intend to declare and make distributions with respect to the net investment income and realized capital gains, if any. Accordingly, the net investment income of the U.S. Large Cap Growth Sub-Fund will neither be declared nor distributed. However, the Net Asset Value per Share of the U.S. Large Cap Growth Sub-Fund will reflect any net investment income or capital gains.

The Board may amend this policy at any time upon notice without prior Shareholder approval.

## 7. Minimum Subscription and Minimum Holding Requirements

Class	Class A-USD	Class A	Class I1	Class I2	Class I3-USD
Minimum Initial Subscription	USD 25,000	EUR 25,000	EUR 1 million	EUR 10 million	USD 5 million
Minimum Subsequent Investment	USD 25,000	EUR 25,000	EUR 100,000	EUR 100,000	USD 100,000
Minimum Holding Requirement	USD 25,000	EUR 25,000	EUR 1 million	EUR 10 million	USD 5 million

Class	Class I1-USD	Class I2-USD	Class I1-JPY	Class I2-JPY
Minimum Initial Subscription	USD 1 million	USD 10 million	JPY 100 million	JPY 1 billion
Minimum Subsequent Investment	USD 100,000	USD 100,000	JPY 10 million	JPY 10 million
Minimum Holding Requirement	USD 1 million	USD 10 million	JPY 100 million	JPY 1 billion

The Board may, in its sole discretion, waive or modify the foregoing requirements in particular cases.

## **8. Subscriptions and Subscription Price**

Subject to the discretion of the Board to determine otherwise, subscription applications should be received in proper form by the Registrar and Transfer Agent no later than the Dealing Deadline.

Subject to the discretion of the Board to determine otherwise, subscription requests received and approved by the Registrar and Transfer Agent after the Dealing Deadline will be deemed to have been received on the next Valuation Day and Shares will then be issued at the price applicable to that next Valuation Day.

The Subscription Price, payable in the Reference Currency of the relevant Class, must be paid by the investor and received by the Paying Agent within three (3) Business Days after the relevant Valuation Day.

Additional Class I3-USD Shares are only available for existing Shareholders of that Class.

## **9. Redemptions**

Subject to the discretion of the Board to determine otherwise, redemption applications must be received by the Registrar and Transfer Agent no later than the Dealing Deadline.

Redemption requests received after the Dealing Deadline will be held over until the next Valuation Day and Shares will then be redeemed at the price applicable to that next Valuation Day.

Redemption payments will be made in the reference currency of the relevant Class and settled as soon as reasonably practicable, normally within three Business Days of the Valuation Day, at a Redemption Price per Share determined by reference to the Net Asset Value of the U.S. Large Cap Growth Sub-Fund on the relevant Valuation Day.

## **10. Switches**

Subject to the qualifications and requirements for investment being met and the Board approving the switching, Shareholders may switch Shares of a Class of the U.S. Large Cap Growth Sub-Fund into Shares of another Class of the U.S. Large Cap Growth Sub-Fund or of another Sub-Fund without any charge. There is no minimum switching amount.

Switching applications must be received by the Registrar and Transfer Agent no later than the Dealing Deadline.

Switching requests received later than the Dealing Deadline will be held over until the next Valuation Day and Shares will then be switched at the price applicable to that next Valuation Day.

## **11. Fees**

### **Shareholder Fees**

No subscription, redemption or switching fees will be levied by the Company for Shares of any Class in this Sub-Fund.

### **Management Fee**

The Company will pay the following Management Fees with respect to the indicated Classes to the Investment Manager:

Class	Class A-USD	Class A	Class I1	Class I2	Class I3-USD
Maximum Management Fees	0.60% p.a.	1.50% p.a.	0.84% p.a.	0.60% p.a.	0.60% p.a.

Class	Class I1-USD	Class I2-USD	Class I1-JPY	Class I2-JPY
Maximum Management Fees	0.84% p.a.	0.70% p.a.	0.84% p.a.	0.70% p.a.

In the case of capital flows during a given quarter that exceed 10% of the net asset value of a Sub-Fund, the Management Fee will be pro-rated based on the number of days after a subscription or prior to a redemption. In such a case, any additional fee or credit due will be included with the quarter's invoice. In any partial quarter, the fee will be pro-rated based on the number of days that the Investment Manager managed the Sub-Fund.

### Ongoing Charges

Up to and until 31 December 2020, to the extent that the Ongoing Charges per Class exceed the percentage for each Class noted below during any financial year, such excess amount shall be paid by the Investment Manager, subject to recoupment by the Investment Management over a period not exceeding five years. For the avoidance of doubt, the recoupment will not lead to the aforementioned Ongoing Charges being exceeded. The Investment Manager may decide on a voluntary basis to extend year by year the above-mentioned period in which it will pay such excess amount. Should the Investment Manager decide not to do so the Prospectus will be updated accordingly.

Class	Class A-USD	Class A	Class I1	Class I2	Class I3-USD
Maximum Ongoing Charges	0.75% p.a.	1.65% p.a.	0.99% p.a.	0.75% p.a.	0.75% p.a.

Class	Class I1-USD	Class I2-USD	Class I1-JPY	Class I2-JPY
Maximum Ongoing Charges	0.99% p.a.	0.85% p.a.	0.99% p.a.	0.85% p.a.

### 12. Valuation Day

Every Business Day shall be a Valuation Day

### 13. Dealing Deadline

The Dealing Deadline is 4:00 p.m. Luxembourg Time on the Business Day prior to the applicable Valuation Day.

### 14. Listing

An application may be made to list Shares of Classes A-USD, A, I1, I2, I1-USD, I2-USD, I3-USD, I1-JPY and I2-JPY on the Luxembourg Stock Exchange.

## **15. Benchmark**

The performance of the U.S. Large Cap Growth Sub-Fund will be measured against the performance of the Russell 1000 Growth Index.

## **16. Profile of the Typical Investor**

The U.S. Large Cap Growth Sub-Fund is suitable for investors seeking long-term capital appreciation who are prepared to experience higher levels of volatility in pursuit of higher returns. The U.S. Large Cap Growth Sub-Fund may not be appropriate for investors who plan to withdraw their money within 60 months.

## **17. Risk Factors**

The U.S. Large Cap Growth Sub-Fund is primarily subject to the risks mentioned below. These risks are described under the heading “RISK WARNINGS” in the Prospectus.

- Active Trading Risk
- Currency Risk
- Depositary and Sub-Custodian Risk
- Economic Dislocation Risk
- Geographic Concentration Risk
- Global Investment Risk
- Issuer Risk
- Issuer Non-Diversification Risk
- Sector Emphasis Risk
- Foreign Securities and Emerging Markets Risks
- China Risk
- New Fund Risk
- Liquidity Risk
- Management Risk
- Market Risk
- Regulatory Risk
- Taxation of Dividends/Deemed Dividends
- Growth Style Investment Risk
- Data Protection Legislation